Customer Conference Call
CBOE-Bats Integration
March 29, 2017

- Chris Isaacson, Chief Information Officer
- Andy Lowenthal, Head of Global Derivatives
- Bryan Harkins, Head of U.S. Equities and Global FX
Agenda

Welcome

- Chris Isaacson
  *Chief Information Officer*

Customer Benefits

- Andy Lowenthal
  *Head of Global Derivatives*

Customer Benefits

- Bryan Harkins
  *Head of U.S. Equities and Global FX*

Integration Overview and CFE Timeline

- Chris Isaacson
  *Chief Information Officer*

Questions and Answers

- Chris Isaacson
- Andy Lowenthal
- Bryan Harkins
- Anthony Montesano - VP, Trading Ops
- Troy Yeazel - SVP, US Electronic Trading Ops
- Michael Mollet - Director, Product Development
- Jay Caauwe - Managing Director, CFE
Cautionary Statements Regarding Forward-Looking Information

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as “may,” “might,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; increasing price competition in our industry; decreases in trading volumes or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; increasing competition by foreign and domestic entities; our dependence on third party service providers; our index providers’ ability to maintain the quality and integrity of their indexes and to perform under our agreements; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to accommodate trading volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; our ability to protect our systems and communication networks from security risks, including cyber-attacks; the accuracy of our estimates and expectations; our ability to maintain access fee revenues; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to attract and retain skilled management and other personnel; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations; unanticipated difficulties or expenditures relating to the recently-completed acquisition of Bats Global Markets, Inc. (“Bats”), including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the acquisition within the expected time period (if at all), whether in connection with integration, combining trading platforms, broadening distribution of product offerings or otherwise; our ability to maintain an investment grade credit rating; disruption of our current plans, operations and relationships with market participants caused by the Bats acquisition; and potential difficulties in our ability to retain employees as a result of the Bats acquisition.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.
Customer-Focused

Integration underway

› Today is first in a series of customer conference calls related to the CBOE-Bats integration

› Our team is focused on executing a seamless technical and operational integration

› Committed to ensuring same great trading experience and customer service you’ve always enjoyed working with CBOE and Bats

› We encourage your feedback
Major expected customer benefits of combining CBOE and Bats

- Expands product line into new asset classes and geographies
- Provides more customers with greater access to more markets and products
- Leverages Bats’ unparalleled technology, will streamline trading onto single platform
- Enables us to better create trading tools and services that add value to your trading experience
Major expected customer benefits of combining CBOE and Bats

- Enhances innovation, enables us to better respond to your trading needs
- Fosters creation of “links” between asset classes that are increasingly interdependent
- Focused on providing coordinated support and communications for customers across our multiple product lines
Integration Overview

Migration of CBOE’s exchanges will be multi-year effort

- CBOE Futures Exchange (CFE) will be first market to migrate to Bats technology
- Switch-over date is planned to be February 25, 2018
- CBOE and C2 options exchanges planned to migrate to Bats technology at later dates
- Expect most CBOE, C2 and CFE order types and functionality will be supported by Bats technology
- All four options exchanges – CBOE, C2, BZX and EDGX – will remain open
Integration Overview

Data center and disaster recovery site plans

- All production trading platforms will remain within the NY5 and NY4 Equinix data centers
- Customers within either data center will have latency equalized access to the CBOE, C2 and CFE trading platforms in NY5 once transitioned onto Bats network infrastructure
- Existing CBOE, C2 and CFE physical connections may be used; however, it is recommended that firms obtain new physical connectivity
- Disaster Recovery centers for CBOE’s and Bats’ exchanges will remain in their respective Chicago locations
Integration Overview

Market data feeds and order entry

- Bats multicast PITCH will be used to provide depth-of-book data for CBOE, C2 and CFE

- A new multicast TOP feed will be implemented to provide top-of-book quotes and trades

- CBOE’s CMI2 and FIX order entry protocols will be retired at the conclusion of migration

- Bats’ Binary Order Entry (BOE) and Bats FIX protocol will be augmented to support order types specific to CBOE, C2 and CFE

- All firms will be required to recertify to the new BOE and FIX specifications

- Bats FIX DROP will be used to provide both trade-only and order-by-order drop copies
CFE Roadmap

Planned key dates for CFE TPHs

- **March 30**: Technical FAQ published
- **May**: Technical Specifications published
- **July**: Begin requesting access to Member Web Portal
- **September**: Begin ordering logical ports within new certification environment; basic testing begins
- **October**: Full functional testing within certification environment available
- **November**: Begin testing of test symbols in new production environment; weekend testing available
- **December**: DR site testing begins
- **February 24**: Final weekend test/dress rehearsal
- **February 25**: CFE goes live on Bats technology
CFE Roadmap

CFE certification and connectivity

- Existing CFE certification sessions will be decommissioned and cannot be used to certify the new CFE trading platform
- Certification order entry, market data and drop sessions may be requested beginning in September
- Firms must also complete and return the certification questionnaire to the CFE Trade Desk
- All firms will be required to certify for basic functionality, including establishing and maintaining connectivity, order entry and disconnect recovery
CFE Roadmap

CFE post certification checklist

- Once certified, firms will receive an emailed copy of their completed certification script.
- Firms may then request and connect to FIX or BOE sessions with those functionalities enabled.
- Firms must specify any desired non-default settings when they request their new production sessions.
- A list of default port settings will be included in certifications script.
- Port and default settings can be viewed through the Member Web Portal, within Port Status Tool.
Summary

- Our team is focused on executing a seamless technical and operational integration.
- We are committed to ensuring the same great trading experience and customer service you’ve experienced from CBOE and Bats.
- CFE will be first market to migrate to Bats technology, planned for February 25, 2018.
- Refer to the CFE integration roadmap for the detailed migration schedule.
- The integration website [www.cboe.com/BatsIntegration](http://www.cboe.com/BatsIntegration) is your primary resource for information related to the migration.
Questions & Answers