



February 5, 2016

CBOE® Administration of the VIX® Index Adheres to IOSCO Principles

Since 1993 Chicago Board Options Exchange, Incorporated ("CBOE") has calculated and distributed the CBOE Volatility Index® commonly known as the "VIX Index" (ticker: VIX), a financial benchmark designed to reflect the volatility of the overall equities market. The VIX Index is a benchmark based on bids and offers of S&P 500® Index options listed for trading on CBOE. CBOE has made an internal review of relevant policies and procedures, and in consideration of the size and risks posed by the VIX Index, CBOE acting as administrator, and the calculation process (i.e., proportionality), CBOE believes its administration of the VIX Index is consistent with the Principles for Financial Benchmarks ("Principles") released in July, 2013 by the International Organization of Securities Commissions ("IOSCO").

As a national securities exchange regulated by the Securities and Exchange Commission, CBOE has policies and procedures in place to secure the integrity of its operations, including written policies with regard to record retention and avoiding conflicts of interest. CBOE policies and procedures cover administration of the VIX Index, which CBOE believes has contributed greatly to the VIX Index being considered a trusted barometer of market volatility. The VIX Index methodology and data used in the calculation have always been available to the public. In response to the IOSCO Principles, CBOE has further enhanced its solid framework of internal controls by establishing the Index Administration Oversight Body to oversee the VIX Index administration activities, documenting CBOE's comprehensive control framework, and implementing processes by which stakeholders can obtain further information and make complaints.

CBOE conducts regular internal audits and other reviews of the VIX Index, and the related policies, procedures and information technology environment, which have resulted in many improvements to its operational and control procedures consistent with industry practices. CBOE will continue to review its VIX Index administration activities on a periodic basis. A summary of CBOE's control framework, which provides more information about the measures in place to address the IOSCO Principles, is available upon request. Visit the CBOE website at <http://www.cboe.com/VIX> for additional information about the VIX Index, including historical data, constituent and weightings information, and a detailed description of the calculation methodology. You can also contact William Speth at (312) 786-7141 or at spethw@cboe.com to discuss any questions or comments regarding the VIX Index.

Sincerely,

William M. Speth
Vice President Research, Head of Product Development
Chairman, Index Administration Oversight Body

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