



**Hotspot NY5 Migration
Customer Call #2 – Prepared Remarks
October 15, 2015**

[SLIDE 1] – Cover Slide

Operator introduction: Welcome to the Hotspot Customer Call ... I'll now turn the call over to your host, Stacie Fleming, Communications Director for BATS Global Markets.

[SLIDE 2] – Hotspot Update

Stacie Fleming: Thank you, [Operator]. Good morning all, and thank you for your time. On today's call, the team will review the final plans for migrating Hotspot's current U.S. matching engine to the Equinix NY5 data center in Secaucus, New Jersey, on November 9th.

The call will be led by Chris Isaacson, Executive Vice President and Global Chief Information Officer, and Paul Reidy, Head of FX Technology. After the short prepared remarks, we will hold a Q&A session for customers, who can ask questions by following the instructions at the end of today's remarks.

If you're a journalist, analyst or other party, please reach out to us via email at comms@bats.com and we will address any queries you may have separately.

Please note that certain statements in the prepared presentation and during the subsequent Q&A may relate to future events and expectations and, as such, constitute forward-looking statements.

With that, I'll hand it off to Chris.

[SLIDE 3] – NY5: Launch Timeline & Testing Opportunities

Chris Isaacson: Thanks, Stacie. And thanks to everyone for joining in the call today. Today's call will focus solely on the technical requirements and details for the migration of the Hotspot matching engine from its current location in Jersey City to the Equinix NY5 data center in Secaucus, New Jersey. I'll begin on slide 3.

This Saturday, October 17th will mark our second weekend testing opportunity to support this migration. I want to take a moment to thank those customers that participated in the first weekend testing opportunity earlier this month; we appreciate all of the effort put forth by each of you to help make this migration a success.

As noted on slide 3, this weekend's test will take place from 7:00 a.m. to 11:00 a.m. ET or Noon to 4:00 p.m. BST. All pairs will be available in the Production environment for Saturday's test. We will also be holding one final weekend test on Saturday, November 7th before the go-live on November 9th. We understand the time and commitment it takes to test systems on the weekend, and we appreciate all of your support on this front.

In addition to the two remaining weekend testing opportunities, daily testing opportunities are available and we would encourage you to utilize those over the next three weeks. In terms of daily testing, customers can test synthetic pairs, which are EUR/XXX, USD/XXX and USD/YYY, in the NY5 Production environment, as well as all currency pairs in the Cert/UAT environment. Your participation in these testing opportunities is critical to ensure that systems are working and we can troubleshoot any issues prior to go-live of the new matching engine.

I'd also like to note that we plan to go live with the NY5 matching engine at 5:00 p.m. ET or 10:00 p.m. BST on Sunday, November 8th, to match our existing trading schedule.

I'll now hand the call over to Paul to discuss connectivity and certification in NY5.

[SLIDE 4] – NY5 Matching Engine: Connectivity & Certification

Paul Reidy: Thanks, Chris. Turning to slide 4, if you have not yet connected to Hotspot at NY4 or NY5, please reach out to the Hotspot Prod Support team as soon as possible to get connected. You can contact prodsupport@hotspotfx.com to request connectivity and get IP address/port information. Customers may connect to NY5 using 10G, 1G, and 100M connectivity as outlined in the Connectivity Manual, which is available on the Hotspot website.

Regarding certifying in NY5, I'd like to note that we have changed the certification requirements for the NY5 matching engine. Existing participants connecting to the existing New Jersey matching engine are NOT required to re-certify as part of the NY5 migration. Please note that participants planning to use existing connectivity to access the NY5 matching engine

can ONLY test NY5 connectivity during this Saturday's test and the final weekend test on Saturday, November 7th.

It is also important to note that after trading closes on Friday, November 6th, Hotspot will no longer accept connections at our current matching engine in Jersey City. All customers must be fully prepared for this cutover to the NY5 data center to avoid disruption in trading on Hotspot.

As previously communicated, the Hotspot connections in NY4 and NY5 will be latency equalized just as they are for the BATS equities and options markets in NY5. However, we're building Hotspot on separate infrastructure – network, server, and storage – to mitigate risk of one market unexpectedly impacting another.

Again, we reiterate the importance of testing the system prior to the launch in NY5 and we ask you to please take every opportunity to do so over the next few weeks.

[SLIDE 5] – NY5 Migration: Additional Items to Note

Paul Reidy: Turning to slide 5, as we've noted before, bilateral credit will continue to be shared dynamically between clearing Participating Financial Institutions (PFI's) for the New York and London matching engines without requiring manual interaction from those PFI's. Any Customer who desires to trade on our LD4 matching engine is required to reach out to their Prime Broker and request a new account in London which will be assigned separate credit from their existing NY trading account. This new credit line will be determined by their PBs and this

credit will not be shared between the matching engines. Customers PBs will manage the credit lines assigned to the NY5 and LD4 matching engines.

Additionally, post migration of the NY matching engine to Equinix NY5, Hotspot will offer access to the NY5 matching engine from LD4 and vice-versa via a Hotspot provided trans-Atlantic wide area network. Hotspot plans to offer all access protocols for market data, order entry and drop copy. This connectivity will be available from January 1, 2016. Further details, including pricing will be published after the NY matching engine migration to NY5.

Finally, as you are likely aware, the Hotspot website has all of the information you need regarding the NY5 migration including technical and account documentation. If you have any questions, don't hesitate to contact our production support and sales teams, who are ready to help you get connected and ready to trade on the new matching engine.

With that, I'll hand the call over to Chris to summarize the call.

[SLIDE 6] – Summary

Chris Isaacson: Thanks, Paul. Before I hand it to the operator for questions, I'll sum up today's key points on slide 6:

- We remain on schedule to migrate the Hotspot U.S. matching engine to NY5 on Monday, November 9th;

- The second testing opportunity for the NY5 matching engine is this Saturday, October 17th, and we strongly encourage everyone to participate to ensure your systems are ready;
- Existing participants connecting to the existing New Jersey matching engine are not required to re-certify as part of the migration to NY5;
- Hotspot will no longer accept connections to its current matching engine in Jersey City after trading closes on Friday, November 6th;
- If you have questions or need help establishing connectivity in NY4 or NY5, please reach out to our connectivity and/or sales team as soon as possible.

We are looking forward to this weekend's test. Should you have any questions, please don't hesitate to reach out to me or anyone on the team. We are standing by and ready to assist.

Now I'll hand it back to the operator to manage any questions that may have come up during our presentation ...