

## **CBOE Tax Strategy**

CBOE Holdings, Inc. (“CBOE” or the “Company”) is publishing its United Kingdom (“UK”) tax strategy in accordance with the requirement outlined in Part 2, Schedule 19 of the 2016 UK Finance Act. The Company confirms this strategy applies to all UK subsidiaries and affiliates of CBOE.

CBOE is a public company incorporated in the United States and is one of the world’s largest exchange holding companies and a leader in providing global investors cutting-edge trading and investment solutions. CBOE operates throughout the world, including in the UK where it owns several subsidiaries.

CBOE is committed to complying with all tax laws in the jurisdictions where it operates, including the UK. As an operator of regulated securities exchanges, complying with applicable laws is a fundamental component of CBOE’s business. Compliance for CBOE includes filing necessary tax returns, meeting disclosure obligations, paying all required taxes, and claiming deductions and credits when available. CBOE strives to utilize high standards of governance and is mindful of its corporate reputation as it relates to managing its tax affairs. The Company has put in place a broad risk control framework that protects it from financial, operational and reputational risk.

### **Approach to Risk Management and Governance Arrangements in Relation to UK Taxation**

Managing tax compliance is increasingly complex. Given the scale of CBOE’s business and volume of tax obligations, risk will inevitably arise. CBOE has a robust system of risk assessment and control procedures as part of its overall internal control framework to proactively seek to identify, evaluate, manage and monitor these risks. CBOE has dedicated staff responsible for internal audit and enterprise risk management functions.

The Company seeks to reduce risk levels by ensuring that reasonable care is exercised with respect to tax processes that could materially impact compliance with tax obligations. CBOE allocates tax responsibilities to the appropriate process owners and invests in tax training for its staff. External advisors are consulted when significant uncertainty or complexity arises in relation to the Company’s risks.

The CBOE Board of Directors has ultimate responsibility for CBOE’s tax strategy and compliance. Audit Committees in both the US and UK are responsible for monitoring internal controls and the risk management framework regarding the Company’s tax compliance and tax risk profile. The Chief Financial Officer has executive responsibility for the management of tax affairs. The Board of Directors, Audit Committees, executive

leadership, and tax personnel understand the importance of tax compliance and managing tax risk and strive to conduct business with the same uniform guiding principles.

### **Attitude Toward Tax Planning**

CBOE considers tax planning as part of its overall business strategy. The Company seeks to be efficient in its tax affairs but also to ensure that any tax planning is based on sound commercial principles. It does not intend to engage in artificial arrangements that lack commercial and economic substance.

### **Level of Risk in Relation to UK Taxation that the Company is Prepared to Accept**

CBOE conducts its affairs to create value for its shareholders while managing risk to ensure compliance and the payment of the appropriate amount of tax. Internal governance is not prescriptive on the levels of acceptable risk but, in practice, when there is doubt as to the tax treatment of a particular material transaction, CBOE consults with external tax advisors. The Board of Directors is ultimately responsible for addressing tax risks and determining what actions should be taken to manage those tax risks, considering materiality of amounts and obligations.

### **Relationship with HMRC**

CBOE strives to engage with taxing authorities, including HM Revenue & Customs, with honesty and integrity. CBOE seeks to have professional and constructive relationships with tax authorities but recognizes that it may not always reach agreement with tax authorities on all tax matters.