

CBOE Holdings, Inc.
Form DEF 14A
April 27, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

CBOE Holdings, Inc.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
 No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:
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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

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Dear Stockholder:

We cordially invite you to attend the 2012 Annual Meeting of Stockholders of CBOE Holdings, Inc. to be held on Thursday, June 14, 2012, at 9:30 a.m., local time, in the fourth floor lounge of the Chicago Board Options Exchange, Incorporated (CBOE), at 400 South LaSalle Street, Chicago, Illinois, 60605.

At the Annual Meeting, you will be asked to do the following:

• elect 15 directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected and qualified;

• endorse, in a non-binding resolution, the executive compensation paid to our executive officers; and

• ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2012 fiscal year.

Enclosed with this letter are a formal notice of the Annual Meeting, a proxy statement and a form of proxy.

Please carefully review the form of proxy that you receive to confirm that it reflects all of your shares of our unrestricted common stock. If you hold stock in different accounts, you may need to complete multiple proxy cards to vote all of your shares.

Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted.

Please submit your proxy by Internet or telephone or complete, sign, date and return the enclosed proxy using the enclosed postage-paid envelope. The enclosed proxy, when returned properly executed, will be voted in the manner directed in the proxy.

We hope that you will participate in the Annual Meeting, either in person or by proxy.

Sincerely,

William J. Brodsky
Chairman and Chief Executive Officer

April 27, 2012

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CBOE HOLDINGS, INC.
400 South LaSalle Street
Chicago, Illinois 60605

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of CBOE Holdings, Inc. will be held on Thursday, June 14, 2012, at 9:30 a.m., local time, in the fourth floor lounge of the Chicago Board Options Exchange (CBOE), at 400 South LaSalle Street, Chicago, Illinois, 60605, for the following purposes:

1. To consider and act upon a proposal to elect 15 members of the Board of Directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected and qualified;
2. To consider and act upon an advisory resolution to approve executive compensation;
3. To consider and act upon the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2012 fiscal year; and
4. The transaction of any other business that may properly come before the meeting and any adjournments or postponements of the meeting.

You are entitled to vote at our Annual Meeting and any adjournments or postponements of the meeting if you were a stockholder of record at the close of business on April 16, 2012. We also cordially invite you to attend the meeting. Your vote is important. Whether or not you plan to attend the meeting, please vote as soon as possible. You can vote your shares by completing and returning your proxy card or by voting through the Internet or by telephone by following the instructions on your proxy card. For additional details, please see the information under the heading "How do I vote?"

By Order of the Board of Directors,

Joanne Moffic-Silver
Secretary

April 27, 2012

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 14, 2012:**

The proxy statement is available on our Investor Relations section of our web site at <http://ir.CBOE.com/annualproxy.cfm>.

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CBOE HOLDINGS, INC.
400 South LaSalle Street
Chicago, Illinois 60605

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
June 14, 2012

INTRODUCTION

We are furnishing this Proxy Statement to you in connection with a solicitation of proxies by the Board of Directors of CBOE Holdings, Inc., a Delaware corporation, for use at the CBOE Holdings, Inc. 2012 Annual Meeting of Stockholders (the "Annual Meeting") on Thursday, June 14, 2012 at 9:30 a.m., local time, and at any adjournments or postponements of our Annual Meeting. The approximate date on which this Proxy Statement and the accompanying form of proxy are first being sent to stockholders is April 27, 2012.

On June 18, 2010, after receiving required approvals, Chicago Board Options Exchange, Incorporated converted from a non-stock corporation owned by its members into a corporation that is a wholly-owned subsidiary of CBOE Holdings, Inc. Except as otherwise indicated, the terms "the Company," "we," "us" and "our" refer to CBOE Holdings, Inc. When we use the term "CBOE," we are referring to Chicago Board Options Exchange, Incorporated and when we use the term "CBOE Holdings," we are referring to CBOE Holdings, Inc.

VOTING INSTRUCTIONS AND INFORMATION

Why did I receive these proxy materials?

This Proxy Statement was mailed to holders of our common stock on or about April 27, 2012. Our Board is asking for your proxy. By giving us your proxy, you authorize the proxyholders (William J. Brodsky and Joanne Moffic-Silver) to vote your shares at the Annual Meeting according to the instructions that you provide. If the Annual Meeting is adjourned or postponed, your proxy will be used to vote your shares when the meeting reconvenes.

Our 2011 Annual Report to Stockholders, which includes a copy of our Annual Report on Form 10-K for the year ended December 31, 2011 (excluding exhibits), as filed with the Securities and Exchange Commission, is being mailed to stockholders with this Proxy Statement.

Who can vote at our Annual Meeting?

You are entitled to vote your shares of our common stock if you were a stockholder at the close of business on April 16, 2012, the record date for our Annual Meeting. On that date, there were 87,449,029 shares of our unrestricted common stock outstanding and 1,443,086 shares of unvested restricted stock, which have been granted to our employees and directors and have voting rights at the Annual Meeting. Therefore, there are 88,892,820 shares of voting common stock outstanding, each of which entitles the holder to one vote for each matter to be voted on at our Annual Meeting. Our outstanding common stock is held by approximately 311 stockholders of record as of April 16, 2012.

Who is and is not a stockholder of record?

If you hold shares of common stock registered in your name at our transfer agent, BNY Mellon Shareowner Services,

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you are a stockholder of record.

If you hold shares of common stock indirectly through a broker, bank or similar institution, or are an employee who holds shares of restricted stock at Fidelity, you are not a stockholder of record, but instead hold in “street name.”

What do I need to do to attend our Annual Meeting?

Attendance at our Annual Meeting is generally limited to our stockholders and their authorized representatives. All stockholders must bring an acceptable form of identification, such as a driver's license, in order to attend our Annual Meeting in person. In addition, if you hold shares of common stock in “street name” and would like to attend our Annual Meeting, you will need to bring an account statement or other acceptable evidence of ownership of shares as of the close of business on April 16, 2012, the record date for our Annual Meeting.

Any representative of a stockholder who wishes to attend the Annual Meeting must present acceptable documentation evidencing his or her authority, acceptable evidence of ownership by the stockholder of common stock as described above and an acceptable form of identification. We reserve the right to limit the number of representatives for any stockholder who may attend the meeting. Please contact Investor Relations at investorrelations@cboe.com or (312) 786-5600 in advance of our Annual Meeting if you have questions about attending our Annual Meeting, including regarding the required documentation.

If you plan to attend the Annual Meeting, please provide adequate time to pass through the security process necessary to gain access to the meeting room.

Will the Annual Meeting be webcast?

Yes. A live webcast of the Annual Meeting will be provided from our Investor Relations section of our web site at www.ir.CBOE.com. On the Investor Relations page, click on Events and Presentations and then click on listen to webcast for our Annual Meeting. If you miss the meeting, you can view a replay of the webcast on that site. Please note that you will not be able to vote your shares or ask questions via the webcast. If you plan to view the webcast, please submit your vote in advance.

How do I vote?

You may cast your vote in one of four ways:

• By Internet. The web address for Internet voting is on the enclosed proxy card. Internet voting is available 24 hours a day.

• By Telephone. The number for telephone voting is on the enclosed proxy card. Telephone voting is available 24 hours a day.

• By Mail. Mark the enclosed proxy card, sign and date it, and return it in the pre-paid envelope we have provided.

• At Our Annual Meeting. You may vote in person at our Annual Meeting (see What do I need to do to attend our Annual Meeting?).

If you choose to vote by Internet or telephone, then you do not need to return the proxy card. To be valid, your vote by Internet, telephone or mail must be received by the deadline specified on the proxy card. If you vote by Internet or telephone and subsequently obtain a legal proxy from your account representative, then your prior vote will be revoked regardless of whether you vote that legal proxy.

The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to give their voting instructions and confirm that stockholders' instructions have been recorded properly. Stockholders voting by Internet or telephone should understand that, while we do not charge any fees for voting by Internet or telephone, there may nevertheless be costs that must be borne by you, such as usage charges from Internet access providers and telephone companies.

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May I change my vote?

If you are a stockholder of record, you may revoke your proxy or change your vote at any time before it is voted at the Annual Meeting by:

- submitting a new proxy by telephone or through the Internet, after the date of the earlier voted proxy;
- returning a signed proxy card dated later than your last proxy;
- submitting a written revocation to the Corporate Secretary of CBOE Holdings, Inc. at 400 South LaSalle Street, Chicago, Illinois 60605; or
- appearing in person and voting at the Annual Meeting.

If you are a stockholder of record and need a new proxy card, to change your vote or otherwise, please contact the Corporate Secretary at the address above.

If your bank, broker or other nominee holds your shares in “street name,” you may revoke your proxy or change your vote only by following the separate instructions provided by your bank, broker or nominee.

To vote in person at the Annual Meeting, you must attend the meeting and cast your vote in accordance with the voting provisions established for the Annual Meeting. Attendance at the Annual Meeting without voting in accordance with the voting procedures does not, by itself, revoke a proxy. If your bank, broker or other nominee holds your shares and you want to attend and vote your shares at the Annual Meeting, you must bring a legal proxy signed by your bank, broker or nominee to the Annual Meeting.

If I submit a proxy by Internet, telephone or mail, how will my shares be voted?

If you properly submit your proxy by one of these methods, and you do not subsequently revoke your proxy, your shares of common stock will be voted in accordance with your instructions.

If you sign, date and return your proxy card but do not give voting instructions, your shares of common stock will be voted as follows:

FOR the election of our director nominees,

FOR the advisory vote to approve executive compensation,

- FOR the ratification of the appointment of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for our 2012 fiscal year, and

otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before our Annual Meeting.

If I hold my shares in “street name” and do not provide voting instructions, can my broker still vote my shares?

Under the rules of various securities exchanges, brokers that have not received voting instructions from their customers 10 days prior to the meeting date may vote their customers' shares in the brokers' discretion on the proposal regarding the ratification of the appointment of independent registered public accounting firm, because the rules of the exchanges currently deem this a “discretionary” matter. Absent instruction, brokers would not be able to vote on any of the other matters included in this Proxy Statement.

What vote is required for adoption or approval of each matter?

Election of Directors. You may vote FOR or WITHHOLD for each of the director nominees. A plurality of the votes must be cast FOR the election of a director nominee in order for the director nominee to be elected. Thus, those nominees receiving the greatest number of votes cast will be elected.

Advisory Vote on Executive Compensation Matters. You may vote FOR or AGAINST the advisory proposal to

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approve executive compensation or you may ABSTAIN. A majority of the shares of common stock cast must be voted FOR approval of the advisory proposal in order for it to pass. Votes cast FOR or AGAINST with respect to the proposal will be counted as shares cast on the proposal.

Ratification of the Appointment of Independent Registered Public Accounting Firm. You may vote FOR or AGAINST the ratification of the appointment of our independent registered public accounting firm, or you may ABSTAIN. A majority of the shares of common stock cast must be voted FOR ratification in order for it to pass. Votes cast FOR or AGAINST with respect to this matter will be counted as shares cast on the matter.

Abstentions and Broker Non-Votes. Abstentions and broker non-votes will not be considered cast either for or against any of the matters being presented in this proxy statement and will have no effect on the voting totals. If you do not provide your broker with voting instructions on non-discretionary matters, the broker cannot vote your shares on these matters. A “broker non-vote” occurs when your broker submits a proxy for the meeting with respect to discretionary matters, but does not vote on non-discretionary matters because you did not provide voting instructions on these matters. In the case of a discretionary matter, i.e., the ratification of the independent registered public accounting firm, your broker is permitted to vote your shares of common stock even when you have not given voting instructions, as described under If I hold my shares in “street name” and do not provide voting instructions, can my broker still vote my shares? above.

How many votes are required to transact business at our Annual Meeting?

A quorum is required to transact business at our Annual Meeting. The holders of a majority of the outstanding shares of our common stock as of April 16, 2012, present in person or represented by proxy and entitled to vote, will constitute a quorum for the transaction of business at our Annual Meeting. Abstentions and broker non-votes are treated as present for quorum purposes.

How do I obtain more information about CBOE Holdings, Inc.?

A copy of our 2011 Annual Report to Stockholders is enclosed with this Proxy Statement. The 2011 Annual Report, our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the SEC, our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and the charters for our Audit, Compensation and Nominating and Governance Committees are available on our website at <http://ir.CBOE.com>.

These documents may also be obtained, free of charge, by writing to: CBOE Holdings, Inc., 400 South LaSalle Street, Chicago, Illinois, 60605, Attn: Investor Relations; e-mail: investorrelations@cboe.com.

These documents, as well as other information about us, are also available on our website at <http://ir.CBOE.com>.

How do I sign up for electronic delivery of proxy materials?

This Proxy Statement and our 2011 Annual Report to Stockholders are available on our website at <http://ir.CBOE.com>. If you would like to help reduce our costs of printing and mailing future materials, you can consent to access these documents in the future over the Internet rather than receiving printed copies in the mail. If you are a stockholder of record, you may sign up for this service at www.BNYmellon.com. If you hold your shares of common stock in “street name,” you can contact your account representative at the broker, bank or similar institution through which you hold your shares for information regarding electronic delivery of future materials. Your consent to electronic delivery will remain in effect until you revoke it.

Who pays the expenses of this proxy solicitation?

The Company will pay the expenses of the preparation of our proxy materials and the solicitation of proxies by the Company for our Annual Meeting. Certain of our directors, officers or employees may make solicitations in person, telephonically, electronically or by other means of communication. We have also engaged Morrow & Co., LLC to assist in the solicitation and distribution of proxies. Our directors, officers and employees will receive no additional compensation for any such solicitation, and we will pay Morrow & Co. a fee of \$7,000, as well as reimbursements for certain expenses, for its services. We will request that banks, brokerage houses and other custodians, nominees and fiduciaries forward all of our solicitation materials to the beneficial owners of the shares that they hold of record. We will reimburse these record holders for customary clerical and mailing expenses incurred by them in forwarding these materials to customers.

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If you have any questions about the Annual Meeting or need additional copies of this Proxy Statement or additional proxy cards, please contact Morrow & Co., LLC at 470 West Avenue, 3rd Floor, Stamford, Connecticut 06902. Banks and brokerage firms may call (203) 658-9400 and stockholders may call (800) 245-1502.

Who will count the vote?

The Company has engaged BNY Mellon to serve as the inspector of elections for the Annual Meeting.

What does it mean if I get more than one proxy or voting instruction card?

If your shares are registered in more than one name or in more than one account, you will receive more than one card. This may occur if you hold unrestricted common stock in both street name and as the record holder with BNY Mellon. Please complete and return all of the proxy or voting instruction cards that you receive (or vote by telephone or through the Internet all of the shares on all of the proxy or voting instruction cards received) to ensure that all of your shares are voted.

PROPOSAL ONE

ELECTION OF DIRECTORS

Board Composition

Our Bylaws provide that our Board will consist of not less than 11 and not more than 23 directors. Our Board currently has 15 directors. Each director serves for a one-year term or until his or her successor is elected and qualified. There is no limit on the number of terms a director may serve on our Board.

General

At our Annual Meeting, our stockholders will be asked to elect the 15 director nominees set forth below, each for a one-year term expiring in 2013. All of the director nominees have been recommended for election by our Nominating and Governance Committee and approved and nominated for election by our Board. The director nominees include two new nominees, Mr. Frank English, Jr. and Ms. Jill Goodman. Messrs. Stuart Kipnes and William Power, who have served on our Board for 8 and 11 years, respectively, are leaving the Board.

The Board recommends that the stockholders vote for the election of each of the nominees indicated below. If you sign and return your proxy card in the enclosed envelope or execute a proxy by telephone or through the Internet, the persons named in the enclosed proxy card will vote to elect these 15 nominees unless you indicate otherwise. Your proxy for the Annual Meeting cannot be voted for more than 15 nominees.

All of the nominees have indicated their willingness to serve if elected. If any nominee is unable or unwilling to serve as a director at the time of the Annual Meeting, then shares represented by properly executed proxies will be voted at the discretion of the persons named in those proxies for such other person as the Board may designate. We do not presently expect that any of the nominees will be unavailable.

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of common stock voted in the election of directors. Thus, those nominees receiving the greatest number of votes cast will be elected.

Set forth below is biographical information and qualifications to serve on our Board for each of the directors nominated to serve on our Board for a one-year term expiring in 2013. The terms indicated for service include the service on the board of CBOE until our demutualization.

Nominees

William J. Brodsky. Mr. Brodsky, 68, is our Chairman and Chief Executive Officer. He has served in that capacity and on our Board since 1997. Prior to joining us in 1997, Mr. Brodsky was president and chief executive officer of the Chicago Mercantile Exchange from 1985 to 1997. Mr. Brodsky is a director of Integrys Energy Group, Inc. and its predecessors. He also is past chairman and currently serves as a director of the World Federation of Exchanges and past chairman of the International

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Options Markets Association. He is a member of the Federal Reserve Bank of New York's International Advisory Committee. Mr. Brodsky also serves on Northwestern University's Kellogg School of Management Advisory Council and as a trustee of Syracuse University. He is the chairman of the board of directors of Northwestern Memorial Hospital. Mr. Brodsky holds an A.B. degree and a J.D. degree from Syracuse University and is a member of the bar in Illinois and New York.

Experience/Competencies Board Qualifications

Securities

Futures

Regulatory

Management

Public Relations

Human Capital

Strategy Development

Risk Management

Legal

Government Relations

Mr. Brodsky leads our senior management team as our Chief Executive Officer. He brings significant knowledge of our company and the securities and futures industry. In addition to serving as our CEO for the past 14 years, he has extensive experience in a similar capacity with another participant in our industry. We believe that his experience in our industry makes him well suited to serve on our Board. His experience allows him to provide the Board a unique perspective on our business, competition, regulatory concerns, senior leadership and financial performance.

James R. Boris. Mr. Boris, 67, currently serves as our Lead Director and has served on our Board from 1992-1993, in 1997 and from 2003 to the present. Mr. Boris is the retired chairman and chief executive officer of EVEREN Securities, Inc. and its predecessor Kemper Securities, Inc. His past affiliations include membership on the boards of directors of Integrys Energy Group, Inc., Peoples Energy Corporation, Smurfit-Stone Container Corporation, Midwest Air Group, Inc., the Chicago Stock Exchange, the Securities Industry Association, The Catholic Charities of the Archdiocese of Chicago, Loyola University Health System, Inc., Big Shoulders Fund, the Civic Federation and Chicago's Economic Development Commission. He has served on the board of trustees of Gannon University and Loyola University of Chicago and on advisory boards at both Northwestern University's Kellogg Graduate School of Management and DePaul University's College of Commerce. He holds a B.A. and M.B.A. from Gannon University.

Experience/Competencies Board Qualifications

Finance

Securities

Management

Corporate Governance

Risk Management

Public Company

M&A

Strategy Development

Leadership

As the retired chairman and CEO of a full-service securities brokerage firm, Mr. Boris has extensive knowledge of our industry. His experience as a CEO and service on other public company boards gives Mr. Boris experience with corporate governance and leadership skills that we believe make him well suited to serve on our Board and as our Lead Director.

Mark F. Duffy. Mr. Duffy, 61, is an attorney and a nominee of CBOE Trading Permit Holder Cornerstone Trading, L.L.C. and has served on our Board since 1995. In addition, he is the trustee for a trust that is the general managing partner of Fugue, General Partnership, which was a CBOE member lessor organization. Mr. Duffy has been a member or Trading Permit Holder of CBOE since 1985. Mr. Duffy served as Vice Chairman of CBOE from 2001 through 2003 and 2010 through May 2011. He earned a B.A. degree in Education and a Master of Arts degree from the University of Michigan. He also holds a J.D. and L.L.M., Master of Laws in Taxation, from The John Marshall Law School. Mr. Duffy was admitted to the Illinois Bar in 1981 and has also been admitted to practice in the U.S. District Court for the Northern District of Illinois.

Experience/Competencies Board Qualifications

Securities

Trading

Strategy Development

Legal

Mr. Duffy has a deep understanding of the issues that face our market participants from his experience as a member and Trading Permit Holder and from his service as Vice Chairman of the CBOE. His knowledge of the options industry and practical trading experience bring an important perspective on our operations. We believe that Mr. Duffy is well suited to serve on our Board based on his knowledge and experiences.

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Frank E. English, Jr. Mr. English, 66, is a new nominee to our Board. He serves as Senior Advisor at W.W. Grainger, Inc., a position he has held since 2011. From 1976 through April 2011, Mr. English served in a number of positions at Morgan Stanley, including Vice Chairman, Investment Banking, where he advised numerous domestic and international clients on the use of their capital and relations with shareholders. He currently serves on the boards of directors of Arthur J. Gallagher & Co. and Tower International, Inc. Mr. English holds a B.B.A. from the University of Notre Dame.

Experience/Competencies Board Qualifications

Finance

Securities

Corporate Governance

Risk Management

Public Company

M&A

Strategy Development

Mr. English brings his experience advising and serving on boards of directors. His knowledge regarding capital deployment, shareholder relations and strategic planning bring an important skill set to the Board. We believe that Mr. English is well suited to serve on our Board based on his experience.

Janet P. Froetscher. Ms. Froetscher, 52, is president and chief executive officer of the National Safety Council and has served on our Board since 2005. Previously, she served as president and chief executive officer of the United Way of Metropolitan Chicago and in a variety of roles at the Aspen Institute, most recently as chief operating officer. From 1992 to 2000, Ms. Froetscher was the executive director of the Finance Research and Advisory Committee of the Commercial Club of Chicago. She is a member of the board of the Chicago Chamber of Commerce, and a member of the Chicago Network and Commercial Club of Chicago. Ms. Froetscher holds a B.A. degree from the University of Virginia and a Masters of Management from Northwestern University's Kellogg Graduate School of Management. Ms. Froetscher is also a Henry Crown Fellow of the Aspen Institute.

Experience/Competencies Board Qualifications

Leadership

Management

Operations

Community Engagement

Ms. Froetscher brings her experience as a CEO of public service entities to our Board. She also has extensive engagement with the business community in Chicago. We believe that these experiences give her leadership, operational and community engagement skills that make her well suited to serve on our Board.

Jill R. Goodman. Ms. Goodman, 45, is a new nominee to serve on our Board. She has served as a Managing Director and Head, Special Committee and Fiduciary Practice - U.S. at Rothschild since 2010. From 1998-2010, Ms. Goodman was with Lazard in the Banking Group, most recently as Managing Director. Ms. Goodman advises companies and special committees with regard to mergers and acquisitions. Ms. Goodman graduated magna cum laude from Rice University with a B.A. She received her J.D., with honors, from the University of Chicago Law School.

Experience/Competencies Board Qualifications

Finance

Corporate Governance

M&A

Strategy Development

Legal

Ms. Goodman brings extensive experience in the boardroom to our company. Her experiences, both as an investment banker and her corporate and securities legal background, bring a unique insight with which to consider our opportunities. We believe that these experiences give her knowledge and skills that make her well suited to serve on our Board.

Paul Kepes. Mr. Kepes, 44, is a co-founder and managing director of Chicago Trading Company (CTC) and has served on our Board since 2007. Founded in 1995, CTC is a leading proprietary derivatives trading firm active in various options and futures markets, including equity indexes, equities, interest rates and commodities. The firm trades both on-floor and electronically, utilizing sophisticated proprietary pricing and risk management systems. CTC serves in a specialist capacity on various exchanges in many of the most active index, ETF and interest rate products. CTC employs over 350 people and is based in Chicago with offices in New York and London. Mr. Kepes holds a B.S. degree in Aeronautical and Astronautical Engineering from the University of Illinois.

Experience/Competencies Board Qualifications

Securities

Trading

We believe that Mr. Kepes' experience at CTC makes him well suited to serve on our Board. Mr. Kepes has extensive knowledge of the options and futures markets from

Management
Operations
Leadership

CTC, as well as extensive management and leadership skills.

Duane R. Kullberg. Mr. Kullberg, 79, served as managing partner and chief executive officer of Arthur Andersen &

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Co., S.C. from 1980 until 1989 and has served on our Board since 1990. He is currently a member of the board of directors of Artio Global Investors, Inc. and has served in the past on a number of private and public company boards. Mr. Kullberg is a member of the National Association of Corporate Directors. He is a member of the Commercial Club of Chicago and a Life Trustee of Northwestern University and the University of Minnesota Foundation. Mr. Kullberg holds a B.B.A. degree, with honors, from the University of Minnesota.

Experience/Competencies	Board Qualifications
Financial	Mr. Kullberg has extensive management and leadership experience from his tenure as CEO at Arthur Andersen. That experience also provides him with extensive knowledge of accounting, finance and governance. Finally, Mr. Kullberg's service on numerous public company boards provides him with a deep understanding of the operations of such boards. We believe that Mr. Kullberg's experiences make him well suited to serve on our Board.
Risk Management	
Corporate Governance	
Leadership	
Management	
Public Company	

Benjamin R. Londergan. Mr. Londergan, 36, has served on our Board since 2008. He is chief executive officer of Group One Trading, L.P. and has served on its board of directors since January 2005. Prior to his current role, he was derivatives trading managing director and was directly responsible for opening and managing the first European trading operation for Group One, G1 Derivatives Trading LTD. Mr. Londergan began his career at Group One in 1998. Mr. Londergan graduated summa cum laude from Indiana University and holds a B.A. degree in Mathematics with minors in French and Economics.

Experience/Competencies	Board Qualifications
Securities	Mr. Londergan has extensive knowledge of the needs of our market participants based on his experience on our trading floor and trading electronically. As a CEO, he brings managerial and leadership skills to the Board. Finally, in his role in Group One's European expansion, he has unique insight into the growing international interest in derivatives trading. We believe that these skills make Mr. Londergan well suited to serve on our Board.
Trading	
Management	
Leadership	

R. Eden Martin. Mr. Martin, 71, is of counsel at the law firm Sidley Austin LLP, having served as a partner from 1975 to 2004 and as chairman of the management committee from 1989 until 1999. He has served on our Board since 2000. Mr. Martin served as the president of The Commercial Club of Chicago and president of its Civic Committee from 1999 until the end of 2010. Mr. Martin is a member of the board of directors of Aon Corporation. He also is a life trustee of Northwestern University, the Chicago History Museum, the Chicago Symphony Orchestra and the Ravinia Festival. Mr. Martin holds a B.A. from the University of Illinois and an L.L.B. degree from Harvard University.

Experience/Competencies	Board Qualifications
Corporate Governance	From his experience practicing law, Mr. Martin brings an understanding of regulatory issues and legal risks to our business. His extensive service on other public company boards gives him a unique understanding of corporate governance and risk management. We believe that his experience makes him well suited to serve on our Board.
Legal	
Public Company	
Risk Management	
Leadership	
Community Engagement	

Roderick A. Palmore. Mr. Palmore, 60, is executive vice president, general counsel and chief compliance and risk management officer of General Mills, Inc. and has served on our Board since 2000. Prior to joining General Mills in February 2008, he served as executive vice president and general counsel of Sara Lee Corporation. Before joining Sara Lee, Mr. Palmore served in the U.S. Attorney's Office in Chicago and in private practice. Mr. Palmore has also served as a member of the boards of directors of Nuveen Investments, Inc. and the United Way of Metropolitan Chicago. Mr. Palmore holds a B.A. degree in Economics from Yale University and a J.D. degree from the University of Chicago Law School.

Experience/Competencies	Board Qualifications
Legal	Through his experience as general counsel of public companies, in private practice and as an Assistant U.S. Attorney, Mr. Palmore has extensive experience in corporate
Corporate Governance	

Risk Management
Regulation
Public Company

governance and the legal issues facing our company. In addition, his experience provides him with strong risk management skills. We believe that his experience makes him well suited to serve on our Board.

Susan M. Phillips. Dr. Phillips, 67, retired as the dean of The George Washington University School of Business in 2010, and retired as professor of finance in 2011, positions she had held since 1998. She continues as a professor of finance

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emeritus at the same university. Dr. Phillips has served on our Board since 2000. Previously she served as a commissioner of the Commodities Futures Trading Commission (CFTC) from 1981 to 1983 and served as chairman of the CFTC from 1983 to 1987 and as a member of the board of governors of the Federal Reserve System from 1991 to 1998. Dr. Phillips also served as a Brookings, then SEC, Economic Policy Fellow from 1976 to 1978. Dr. Phillips is a member of the boards of directors of State Farm Mutual Automobile Insurance Company, the Kroger Company and the National Futures Association. She has served on the boards of directors of State Street Research Mutual Funds and the Financial Accounting Foundation. Dr. Phillips holds a B.A. in Mathematics from Agnes Scott College, an M.S. in Finance and Insurance and a Ph.D. in Finance and Economics, both from Louisiana State University.

Experience/Competencies Board Qualifications

Financial

Futures

Securities

Regulation

Corporate Governance

Public Company

Government Relations

Dr. Phillips has a strong understanding of our business and the regulation of the financial and derivatives industries from her experience with the CFTC and Federal Reserve System. She also has strong financial skills from her educational and occupational experiences. Dr. Phillips has also served on several public company boards. These skills, as well as her experience on other boards, make her well suited to serve on our Board.

Samuel K. Skinner. Mr. Skinner, 73, is of counsel to the law firm Greenberg Traurig, LLP where he concentrates on corporate, governmental and regulatory matters. He has served on our Board since 2004. From 2000 to 2003, Mr. Skinner served as Chairman, President and CEO of USF Corporation. Mr. Skinner previously served as president of Commonwealth Edison Company and its holding company, Unicom Corporation (Exelon Corporation). He also was formerly White House chief of staff to President George H.W. Bush and, prior to that, served as U.S. Secretary of Transportation from February 1989 to December 1991. Mr. Skinner previously was United States Attorney for the Northern District of Illinois from 1975 to 1977, having served in that office for eight years. Mr. Skinner also serves on the boards of directors of Express Scripts, Inc., Navigant Consulting, Inc., Echo Global Logistics, Inc. and MedAssets, Inc. He has previously served on the boards of Diamond Management and Technology Consultants, Dade Behring and APAC Customer Services, Inc. He holds a B.S. in Accounting from the University of Illinois and a J.D. from DePaul University Law School.

Experience/Competencies Board Qualifications

Corporate Governance

Legal

Public Company

Risk Management

Regulation

Leadership

M&A

Management

Operations

Government Relations

Mr. Skinner has experience as a CEO of a public company. That experience provides him with extensive management, legal and financial experience. His experience in the government provides him with knowledge of regulation and the legislative process. Finally, Mr. Skinner's practice of law and service on the boards of both public and private companies provides him with an understanding of the corporate governance and risk management issues that we face. We believe Mr. Skinner's experiences make him well suited to serve on our Board.

Carole E. Stone. Ms. Stone, 64, has served on our Board since 2006 and served as director of the New York State Division of the Budget from June 2000 to October 2004. She currently serves on the board of directors of the Nuveen Funds and served on the Nuveen Diversified Commodity Fund from February 2010 through March 2012. She has previously served as the chair of the New York Racing Association Oversight Board, as commissioner on the New York State Commission on Public Authority Reform, as chair of the Public Authorities Control Board and on the board of directors of several New York State public authorities. Ms. Stone holds a B.A. in Business Administration from Skidmore College.

Experience/Competencies Board Qualifications

Corporate Governance

Government

Regulation

Ms. Stone has a strong understanding of government and regulation from her experience with numerous public entities, as well as accounting and budgeting skills. She also has experience with corporate governance and financial services from her service on the

Financial

Nuveen boards. We believe that these skills make her well suited to serve on the Board.

Government Relations

Eugene S. Sunshine. Mr. Sunshine, 62, is the senior vice president for Business and Finance at Northwestern University, a position he has held since 1997, and has served on our Board since 2003. Prior to joining Northwestern, he was senior vice president for administration at The John Hopkins University. He currently is a member of the boards of directors of Nuveen Investments, the Civic Federation, and the Pathways Awareness Foundation. He is also a member of the Advisory Committee of the District 65 Educational Foundation and a member of the Commercial Club of Chicago. He currently serves

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as chairman of the board of Rubicon, an insurance affiliate of Northwestern University, and as a member of the board of Evanston Inventure. He holds a B.A. from Northwestern University and a Masters of Public Administration degree from the Maxwell School of Citizenship and Public Affairs at Syracuse University.

Experience/Competencies	Board Qualifications
Finance	Mr. Sunshine has extensive financial skills from his education and professional experiences. He also has knowledge of the corporate governance issues facing public company boards from his experience serving on them. He has extensive connections in the Chicago area business community. We believe that these skills make him well suited to serve on our Board.
Corporate Governance	
Risk Management	
Community Engagement	

The Board of Directors recommends that the stockholders vote FOR each of the director nominees.

Board Structure

Independence

At all times no less than two-thirds of our directors will be independent, as defined in our Bylaws and Corporate Governance Guidelines. The Nominating and Governance Committee has determined that all of our current directors are independent under the NASDAQ Stock Market's listing standards for independence, except Messrs. Brodsky and Duffy.

All of the directors on each of the Audit, Compensation and Nominating and Governance Committees are independent. Each of these committees reports to the Board as they deem appropriate, and as the Board may request.

Lead Director

The Board has an independent Lead Director, Mr. Boris, who is authorized to preside at meetings of the non-management directors and meetings of the independent directors of the Board. The Lead Director also consults with the Chairman on the agenda for Board meetings and serves as a liaison between the Chairman and the independent directors. The Lead Director is also an invited guest to all board committee meetings.

Chairman and CEO Roles

For many years, we have employed a leadership structure that includes having a combined Chairman and Chief Executive Officer. We believe that this leadership structure is effective and should continue. A combined chief executive and chairman role promotes a close relationship between management and the Board and assists in the development and implementation of corporate strategy. In addition, our board has implemented the following elements in order to ensure independent oversight for us and for our Board:

- requiring the Board to consist of at least two-thirds independent directors who meet regularly without management,
- establishing independent Audit, Compensation and Nominating and Governance Committees, and
- appointing an independent Lead Director.

Board Oversight of Risk

Our Board is responsible for overseeing our risk management process. The Board is responsible for addressing both our general risk management strategy and significant risks facing us. It is also responsible for ensuring that management implements appropriate risk mitigation strategies. The Board stays apprised of particular risk management matters in accordance with its general oversight and approval of corporate matters.

The Board has delegated to the Audit Committee oversight of our risk management process. Among its duties, the Audit Committee is responsible for reviewing our guidelines, policies and practices regarding risk assessment and risk management, and reviewing the adequacy and effectiveness of internal controls and procedures. The Compensation Committee has been delegated oversight of risk management as it relates to our compensation policies and procedures. All committees report to the full Board when a matter rises to the level of a material or enterprise level risk.

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Our management is responsible for daily risk management. In addition, heads of each of our divisions attend periodic enterprise risk management meetings at which an established matrix of identified risks is reviewed to evaluate the level of potential risks facing us and to identify any new risks. This group provides information and recommendations to the Audit Committee as necessary. We believe this division of risk management responsibilities is an effective approach for addressing the enterprise risks that we face.

Board and Committee Meeting Attendance

There were 5 meetings of the Board during 2011. Each director attended at least 75% of the aggregate number of meetings of the Board and meetings of committees of which the director was a member during 2011.

Independent Directors Meetings

Each of the independent directors and the non-employee directors meet periodically in executive session without management. The Lead Director presides over these meetings.

Committees of the Board of Directors

Our Board of Directors has the following 5 standing Board committees:

the Audit Committee,

the Compensation Committee,

the Executive Committee,

the Finance Committee. and

the Nominating and Governance Committee.

Each of the members of the Audit, Compensation and Nominating and Governance Committees comply with our director independence requirements. Other than the members of the Executive Committee required to be on the committee pursuant to its charter, each of the members of the committees was recommended by the Nominating and Governance Committee for approval by the Board for service on such committee. Each of the committees has a charter, all of which are available on the Corporate Governance page of our Investor Relations section of our web site at: <http://ir.CBOE.com>.

Director	Audit	Compensation	Nominating and Governance
Number of meetings	8	10	8
William J. Brodsky			
James R. Boris(1)	X	X	X
Mark F. Duffy			
Janet P. Froetscher		X	X*
Paul Kepes		X	X
Stuart J. Kipnes			
Duane R. Kullberg	X		
Benjamin R. Londergan			X
R. Eden Martin	X*		
Roderick A. Palmore	X		
Susan M. Phillips			X
William R. Power		X	
Samuel K. Skinner		X	
Carole E. Stone	X		
Eugene S. Sunshine		X*	X

*Chairman

(1) As Lead Director, Mr. Boris served as an ex officio member of the Audit, Compensation and Nominating and Governance Committees until August 2, 2011, when the Lead Director was made

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an invited guest of each of these committees.

Audit Committee

The Audit Committee consists of four directors, all of whom are independent under our Bylaws and Corporate Governance Guidelines, as well as Rule 10A-3 of the Securities Exchange Act of 1934, as amended. The current members of the Audit Committee are Eden Martin, Chair, Duane Kullberg, Roderick Palmore and Carole Stone. The Audit Committee consists exclusively of directors who are financially literate. In addition, Duane Kullberg has been designated as our audit committee financial expert and meets the SEC definition of that position.

The Audit Committee's responsibilities include:

- engaging our independent auditor and overseeing its compensation, work and performance;
- reviewing and discussing the annual and quarterly financial statements with management and the independent auditor;
- reviewing our guidelines, policies and practices regarding risk assessment and risk management; and
- reviewing transactions with related persons for potential conflict of interest situations.

Compensation Committee

The Compensation Committee consists of five directors, all of whom are independent. The current members of the Compensation Committee are Eugene Sunshine, Chair, Janet Froetscher, Paul Kepes, William Power and Samuel Skinner. The committee has primary responsibility to make recommendations to the Board for:

- all elements and amounts of compensation for the executive officers other than the CEO, including any performance goals;
- compensation for the CEO and reviewing succession plans relating to the CEO;
- the adoption, amendment and termination of cash and equity-based incentive compensation plans;
- approving any employment agreements, severance agreements or change-in-control agreements with executive officers; and
- the level and form of non-employee director compensation and benefits.

Nominating and Governance Committee

The Nominating and Governance Committee consists of five directors, all of whom are independent. The current members of the Nominating and Governance Committee are Janet Froetscher, Chair, Paul Kepes, Benjamin Londergan, Susan Phillips and Eugene Sunshine. The Nominating and Governance Committee's responsibilities include making recommendations to the Board on:

- persons for election as director;
- a director to serve as Chairman of the Board and an independent director to serve as Lead Director;
- any stockholder proposals and nominations for directors;
- the appropriate structure, operations and composition of the Board and its committees; and
- Corporate Governance Guidelines, a Code of Business Conduct and Ethics and other corporate governance policies and programs.

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Criteria for Directors

We believe that each of the individuals serving on our Board has the necessary skills, qualifications and experiences to address the challenges and opportunities we face. The Nominating and Governance Committee is responsible for considering and recommending to the Board nominees for election as directors. The committee annually reviews the skills and characteristics required of directors in the context of the current composition of the Board, our operating requirements and the long-term interests of our stockholders. In evaluating director candidates, the committee takes into consideration many factors, including the individual's educational and professional background, whether the individual has any special experience in a relevant area, personal accomplishments and cultural experiences. In addition, the committee may consider such other factors it deems appropriate when conducting its assessment of director candidates. As part of this process, the committee reviews each incumbent director's continued service on the Board and recommends to the Board an independent director to serve as Lead Director.

Diversity

While we do not currently have a formal diversity policy, our Corporate Governance Guidelines provide that the committee will seek to recommend to the Board candidates for director with a diverse range of experience, qualifications and skills in order to provide varied insights and competent guidance regarding our operations, with a goal of having a Board that reflects diverse backgrounds, experience and viewpoints. We believe that we benefit from having directors with a diversity of skills, characteristics, backgrounds and cultural experiences.

Stockholder Nominations

The Nominating and Governance Committee will consider stockholder recommendations for candidates for our Board of Directors. See "Stockholder Proposals."

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is a current or former officer or employee of ours. In addition, there are no compensation committee interlocks with other entities with respect to any such member.

Annual Meeting Attendance

We encourage members of the Board to attend our Annual Meeting of Stockholders. All of our current directors attended the 2011 Annual Meeting of Stockholders. Meetings of the Board and its committees are being held in conjunction with the Annual Meeting of Stockholders. We expect all directors will attend the Annual Meeting.

Communications with Directors

As provided in our Corporate Governance Guidelines, you may communicate directly with our independent directors or the entire Board. Our policy and procedures on such communications are located in the Investor Relations section of our website at <http://ir.CBOE.com>.

RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Audit Committee has responsibility for reviewing and approving all related party transactions. The Committee has adopted a related-party transactions approval policy. Under this policy, transactions between us and any executive officer, director or holder of more than 5% of our common stock, or any immediate family member of such person, must be approved or ratified by the Committee in accordance with the terms of the policy.

Currently, 4 of our 15 directors are individuals who are CBOE or C2 Trading Permit Holders or affiliated with organizations that are Trading Permit Holders. These individuals and organizations derive a substantial portion of their income from their trading or clearing activities on our exchanges. The amount of income that a Trading Permit Holder may derive from its trading or clearing activities with us is, in part, dependent on the fees that we charge them. Trading Permit Holders may benefit from trading rules, privileges and discounts that enhance their trading opportunities and profits. Trading Permit Holders pay fees, either directly or indirectly, to us in connection with the services we provide, which in many cases could be substantial to the Trading Permit Holder. The payments made by such directors or their affiliates are on terms no more favorable than terms given to unaffiliated persons. In addition, as self-regulatory organizations, our subsidiaries may have regulatory oversight responsibilities for the Trading Permit Holders on our exchanges.

We also administer a marketing fee program through which market-makers are assessed a per contract fee on

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transactions resulting from customer orders from payment accepting firms and customer orders that have designated a preferred market-maker. We make the funds generated by the marketing fee available to the designated primary market-maker or preferred market-maker in the option class in which the fee was assessed to be used to attract order flow to us. In providing administrative support to the marketing fee program, we do not determine which payment accepting firms are paid these funds or the amount of any such payments. Rather, we provide administrative support in such matters as maintaining the funds, keeping track of the number of qualified orders each firm directs to us, and making the necessary debits and credits to reflect the payments made at the direction of designated primary market-makers and preferred market-makers. Funds that are not paid out are either maintained in an excess pool for later payment or rebated to the market participants who paid the fees. Mr. David Fisher, who resigned from the Board in October 2011, was affiliated with a firm, optionsXpress, Inc., that receives marketing fee funds.

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Beneficial Ownership of Management and Directors

The following table lists the shares of our unrestricted common stock that were beneficially owned as of December 31, 2011 by each of:

- our directors,
- our named executive officers,
- our directors and executive officers as a group, and
- beneficial owners of more than 5% of our common stock.

Name	Number of Shares of Unrestricted Common Stock(1)	Percent of Voting Common Stock
William J. Brodsky	233,441	*
Edward J. Joyce	114,908	*
Edward T. Tilly	120,201	*
Alan J. Dean	71,844	*
Gerald T. O'Connell	74,900	*
Edward L. Provost	74,900	*
James R. Boris	7,847	*
Mark F. Duffy(2)	130,877	*
Frank E. English, Jr.	—	*
Janet P. Froetscher	7,847	*
Jill R. Goodman	—	*
Paul Kepes	7,847	*
Stuart J. Kipnes(3)	77,847	*
Duane R. Kullberg	7,847	*
Benjamin R. Londergan(4)	54,085	*
R. Eden Martin	7,847	*
Roderick A. Palmore	7,547	*
Susan M. Phillips	7,847	*
William R. Power	167,847	*
Samuel K. Skinner	7,847	*
Carole E. Stone	7,547	*
Eugene S. Sunshine	7,847	*
All directors and executive officers as a group (22 persons)	1,243,912	1.40%
Horizon Kinetics LLC(5)	6,515,074	7.34%
T. Rowe Price Associates, Inc.(6)	6,003,533	6.76%

*Less than 1%.

Amounts include the following shares of unvested restricted stock held by each officer pursuant to the Long-Term Incentive Plan: Mr. Brodsky, 174,854 shares; Mr. Tilly, 98,355 shares; Mr. Dean, 58,238 shares; Mr. Provost, (1)58,238 shares; and Mr. O'Connell, 58,238 shares. Amounts include 5,661 shares of unvested restricted common stock granted to each non-employee director pursuant to the Long-Term Incentive Plan. The amount of shares of unvested restricted common stock held by all directors and executive officers as a group is 596,043.

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- Includes 78,630 shares of common stock held by Fugue, General Partnership (“Fugue”). Mr. Duffy is the trustee of the Mark F. Duffy Trust, which is a general partner of Fugue. Mr. Duffy may be deemed to beneficially own all of the shares of common stock issued to Fugue. Fugue has pledged 62,500 shares of our unrestricted common stock. Mr. Duffy disclaims beneficial ownership of those shares in which he does not have a pecuniary interest.
- (2) Includes 70,000 shares of common stock held by Associated Options, Inc. Mr. Kipnes is the president and sole owner of Associated Options, Inc.
- (3) Includes 46,538 shares of unrestricted common stock held by Group One Trading, L.P. Mr. Londergan is the chief executive officer of Group One Trading, L.P. Mr. Londergan disclaims beneficial ownership of those shares in which he does not have a pecuniary interest.
- (4) Based on information set forth in a Schedule 13G filed with the Securities and Exchange Commission on January 26, 2012. The Schedule 13G reports that, as of December 31, 2011, Horizon Kinetics LLC, 470 Park Avenue South, 4th Floor South, New York, New York 10016, has sole voting power and dispositive power with respect to 6,515,074 shares of common stock.
- (5) Based on information set forth in a Schedule 13G/A filed with the Securities and Exchange Commission on February 13, 2012. The Schedule 13G/A reports that, as of December 31, 2011, T. Rowe Price Associates, Inc. ("Price Associates"), 100 E. Pratt Street, Baltimore, Maryland 21202, has sole voting power with respect to 1,371,000 shares of common stock and sole dispositive power with respect to 6,003,533 shares of common stock.
- (6) These securities are owned by various individual and institutional investors which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, as amended, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our executive officers, directors and persons who own more than 10% of our common stock file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Executive officers, directors and greater-than-10% stockholders, if any, are required by regulation to furnish us with copies of all Forms 3, 4 and 5 that they file.

Based on our review of the copies of those forms, any amendments that we have received and written representations from our executive officers and directors, we believe that all executive officers and directors complied with all of the filing requirements applicable to them with respect to transactions during the year ended December 31, 2011. We are not aware of any beneficial owners of more than 10% of our common stock.

COMPENSATION

Director Compensation

For the year ended December 31, 2011, we compensated our non-employee directors as follows:

- an annual retainer of \$25,000,
- a fee of \$2,500 for each meeting of the Board that they attended,
- a fee of \$2,500 for each committee meeting that they attended,
- each committee chair received an additional annual retainer of \$10,000,
- and
- the Lead Director of the Board received an additional annual retainer of \$25,000.

Payments for meetings and the chairperson role include payments for the CBOE and C2 Regulatory Oversight Committees (ROC), in addition to the committees of the CBOE Holdings Board. The members of the ROC are Ms. Phillips, Chair, and Messrs. Palmore and Skinner. Mr. Boris was also a member of the ROC until August 2011.

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The non-employee directors did not receive an equity grant during 2011, as the grant made in June 2010 at the time of our demutualization and initial public offering was intended to cover the current service year.

Mr. Duffy served as the Vice Chairman of CBOE for a term that ended in May 2011 and was paid \$225,000 for his service in that role in 2011. The Vice Chairman position primarily served to facilitate communication with, until our demutualization, the members of CBOE and, after, with CBOE Trading Permit Holders.

The compensation of our non-employee directors for the year ended December 31, 2011 for their service as members of our Board of Directors is shown in the following table.

2011 Director Compensation

Name	Fees Earned or Paid in Cash	All Other Compensation	Total
James R. Boris	\$171,500	\$—	\$171,500
Robert J. Birnbaum	\$27,500	\$—	\$27,500
Mark F. Duffy	\$48,000	\$225,000	\$273,000
David A. Fisher	\$48,500	\$—	\$48,500
Janet P. Froetscher	\$110,000	\$—	\$110,000
Bradley G. Griffith	\$20,000	\$—	\$20,000
Paul Kepes	\$81,500	\$—	\$81,500
Stuart J. Kipnes	\$48,000	\$—	\$48,000
Duane R. Kullberg	\$92,500	\$—	\$92,500
Benjamin R. Londergan	\$61,500	\$—	\$61,500
R. Eden Martin	\$90,000	\$—	\$90,000