

CBOE Holdings, Inc.
Form S-4
November 07, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO CONSOLIDATED FINANCIAL STATEMENTS](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on November 7, 2016

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CBOE Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6200
(Primary Standard Industrial
Classification Code Number)
400 South LaSalle Street, Chicago, Illinois 60605
(312) 786-5600

20-5446972
(I.R.S. Employer
Identification Number)

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Joanne Moffic-Silver
Executive Vice President, General Counsel
and Corporate Secretary
CBOE Holdings, Inc.
400 South LaSalle Street
Chicago, Illinois 60605
(312) 786-5600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Thomas A. Cole
Beth E. Peev
Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603
(312) 853-7000

Eric Swanson
Executive Vice President,
General Counsel and Secretary
Bats Global Markets, Inc.
8050 Marshall Drive, Suite 120
Lenexa, Kansas 66214
(913) 815-7000

Leonard Kreynin
Lee Hochbaum
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

Approximate date of commencement of proposed sale of the securities to the public:

As soon as reasonably practicable after the effectiveness of this Registration Statement and the completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated
filer

Accelerated
filer

Non-accelerated
filer

Smaller reporting
company

(Do not check if a
smaller reporting
company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered⁽¹⁾	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee⁽³⁾
Common Stock, par value \$0.01 per share	31,988,965.00	N/A	\$1,933,303,908.23	\$224,069.92

(1) The number of shares to be registered represents the maximum number of shares of CBOE Holdings, Inc. ("**CBOE Holdings**") common stock estimated to be issuable in connection with the merger agreement described in the joint proxy statement/prospectus based upon (i) 94,852,417 shares of common stock, par value \$0.01 per share, of Bats Global Markets, Inc. ("**Bats**") outstanding as of November 1, 2016, excluding unvested awards of restricted shares of Bats common stock granted under any Bats equity incentive plan, multiplied by a mixed election stock exchange ratio of 0.3201, (ii) up to an aggregate of 1,905,635 shares of Bats common stock issuable upon exercise of stock options granted under any Bats equity incentive plan multiplied by an exchange ratio (the "**Assumed Exchange Ratio**") equal to (x) 0.3201 plus (y) 0.1441, which is the quotient (rounded to four decimal places) of \$10.00 divided by \$69.41, which was the closing price of CBOE Holdings common stock reported on the NASDAQ Stock Market LLC on September 22, 2016, the last full trading day prior to media publications regarding the proposed merger, and for purposes of this calculation was assumed to be the volume-weighted average price of CBOE Holdings common stock for the period of ten consecutive trading days ending on the second full trading day prior to the effective time of the merger, (iii) up to an aggregate of 1,580,196 unvested restricted shares of Bats common stock granted under any Bats equity incentive plan and subject to vesting multiplied by the Assumed Exchange Ratio, and (iv) existing rights to purchase up

Edgar Filing: CBOE Holdings, Inc. - Form S-4

to 26,814 shares of Bats common stock pursuant to the Bats Stock Purchase Plan, multiplied by a mixed election stock exchange ratio of 0.3201.

- (2) Estimated solely for the purpose of calculating the registration fee and calculated pursuant to Rules 457(c) and 457(f)(1) under the Securities Act of 1933, as amended, the proposed maximum aggregate offering price is equal to (a) the product of: (i) \$29.30, the average of the high and low prices per share of Bats common stock on October 31, 2016, as reported on the Bats BZX Exchange, and (ii) the approximate number of shares of Bats common stock to be converted in the merger (calculated as set forth in note (1) above), minus (b) \$948,792,310.00 (the estimated minimum amount of cash to be paid to Bats stockholders in the merger).
- (3) Equal to \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price.
-

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be offered or sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED NOVEMBER 7, 2016

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

CBOE Holdings, Inc. ("**CBOE Holdings**") and Bats Global Markets, Inc. ("**Bats**") have entered into an Agreement and Plan of Merger, dated as of September 25, 2016 (as amended from time to time, the "**merger agreement**"), providing, among other things, that, upon the terms and subject to the conditions set forth in the merger agreement, a wholly-owned subsidiary of CBOE Holdings will merge with and into Bats, with Bats surviving as a wholly-owned subsidiary of CBOE Holdings (the "**merger**").

If the merger is completed, each share of voting or non-voting Bats common stock outstanding immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law and unvested restricted shares of Bats common stock granted under any Bats equity incentive plan) will convert into, at the election of the holder of such share, subject to proration and adjustment, either (i) mixed consideration consisting of \$10.00 in cash and 0.3201 of a share of CBOE Holdings common stock, (ii) cash consideration consisting of an amount of cash equal to the sum, rounded to two decimal places, of (a) \$10.00 plus (b) the product of 0.3201 of a share of CBOE Holdings common stock multiplied by the volume-weighted average price, rounded to four decimal places, of shares of CBOE Holdings common stock on the NASDAQ Stock Market LLC ("**NASDAQ**") for the ten consecutive trading day period ending on the second full trading day prior to the effective time of the merger (the "**closing CBOE Holdings VWAP**") or (iii) stock consideration consisting of a number of shares of CBOE Holdings common stock equal to the sum of (a) 0.3201 of a share of CBOE Holdings common stock and (b) the quotient, rounded to four decimal places, obtained by dividing \$10.00 by the closing CBOE Holdings VWAP. Holders of Bats common stock who do not make an election will receive the mixed consideration described in clause (i) above.

Based on the number of shares of CBOE Holdings common stock and Bats common stock outstanding on [•], 2016, the record date for the two companies' special meetings of stockholders, CBOE Holdings expects to issue or reserve for issuance approximately [•] million shares of CBOE Holdings common stock pursuant to the merger agreement (including shares of CBOE Holdings common stock issuable to Bats stockholders pursuant to the conversion of Bats stock options and Bats restricted shares). Based on these numbers, immediately following the completion of the merger, pre-existing CBOE Holdings stockholders and former Bats stockholders would own approximately [•]% and [•]% of the outstanding shares of CBOE Holdings common stock, respectively.

CBOE Holdings common stock is traded on the NASDAQ Global Select Market under the trading symbol "CBOE." On [•], 201[6], CBOE Holdings common stock closed at \$[•] per share as reported by NASDAQ.

The completion of the merger is subject to conditions, including CBOE Holdings stockholders approving the proposal to approve the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement and Bats stockholders approving the proposal to adopt the merger agreement. **The CBOE Holdings board of directors unanimously recommends that CBOE Holdings stockholders vote "FOR" the proposal to approve the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement. The Bats board of directors unanimously recommends that holders of Bats voting common stock vote "FOR" the proposal to adopt the merger agreement.**

The proposals are being presented to the respective stockholders of each company at their special meetings. The dates, times and places of the meetings are as follows:

For CBOE Holdings stockholders:

For Bats stockholders:

Edgar Filing: CBOE Holdings, Inc. - Form S-4

[•], 201[6], [9:00 a.m.], local time,
on the fourth floor of the
Chicago Board Options Exchange, Incorporated
400 South LaSalle Street
Chicago, Illinois 60605

[•], 201[6], [9:00 a.m.], local time,
at the corporate headquarters of Bats
8050 Marshall Drive, Suite 120
Lenexa, Kansas 66214

Your vote is very important. Whether or not you plan to attend your company's special meeting, please take the time to vote by completing and mailing the enclosed proxy card or voting instruction card or, if the option is available to you, by submitting your proxy electronically over the Internet or by telephone.

This joint proxy statement/prospectus contains important information about CBOE Holdings, Bats, the merger agreement, the proposed merger and the special meetings. We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled "Risk Factors" beginning on page 41.

Sincerely,

Edward T. Tilly
Chief Executive Officer
CBOE Holdings, Inc.

Chris Concannon
Chief Executive Officer and President
Bats Global Markets, Inc.

Neither the Securities and Exchange Commission nor any state or provincial securities regulator has approved or disapproved of the proposed transactions described in this joint proxy statement/prospectus or the securities to be issued pursuant to the merger agreement or determined if the information contained in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [•], 201[6], and is being mailed to CBOE Holdings stockholders and Bats stockholders on or about [•], 201[6].

Table of Contents

CBOE HOLDINGS, INC.

400 South LaSalle Street
Chicago, Illinois 60605

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [•], 201[6]

To the Stockholders of CBOE Holdings, Inc. ("***CBOE Holdings***"):

CBOE Holdings will hold a special meeting of stockholders of CBOE Holdings on the fourth floor of the Chicago Board Options Exchange, Incorporated, at 400 South LaSalle Street, Chicago, Illinois, 60605, on [•], 201[6], at 9:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of CBOE Holdings common stock pursuant to the Agreement and Plan of Merger, dated as of September 25, 2016, by and among CBOE Holdings, two wholly-owned subsidiaries of CBOE Holdings and Bats Global Markets, Inc. (the "***share issuance proposal***").
2. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the share issuance proposal if there are insufficient votes at the time of the special meeting to approve the share issuance proposal (the "***CBOE Holdings meeting adjournment proposal***").
3. To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

The board of directors of CBOE Holdings (the "***CBOE Holdings board***") has fixed the close of business on [•], 2016 as the record date for the determination of the stockholders of CBOE Holdings entitled to receive notice of and vote at the CBOE Holdings special meeting. Only CBOE Holdings stockholders of record at the close of business on the record date for the CBOE Holdings special meeting are entitled to notice of and to vote at the CBOE Holdings special meeting and any adjournments or postponements of the CBOE Holdings special meeting.

The CBOE Holdings board unanimously recommends that you vote "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal.

Your vote is very important. We cannot complete the merger described in this joint proxy statement/prospectus unless we receive the affirmative vote of the holders of at least a majority of the shares of common stock properly cast at the special meeting on the share issuance proposal. It is important that your shares be represented and voted whether or not you plan to attend the CBOE Holdings special meeting in person. Instructions regarding the different methods for voting your shares are provided under the section entitled "Questions and Answers about the Special Meetings of CBOE Holdings Stockholders and Bats Stockholders."

By Order of the Board of Directors,
Joanne Moffic-Silver
Executive Vice President,
General Counsel and Corporate Secretary
CBOE Holdings, Inc.

[•], 201[6]

Table of Contents

BATS GLOBAL MARKETS, INC.

8050 Marshall Drive, Suite 120
Lenexa, Kansas 66214

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON [•], 201[6]**

To the Stockholders of Bats Global Markets, Inc. ("**Bats**"):

Bats will hold a special meeting of stockholders of Bats at the corporate headquarters of Bats, located at 8050 Marshall Drive, Suite 120, Lenexa, Kansas 66214, on [•], 201[6], at [9:00] a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of September 25, 2016 (as amended from time to time, the "**merger agreement**"), by and among CBOE Holdings, Inc. ("**CBOE Holdings**"), two wholly-owned subsidiaries of CBOE Holdings and Bats.
2. To consider and vote on a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Bats' named executive officers that is based on or otherwise relates to the merger contemplated by the merger agreement (the "**non-binding compensation advisory proposal**").
3. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement (the "**Bats meeting adjournment proposal**").
4. To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

The board of directors of Bats (the "**Bats board**") has fixed the close of business on [•], 2016 as the record date for the determination of the stockholders of Bats entitled to receive notice of the Bats special meeting. Only Bats stockholders of record at the close of business on the record date for the Bats special meeting are entitled to notice of the Bats special meeting and any adjournment or postponements of the Bats special meeting. Only holders of record of Bats voting common stock at the close of business on the record date for the Bats special meeting are entitled to vote at the Bats special meeting and any adjournment or postponements of the Bats special meeting.

The Bats board unanimously recommends that holders of Bats voting common stock vote "FOR" the proposal to adopt the merger agreement, "FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal.

As holders of voting common stock, your vote is very important. Under Delaware law, we cannot complete the merger described in this joint proxy statement/prospectus unless the proposal to adopt the merger agreement receives the affirmative vote of the holders of at least a majority of the outstanding shares of Bats common stock entitled to vote on the proposal to adopt the merger agreement at the special meeting. **If you abstain from voting or fail to vote, it will have the same effect as voting "AGAINST" the proposal to adopt the merger agreement.** It is important that your shares be represented and voted whether or not you plan to attend the Bats special meeting in person. Instructions regarding the different methods for voting your shares are provided under the section entitled "Questions and Answers about the Special Meetings of CBOE Holdings Stockholders and Bats Stockholders."

By Order of the Board of Directors,

Eric Swanson
Executive Vice President, General Counsel and
Secretary
Bats Global Markets, Inc.

[•], 201[6]

Table of Contents

TABLE OF CONTENTS

<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>1</u>
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS OF CBOE HOLDINGS STOCKHOLDERS AND BATS STOCKHOLDERS</u>	<u>5</u>
<u>SUMMARY</u>	<u>15</u>
<u>Information about the Companies</u>	<u>15</u>
<u>The Merger</u>	<u>16</u>
<u>Merger Consideration</u>	<u>17</u>
<u>Treatment of Bats Equity Awards</u>	<u>18</u>
<u>Ownership of CBOE Holdings after the Merger</u>	<u>18</u>
<u>Share Ownership of Directors and Executive Officers</u>	<u>19</u>
<u>Recommendation of the CBOE Holdings Board and Its Reasons for the Merger</u>	<u>19</u>
<u>Recommendation of the Bats Board and Its Reasons for the Merger</u>	<u>19</u>
<u>Opinions of Financial Advisors</u>	<u>19</u>
<u>Interests of Bats' Directors and Executive Officers in the Merger</u>	<u>21</u>
<u>Board of Directors of CBOE Holdings after the Merger</u>	<u>21</u>
<u>Listing of CBOE Holdings Common Stock and Delisting and Deregistration of Bats Common Stock</u>	<u>22</u>
<u>Bats Stockholder Appraisal Rights</u>	<u>22</u>
<u>Conditions to Completion of the Merger</u>	<u>22</u>
<u>Regulatory Approvals</u>	<u>24</u>
<u>Debt Financing</u>	<u>24</u>
<u>Bats Acquisition Proposals</u>	<u>24</u>
<u>CBOE Holdings Acquisition Proposals</u>	<u>25</u>
<u>Termination of the Merger Agreement</u>	<u>25</u>
<u>Termination Fees and Expenses</u>	<u>27</u>
<u>Material U.S. Federal Income Tax Consequences</u>	<u>27</u>
<u>Accounting Treatment</u>	<u>28</u>
<u>Risk Factors</u>	<u>28</u>
<u>CBOE Holdings' Dividend Policy</u>	<u>28</u>
<u>Comparison of Rights of CBOE Holdings Stockholders and Bats Stockholders</u>	<u>28</u>
<u>Expenses</u>	<u>28</u>
<u>Summary Selected Historical Financial Data for CBOE Holdings</u>	<u>29</u>
<u>Summary Selected Historical Financial Data for Bats</u>	<u>31</u>
<u>Summary Selected Unaudited Pro Forma Condensed Combined Financial Information</u>	<u>35</u>
<u>Unaudited Pro Forma Combined Per Share Information</u>	<u>37</u>
<u>Comparative Per Share Market Price Data and Dividend Information</u>	<u>39</u>
<u>RISK FACTORS</u>	<u>41</u>
<u>Risks Relating to the Merger and the Combined Company</u>	<u>41</u>
<u>Risks Relating to CBOE Holdings</u>	<u>52</u>
<u>Risks Relating to Bats</u>	<u>52</u>
<u>THE CBOE HOLDINGS SPECIAL MEETING</u>	<u>78</u>
<u>General</u>	<u>78</u>
<u>Date, Time, Place and Purpose of the CBOE Holdings Special Meeting</u>	<u>78</u>
<u>Recommendation of the CBOE Holdings Board</u>	<u>78</u>
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	<u>78</u>
<u>Quorum and Vote Required</u>	<u>78</u>
<u>Voting by CBOE Holdings' Directors and Executive Officers</u>	<u>79</u>
<u>Voting; Proxies; Revocation</u>	<u>79</u>
<u>Abstentions and Broker Non-Votes</u>	<u>81</u>

Table of Contents

<u>Proxy Solicitation</u>	<u>82</u>
<u>Other Business; Adjournments</u>	<u>82</u>
<u>Assistance</u>	<u>82</u>
<u>THE BATS SPECIAL MEETING</u>	<u>83</u>
<u>General</u>	<u>83</u>
<u>Date, Time, Place and Purpose of the Bats Special Meeting</u>	<u>83</u>
<u>Recommendation of the Bats Board</u>	<u>83</u>
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	<u>83</u>
<u>Quorum and Vote Required</u>	<u>83</u>
<u>Voting by Bats' Directors and Executive Officers</u>	<u>84</u>
<u>Voting; Proxies; Revocation</u>	<u>84</u>
<u>Abstentions and Broker Non-Votes</u>	<u>86</u>
<u>Proxy Solicitation</u>	<u>87</u>
<u>Other Business; Adjournments</u>	<u>87</u>
<u>Assistance</u>	<u>87</u>
<u>CBOE HOLDINGS PROPOSAL 1: SHARE ISSUANCE PROPOSAL</u>	<u>88</u>
<u>CBOE HOLDINGS PROPOSAL 2: MEETING ADJOURNMENT PROPOSAL</u>	<u>89</u>
<u>BATS PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT</u>	<u>90</u>
<u>BATS PROPOSAL 2: NON-BINDING COMPENSATION ADVISORY PROPOSAL</u>	<u>91</u>
<u>BATS PROPOSAL 3: MEETING ADJOURNMENT PROPOSAL</u>	<u>92</u>
<u>THE MERGER</u>	<u>93</u>
<u>General</u>	<u>93</u>
<u>Background of the Merger</u>	<u>93</u>
<u>Recommendation of the CBOE Holdings Board and Its Reasons for the Merger</u>	<u>109</u>
<u>Recommendation of the Bats Board and Its Reasons for the Merger</u>	<u>114</u>
<u>Opinions of CBOE Holdings' Co-Lead Financial Advisors</u>	<u>120</u>
<u>Opinion of Bats' Financial Advisor</u>	<u>142</u>
<u>CBOE Holdings' Dividend Policy</u>	<u>153</u>
<u>Regulatory Approvals</u>	<u>153</u>
<u>Material U.S. Federal Income Tax Consequences</u>	<u>155</u>
<u>Listing of CBOE Holdings Common Stock</u>	<u>159</u>
<u>Bats Stockholder Appraisal Rights</u>	<u>159</u>
<u>Delisting and Deregistration of Bats Common Stock</u>	<u>163</u>
<u>Restrictions on Sales of Shares of CBOE Holdings Common Stock Received in the Merger</u>	<u>163</u>
<u>Interests of Directors and Executive Officers in the Merger</u>	<u>164</u>
<u>Board of Directors of CBOE Holdings after the Merger</u>	<u>173</u>
<u>THE MERGER AGREEMENT</u>	<u>174</u>
<u>Structure and Completion of the Merger</u>	<u>174</u>
<u>Merger Consideration</u>	<u>175</u>
<u>Allocation of Merger Consideration and Illustrative Elections and Calculations</u>	<u>177</u>
<u>Manner and Procedure for Exchanging Shares of Bats Common Stock; No Fractional Shares</u>	<u>181</u>
<u>Election Procedures</u>	<u>182</u>
<u>Treatment of Equity Awards</u>	<u>183</u>
<u>Distributions with Respect to Unexchanged Shares</u>	<u>183</u>
<u>Termination of Exchange Fund</u>	<u>184</u>
<u>No Liability</u>	<u>184</u>
<u>Bats Stockholder Appraisal Rights</u>	<u>184</u>
<u>Conditions to Completion of the Merger</u>	<u>185</u>
<u>Definition of Material Adverse Effect</u>	<u>187</u>
<u>Bats Acquisition Proposals</u>	<u>189</u>
<u>CBOE Holdings Acquisition Proposals</u>	<u>192</u>

Table of Contents

<u>Special Meeting of Bats Stockholders; Recommendation of the Bats Board</u>	<u>195</u>
<u>Special Meeting of CBOE Holdings Stockholders; Recommendation of the CBOE Holdings Board</u>	<u>197</u>
<u>Efforts to Complete the Merger</u>	<u>199</u>
<u>Conduct of Business Pending the Merger</u>	<u>201</u>
<u>Employee Matters</u>	<u>207</u>
<u>Board of Directors of CBOE Holdings After the Merger</u>	<u>208</u>
<u>Financing</u>	<u>208</u>
<u>Other Covenants and Agreements</u>	<u>213</u>
<u>Director and Officer Indemnification</u>	<u>214</u>
<u>Termination of the Merger Agreement</u>	<u>215</u>
<u>Representations and Warranties</u>	<u>219</u>
<u>Expenses</u>	<u>221</u>
<u>Governing Law; Jurisdiction; Specific Enforcement; Waiver of Jury Trial</u>	<u>221</u>
<u>Amendments, Extensions and Waivers</u>	<u>221</u>
<u>DESCRIPTION OF DEBT FINANCING</u>	<u>223</u>
<u>Overview</u>	<u>223</u>
<u>Interest Rate; Duration Fee</u>	<u>223</u>
<u>Prepayments and Redemptions</u>	<u>223</u>
<u>Collateral and Guarantors</u>	<u>224</u>
<u>Conditions Precedent</u>	<u>224</u>
<u>Covenants and Events of Default</u>	<u>225</u>
<u>INFORMATION ABOUT CBOE HOLDINGS, MERGER SUB AND MERGER LLC</u>	<u>226</u>
<u>CBOE Holdings</u>	<u>226</u>
<u>Merger Sub</u>	<u>226</u>
<u>Merger LLC</u>	<u>226</u>
<u>INFORMATION ABOUT BATS</u>	<u>227</u>
<u>Business</u>	<u>227</u>
<u>Facilities</u>	<u>252</u>
<u>Legal Proceedings</u>	<u>253</u>
<u>Regulation</u>	<u>254</u>
<u>Management</u>	<u>267</u>
<u>Compensation Discussion and Analysis</u>	<u>270</u>
<u>Director Compensation</u>	<u>286</u>
<u>Risk Analysis of Compensation Program</u>	<u>288</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>288</u>
<u>Certain Relationships and Related Transactions</u>	<u>288</u>
<u>BATS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>291</u>
<u>Overview</u>	<u>291</u>
<u>History</u>	<u>293</u>
<u>Business Segments</u>	<u>294</u>
<u>Significant Recent Transactions Affecting Bats' Results of Operations</u>	<u>294</u>
<u>Acquisition Synergies</u>	<u>296</u>
<u>Bats' Model</u>	<u>297</u>
<u>Factors Affecting Results of Operations</u>	<u>298</u>
<u>Components of Revenues</u>	<u>299</u>
<u>Components of Cost of Revenues</u>	<u>302</u>
<u>Components of Operating Expenses</u>	<u>302</u>
<u>Results of Operations</u>	<u>304</u>
<u>Comparison of Six Months Ended June 30, 2016 and 2015</u>	<u>305</u>

Table of Contents

<u>Comparison of Years Ended December 31, 2015 and 2014</u>	<u>320</u>
<u>Comparison of Years Ended December 31, 2014 and 2013</u>	<u>336</u>
<u>Quarterly Results of Operations</u>	<u>349</u>
<u>Seasonality</u>	<u>351</u>
<u>Liquidity and Capital Resources</u>	<u>351</u>
<u>Off Balance Sheet Arrangements</u>	<u>356</u>
<u>Guarantees</u>	<u>356</u>
<u>Critical Accounting Policies</u>	<u>356</u>
<u>BATS QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>361</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF CBOE HOLDINGS</u>	<u>365</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF BATS</u>	<u>367</u>
<u>DESCRIPTION OF CBOE HOLDINGS CAPITAL STOCK</u>	<u>370</u>
<u>Common Stock</u>	<u>370</u>
<u>Preferred Stock</u>	<u>371</u>
<u>Ownership and Voting Limits on CBOE Holdings Common Stock</u>	<u>371</u>
<u>Other Provisions</u>	<u>373</u>
<u>Business Combinations with Interested Stockholders</u>	<u>374</u>
<u>Limitations on Liability and Indemnification of Officers and Directors</u>	<u>374</u>
<u>COMPARISON OF RIGHTS OF CBOE HOLDINGS STOCKHOLDERS AND BATS STOCKHOLDERS</u>	<u>375</u>
<u>CBOE HOLDINGS TRADING PRICE AND VOLUME</u>	<u>395</u>
<u>CBOE HOLDINGS, INC. AND BATS GLOBAL MARKETS, INC. UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	<u>396</u>
<u>CERTAIN UNAUDITED PROSPECTIVE FINANCIAL INFORMATION</u>	<u>410</u>
<u>STOCKHOLDER PROPOSALS</u>	<u>419</u>
<u>CBOE Holdings</u>	<u>419</u>
<u>Bats</u>	<u>419</u>
<u>LEGAL MATTERS</u>	<u>419</u>
<u>EXPERTS</u>	<u>419</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>420</u>
<u>DEFINED TERMS</u>	<u>422</u>
<u>TRADEMARK INFORMATION</u>	<u>424</u>
<u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>F-1</u>
<u>Annex A Agreement and Plan of Merger</u>	<u>A-1</u>
<u>Annex B Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated</u>	<u>B-1</u>
<u>Annex C Opinion of Broadhaven Capital Partners, LLC</u>	<u>C-1</u>
<u>Annex D Opinion of Barclays Capital Inc.</u>	<u>D-1</u>
<u>Annex E Section 262 of the General Corporation Law of the State of Delaware</u>	<u>E-1</u>

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains certain statements regarding intentions, beliefs and expectations or predictions for the future of CBOE Holdings, Inc. ("**CBOE Holdings**") and/or Bats Global Markets, Inc. ("**Bats**," and collectively with CBOE Holdings, "**we**," "**us**," and "**our**"), which are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "**Securities Act**"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Such statements include, without limitation, statements with respect to the anticipated effects of the proposed transaction, expectations with respect to the migration of trading technology and synergies, the proposed transaction's anticipated benefits to our customers and stockholders, the anticipated timing of the closing of the proposed transaction, plans with respect to the leadership of the combined company following the closing of the merger (as defined below), CBOE Holdings' intention to pay dividends, other anticipated benefits of the proposed transaction, future financial and operating results, and the plans, objectives, expectations and intentions with respect to the combined company. These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "predict," "project," "potential," "continue," "plan," "seek," "may," "could," "should," "might," "will" and similar expressions identify forward-looking statements. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

With respect to the proposed transaction, the risks, uncertainties and other factors that could cause actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, forward-looking statements include, without limitation:

failure of the combined company to realize all of the anticipated benefits of the transactions contemplated by the merger agreement (as defined on page 5) at all or in the anticipated timeframe;

a failure to integrate successfully or a material disruption in information technology systems;

failure to complete the merger if CBOE Holdings' financing for the merger (as defined on page 5) becomes unavailable;

a decrease CBOE Holdings' business flexibility in connection with the incurrence of indebtedness by CBOE Holdings to finance the merger;

increases to CBOE Holdings' borrowing costs due to a deterioration in its credit profile;

changes to the value of the merger consideration to be received by Bats stockholders pursuant to the merger agreement as a result of changes in the price of CBOE Holdings common stock;

failure of the combined company to manage its growth;

failure by the combined company to retain and motivate key employees;

Table of Contents

inability of the combined company to retain and recruit qualified employees in sufficient numbers;

failure to receive regulatory clearances and approvals at all or within anticipated timeframes or the imposition by regulatory authorities of conditions that are not presently anticipated or that cannot be met;

changes to the board of directors and management of the combined company that may affect the strategy of the combined company as compared to that of CBOE Holdings and Bats;

failure by entities who are affiliates of Bats' significant stockholders to continue to generate revenue or provide liquidity and other services at current levels after the completion of the merger;

the potential impairment of the goodwill and intangible assets that the combined company will record;

effects on the market price of the common stock of the combined company of factors different from those affecting the market price for shares of Bats common stock or for shares of CBOE Holdings common stock;

the substantial reduction of the percentage ownership interests of pre-existing CBOE Holdings stockholders due to the issuance of shares of CBOE Holdings common stock to Bats stockholders pursuant to the merger agreement;

the effect of the merger agreement provisions that may discourage other companies from trying to acquire Bats for a value greater than the merger consideration or from trying to acquire CBOE Holdings;

failure to complete the merger could negatively impact the stock prices and future businesses and financial results of CBOE Holdings and Bats;

the fact that the combined company will indirectly hold 100% of the issued share capital and voting rights in Bats Trading Limited and its subsidiary, Chi-X Europe Limited and as a result, any person who holds, or has voting power with respect to, 10% or more of the outstanding shares of common stock of CBOE Holdings following the effective time of the merger, will be subject to certain regulatory requirements under United Kingdom law;

the significant transaction and integration costs that CBOE Holdings and Bats will incur in connection with the merger;

negative effects on the market price of CBOE Holdings common stock following the merger is not accretive and causes dilution to the combined company's earnings per share; and

legal proceedings that may be instituted against CBOE Holdings and Bats following announcement of the proposed transaction.

Table of Contents

with respect to CBOE Holdings, Bats and the combined company, such risks, uncertainties and other factors include, among other things:

the loss of rights to exclusively list and trade certain index options and futures products;

economic, political and market conditions;

compliance with legal and regulatory obligations (and changes thereto), including obligations under agreements with regulatory agencies and potential conflicts between self-regulatory responsibilities and for-profit status;

increasing competition in the industries in which CBOE Holdings and Bats operate;

CBOE Holdings' and Bats' ability to operate their respective businesses without violating the intellectual property rights of others and the costs associated with protecting their respective intellectual property rights;

decreases in trading volumes or a shift in the mix of products traded on CBOE Holdings' or Bats' exchanges;

each of CBOE Holdings' and Bats' ability to accommodate trading volume and transaction traffic, including significant increases, without failure or degradation of performance of their respective systems;

CBOE Holdings' and Bats' ability to protect their respective systems and communication networks from security risks and breaches;

the ability to manage CBOE Holdings' and Bats' growth and strategic acquisitions or alliances effectively, including the ability to realize the anticipated benefits of past acquisitions;

the ability to adapt successfully to technological changes to meet customers' needs and developments in the marketplace;

the impact of legal and regulatory changes and proceedings, whether or not related to the proposed transaction;

increasing competition by foreign and domestic entities;

dependence on third-party service providers;

index providers' ability to perform under their agreements;

the ability to maintain access and market data fee revenues;

the ability of the companies' risk management methods to effectively monitor and manage risks; and

the ability to attract and retain skilled management and other personnel.

Table of Contents

Additional risks, uncertainties and other factors include those discussed under the heading "Risk Factors" and in documents incorporated by reference into this joint proxy statement/prospectus. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or, in the case of documents incorporated by reference, as of the date of those documents. Neither CBOE Holdings nor Bats undertakes, and each of them expressly disclaims, 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 of this joint proxy statement/prospectus.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS OF CBOE HOLDINGS STOCKHOLDERS AND BATS STOCKHOLDERS

The following are some questions that you, as a stockholder of CBOE Holdings or a stockholder of Bats, may have regarding the special meeting of CBOE Holdings stockholders, which we refer to as the "CBOE Holdings special meeting," or the special meeting of Bats stockholders, which we refer to as the "Bats special meeting," and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see "The CBOE Holdings Special Meeting" and "The Bats Special Meeting." CBOE Holdings and Bats encourage you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the matters being considered at the CBOE Holdings special meeting or the Bats special meeting. Additional important information is also contained in the Annexes to and in the documents incorporated by reference into this joint proxy statement/prospectus.

Q:

Q: Why am I receiving this joint proxy statement/prospectus?

A:

The CBOE Holdings and Bats boards of directors are using this joint proxy statement/prospectus to solicit proxies of CBOE Holdings stockholders and Bats stockholders pursuant to the Agreement and Plan of Merger, dated as of September 25, 2016 (as amended from time to time, the "**merger agreement**"), by and among CBOE Holdings, two wholly-owned subsidiaries of CBOE Holdings and Bats, providing, among other things, that, upon the terms and subject to the conditions set forth in the merger agreement, a wholly-owned subsidiary of CBOE Holdings will merge with and into Bats, with Bats surviving as a wholly-owned subsidiary of CBOE Holdings (the "**merger**"). The merger agreement also provides that, immediately following the effective time of the merger, Bats, as the surviving corporation in the merger, will merge with and into CBOE V, LLC ("**Merger LLC**") with Merger LLC surviving the subsequent merger (the "**subsequent merger**").

In addition, this joint proxy statement/prospectus is a prospectus for Bats stockholders because CBOE Holdings is offering shares of its common stock to be issued in exchange for shares of Bats common stock in the merger, at the election of Bats stockholders.

In order to complete the merger, CBOE Holdings stockholders must approve the issuance of new shares of CBOE Holdings common stock pursuant to the merger agreement and Bats stockholders must adopt the merger agreement.

CBOE Holdings and Bats will hold separate special meetings of stockholders to obtain these approvals. This joint proxy statement/prospectus contains important information about the merger agreement, the merger and the special meetings of the CBOE Holdings and Bats stockholders, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending your respective meeting in person.

Your vote is important. We encourage you to vote as soon as possible.

Q:

Q: What are Bats stockholders entitled to receive in the merger?

A:

If the merger is completed, each share of voting or non-voting Bats common stock outstanding immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law and unvested restricted shares of Bats common stock granted under any Bats equity incentive plan, which are discussed under "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards") will convert into, at the election of the holder of such share, subject to proration and adjustment, either

Table of Contents

(i) "*mixed consideration*," which consists of \$10.00 in cash and 0.3201 of a share of CBOE Holdings common stock, (ii) "*cash consideration*," which consists of an amount of cash equal to the sum, rounded to two decimal places, of (a) \$10.00 plus (b) the product of 0.3201 of a share of CBOE Holdings common stock multiplied by the volume-weighted average price, rounded to four decimal places, of shares of CBOE Holdings common stock on the NASDAQ Stock Market LLC ("*NASDAQ*") for the ten consecutive trading day period ending on the second full trading day prior to the effective time of the merger (the "*closing CBOE Holdings VWAP*") or (iii) "*stock consideration*," which consists of a number of shares of CBOE Holdings common stock equal to the sum of (a) 0.3201 of a share of CBOE Holdings common stock and (b) the quotient obtained by dividing \$10.00 by the closing CBOE Holdings VWAP (such sum, the "*exchange ratio*"). Holders of voting and non-voting Bats common stock who do not make an election will receive the mixed consideration. The shares of CBOE Holdings common stock to be issued and cash payable upon conversion of shares of Bats common stock in the merger, and cash paid in lieu of the issuance of fractional shares of CBOE Common Stock, are referred to collectively as the "*merger consideration*."

Q: **Q: When and where will the special meetings of the CBOE Holdings stockholders and Bats stockholders be held?**

A: The CBOE Holdings special meeting will take place on [•], 201[6], at [9:00 a.m.], local time, at [•].

The Bats special meeting will take place on [•], 201[6], at [9:00 a.m.], local time, at the corporate headquarters of Bats: 8050 Marshall Drive, Suite 120, Lenexa, Kansas 66214.

Q: **Q: What are CBOE Holdings stockholders voting to approve, and why is this approval necessary?**

A: CBOE Holdings stockholders are voting on a proposal to approve the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement. The approval by CBOE Holdings stockholders of this proposal, which we refer to as the "*share issuance proposal*," is required by the listing requirements of NASDAQ, and is a condition to the completion of the merger. Based on the number of shares of Bats common stock and Bats equity awards expected to be outstanding as of the effective time of the merger, CBOE Holdings expects to issue up to approximately [•] million shares of CBOE Holdings common stock pursuant to the merger agreement.

CBOE Holdings stockholders are also voting on a proposal to adjourn the CBOE Holdings special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the share issuance proposal if there are insufficient votes at the time of the special meeting to approve the share issuance proposal. The approval by CBOE Holdings stockholders of this proposal, which we refer to as the "*CBOE Holdings meeting adjournment proposal*," is not a condition to the completion of the merger.

Q: **What are Bats stockholders voting to approve and why is this approval necessary?**

A: The holders of Bats voting common stock are voting on a proposal to adopt the merger agreement. The approval by Bats stockholders of this proposal is required by Delaware law to complete the merger and is a condition to the completion of the merger.

Under Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("*Dodd-Frank*"), Bats is required to provide its stockholders the opportunity to vote to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Bats' named executive officers that is based on or otherwise relates to the merger. Accordingly, Bats stockholders are being provided with the opportunity to cast an advisory vote on such payments. The approval by Bats stockholders of this

Table of Contents

proposal, which we refer to as the "*non-binding compensation advisory proposal*," is not a condition to the completion of the merger.

Bats stockholders are also voting on a proposal to adjourn the Bats special meeting, if necessary or appropriate, including to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement. The approval by Bats stockholders of this proposal, which we refer to as the "*Bats meeting adjournment proposal*," is not a condition to the completion of the merger.

Q:

Who can attend and vote at the special meetings?

A:

Only holders of record of CBOE Holdings common stock at the close of business on [•], 2016, which we refer to as the "*CBOE Holdings record date*," are entitled to notice of, and to vote at, the CBOE Holdings special meeting. As of the CBOE Holdings record date, there were [•] shares of CBOE Holdings common stock outstanding and entitled to vote at the CBOE Holdings special meeting (including [•] unvested restricted shares of CBOE Holdings common stock), held by approximately [•] holders of record. Each holder of CBOE Holdings common stock is entitled to one vote for each share of CBOE Holdings common stock owned as of the CBOE Holdings record date.

Only holders of record of Bats common stock at the close of business on [•], 2016, which we refer to as the "*Bats record date*," are entitled to notice of the Bats special meeting. Only holders of record of Bats voting common stock on the Bats record date are entitled to vote at the Bats special meeting. As of the Bats record date, there were [•] shares of Bats voting common stock outstanding and entitled to vote at the Bats special meeting (including [•] unvested restricted shares of Bats common stock), held by approximately [•] holders of record. Each holder of Bats voting common stock is entitled to one vote for each share of Bats voting common stock owned as of the Bats record date.

Q:

What do I need to do to attend the special meetings?

A:

Attendance at the CBOE Holdings special meeting and the Bats special meeting is generally limited to the stockholders of each respective company and their authorized representatives. All CBOE Holdings stockholders and Bats stockholders must bring an acceptable form of identification, such as a driver's license, in order to attend the applicable special meeting in person.

In addition, if you hold shares of CBOE common stock or Bats common stock in street name and would like to attend the applicable special meeting, you will need to bring an account statement or other acceptable evidence of ownership of shares as of the close of business on [•], 2016, the record date for the special meetings. If you hold shares in street name and you want to vote your shares in person at the CBOE Holdings special meeting or the Bats special meeting, you must bring a legal proxy signed by your bank, broker, trust or other nominee to the applicable special meeting.

Any representative of a stockholder who wishes to attend the CBOE Holdings special meeting or the Bats special meeting must present acceptable documentation evidencing his or her authority, acceptable evidence of ownership by the stockholder of CBOE Holdings or Bats common stock, as applicable, and an acceptable form of identification. CBOE Holdings and Bats each reserve the right to limit the number of representatives of any stockholder who may attend the CBOE Holdings special meeting or the Bats special meeting, as applicable.

Table of Contents

If you plan to attend the CBOE Holdings special meeting or the Bats special meeting, please provide adequate time to pass through the security process necessary to gain access to the meeting room.

Q: What vote of CBOE Holdings stockholders is required to approve the share issuance proposal and the CBOE Holdings meeting adjournment proposal?

A: The approval by CBOE Holdings stockholders of the share issuance proposal and the approval of the CBOE Holdings meeting adjournment proposal require the affirmative vote of the majority of the votes properly cast on such proposal, provided that a quorum is present.

Q: What vote of Bats stockholders is required to approve the proposal to adopt the merger agreement, non-binding compensation advisory proposal and the Bats meeting adjournment proposal?

A: The approval by Bats stockholders of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bats common stock entitled to vote on the proposal at the Bats special meeting. The approval of the non-binding compensation advisory proposal and the approval of the Bats meeting adjournment proposal require, in each case, the affirmative vote of the majority of the votes properly cast on the proposal at the Bats special meeting, provided that a quorum is present.

Q: How does the CBOE Holdings board of directors recommend that CBOE Holdings stockholders vote?

A: The CBOE Holdings board of directors (the "*CBOE Holdings board*") unanimously recommends that CBOE Holdings stockholders vote "**FOR**" the share issuance proposal and "**FOR**" the CBOE Holdings meeting adjournment proposal.

Q: How does the Bats board of directors recommend that Bats stockholders vote?

A: The Bats board of directors (the "*Bats board*") unanimously recommends that Bats stockholders vote "**FOR**" the proposal to adopt the merger agreement, "**FOR**" the non-binding compensation advisory proposal and "**FOR**" the Bats meeting adjournment proposal.

Q: What should CBOE Holdings stockholders and Bats stockholders do now in order to vote on the proposals being considered at their company's special meeting?

A: Stockholders of record of CBOE Holdings as of the CBOE Holdings record date and stockholders of record of Bats as of the Bats record date who hold shares of Bats voting common stock may submit their proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card; or

accessing the Internet website specified on the enclosed proxy card.

Both companies strongly encourage stockholders of record to vote using the enclosed proxy card.

Edgar Filing: CBOE Holdings, Inc. - Form S-4

If you hold CBOE Holdings common stock or shares of Bats voting common stock in "street name," which means your shares are held of record by a bank, broker, trust or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction card used by your bank, broker, trust or other nominee to see if you may submit voting instructions using the Internet or telephone.

Table of Contents

Holders of CBOE Holdings common stock or Bats voting common stock may also vote in person by attending the applicable company's special meeting. If you plan to attend your company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in "street name," and you wish to vote in person at your company's special meeting, you must bring a legal proxy, executed in your favor, from the record holder of the shares authorizing you to vote at the special meeting. **Whether or not you plan to attend your company's special meeting, you are encouraged to vote your shares by proxy as described in this joint proxy statement/prospectus.**

Q: What will happen if I abstain from voting, fail to vote or do not direct how to vote on my proxy?

A: If holders of CBOE Holdings common stock or Bats voting common stock do not vote or fail to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name," it may have a negative effect on the ability of CBOE Holdings or Bats, as applicable, to obtain the number of votes necessary for approval of their respective proposals.

For purposes of the CBOE Holdings stockholder vote:

Each of the share issuance proposal and the CBOE Holdings meeting adjournment proposal require the affirmative vote of the majority of the votes properly cast on such proposal, provided that a quorum is present. Consequently, an abstention from voting on either of these proposals will not have any effect on these proposals. In addition, even if a quorum is not present at the CBOE Holdings special meeting, the affirmative vote of shares representing a majority in voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote **"AGAINST"** the proposal to adjourn the meeting due to an absence of a quorum. An officer entitled to preside at or to act as secretary of the CBOE Holdings special meeting is also entitled to adjourn the meeting to another place, date or time if a quorum is not present.

The failure of a CBOE Holdings stockholder to vote or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name" will also not affect the results of the share issuance proposal or the CBOE Holdings meeting adjournment proposal. However, such shares would not be counted as present for the purpose of establishing a quorum at the special meeting.

All properly submitted proxies received by CBOE Holdings before the CBOE Holdings special meeting that are not revoked or changed prior to being exercised at the CBOE Holdings special meeting will be voted at the CBOE Holdings special meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal.

For purposes of the Bats stockholder vote:

The proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bats common stock entitled to vote on the proposal at the Bats special meeting. Therefore, a stockholder's abstention from voting or failure to vote, or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name," will have the same effect as a vote **"AGAINST"** the proposal to adopt the merger agreement.

Each of the non-binding compensation advisory proposal and the Bats meeting adjournment proposal require the affirmative vote of the majority of the votes properly cast on such proposal, provided that a quorum is present. Consequently, an abstention from voting on either of these proposals will not have any effect on these proposals. In addition, even if a quorum is not

Table of Contents

present at the Bats special meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote "**AGAINST**" the proposal to adjourn the meeting due to an absence of a quorum. The chairman of the Bats special meeting is also entitled to adjourn the meeting to another place, date or time if a quorum is not present.

The failure of a Bats stockholder to vote or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name" will also not affect the results of the non-binding compensation advisory proposal or the Bats meeting adjournment proposal. However, such shares would not be counted as present for the purpose of establishing a quorum at the special meeting.

All properly submitted proxies received by Bats before the Bats special meeting that are not revoked or changed prior to being exercised at the Bats special meeting will be voted at the Bats special meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, "FOR" the proposal to adopt the merger agreement, "FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal.

Q: Will there be any broker non-votes?

A: Under applicable stock exchange rules, all of the proposals in this joint proxy statement/prospectus are non-routine matters, so there can be no broker non-votes at the special meeting. A broker non-vote occurs when shares held by a bank, broker, trust or other nominee are represented at a meeting, but the bank, broker, trust or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals at such meeting. Accordingly, if your shares of CBOE Holdings common stock or Bats voting common stock are held in "street name," your bank, broker, trust or other nominee will NOT be able to vote your shares of CBOE Holdings common stock or Bats voting common stock on any of the proposals, and your shares will not be counted in determining the presence of a quorum at the applicable special meeting unless you have properly instructed your bank, broker, trust or other nominee on how to vote. Because the proposal to Bats stockholders to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bats common stock entitled to vote on the proposal at the Bats special meeting, the failure of a holder of Bats voting common stock to provide its bank, broker, trust or other nominee with voting instructions will have the same effect as a vote "**AGAINST**" the proposal to adopt the merger agreement. Because the approval of each of (1) the share issuance proposal, (2) the non-binding compensation advisory proposal, (3) the CBOE Holdings meeting adjournment proposal and (4) the Bats meeting adjournment proposal requires the affirmative vote of the majority of the votes properly cast on the proposal, provided that a quorum is present, and because banks, brokers, trusts and other nominees do not have discretionary authority to vote on any of these proposals, a stockholder's failure to provide such stockholder's bank, broker, trust or other nominee with voting instructions will have no effect on approval of any of these proposals.

Table of Contents

Q: Can I change or revoke my vote after I have delivered my proxy?

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the Corporate Secretary of your company at:

CBOE Holdings, Inc.
400 South LaSalle Street
Chicago, Illinois 60605
Attention: Corporate Secretary

Bats Global Markets, Inc.
8050 Marshall Drive, Suite 120
Lenexa, Kansas 66214
Attention: Corporate Secretary

signing and delivering a new, valid proxy bearing a later date and, if it is a written proxy, signed and delivered to the attention of your company's Corporate Secretary;

submitting another proxy by telephone or on the Internet (your latest telephone or Internet voting instructions will be followed); or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held in a "street name" account, you must contact your bank, broker, trust or other nominee to change your vote.

Q: What should CBOE Holdings stockholders or Bats stockholders do if they receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of CBOE Holdings common stock or Bats voting common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are both a stockholder of CBOE Holdings and a stockholder of Bats, you will receive one or more separate proxy cards or voting instruction cards for each company. In each case, please complete, sign, date and return each proxy card and voting instruction card that you receive to ensure that all of your shares are voted.

Q: How do I make an election for the type of merger consideration that I prefer to receive?

A: Each holder of record of Bats common stock as of the close of business on the Bats record date will be mailed a form of election ("**form of election**"). These materials will be mailed concurrently with this joint proxy statement/prospectus, but under separate cover. Each Bats stockholder should specify in the form of election (1) the number of shares of Bats common stock that such stockholder elects to have exchanged for the mixed consideration, (2) the number of shares of Bats common stock that such stockholder elects to have exchanged for the cash consideration and (3) the number of shares of Bats common stock that such stockholder elects to have exchanged for the stock consideration. Any Bats stockholder who does not make an election will be deemed to have made an election to receive the mixed consideration. The consideration to be paid to Bats stockholders electing to receive only cash consideration or stock consideration is subject, pursuant to the terms of the merger agreement, to automatic adjustment, as applicable, to ensure that the total amount of cash paid, and the total number of shares of CBOE Holdings common stock issued, in the merger is the same as what would be paid and issued if all Bats stockholders were to receive the mixed consideration. No fractional shares of CBOE Holdings common stock will be issued in the merger, and Bats stockholders will receive cash in lieu of any fractional shares of

Table of Contents

CBOE Holdings common stock. An election will have been properly made only if the exchange agent has received a properly completed form of election at its designated office by 5:00 p.m., New York City time, on the date that is two business days preceding the closing date (the "*election deadline*").

Q: When can Bats stockholders expect to receive the merger consideration?

A: Because no shares of Bats common stock are certificated and the election deadline is two business days prior to the closing date, the number of shares of Bats common stock that will be converted into the mixed consideration, the cash consideration or the stock consideration will be determined on or prior to the closing date. Accordingly, each holder of shares of Bats common stock in whose name such shares are registered will be entitled to receive the merger consideration immediately following the effective time of the merger, except that the accounts of holders of shares of Bats common stock may not be credited at The Depository Trust Company unless the holder so requests.

Q: Will I receive the form of merger consideration that I request on the form of election?

A: Not necessarily. The aggregate amount of cash and the aggregate number of shares of CBOE Holdings common stock to be paid and issued, respectively, to Bats stockholders pursuant to the merger agreement are fixed. Each share of Bats common stock with respect to which a Bats stockholder makes an election to receive the mixed consideration, and each share of Bats common stock held by a Bats stockholder who fails to make any valid election with respect to such stockholder's shares of Bats common stock, will receive \$10.00 in cash and 0.3201 of a share of CBOE Holdings common stock, which amounts are not subject to proration or adjustment.

However, if there is an oversubscription of the aggregate amount of cash available to be paid by CBOE Holdings to Bats stockholders as merger consideration due to the elections of Bats stockholders (or failure to make an election), the aggregate amount of cash payable by CBOE Holdings in the merger will not be increased. Similarly, if there is an oversubscription of the aggregate number of shares of CBOE Holdings common stock available to be issued by CBOE Holdings to Bats stockholders as merger consideration due to the elections of Bats stockholders (or failure to make an election), the aggregate number of shares of CBOE Holdings common stock to be issued by CBOE Holdings in the merger will not be increased. Rather, in either such case, the exchange agent will allocate between cash and shares of CBOE Holdings common stock in the manner described in "The Merger Agreement Merger Consideration Cash Consideration" and "The Merger Agreement Merger Consideration Stock Consideration" to ensure that the total amount of cash paid and the total number of shares of CBOE Holdings common stock issued in the merger is the same as what would be paid and issued if all Bats stockholders were to receive the mixed consideration.

Accordingly, there is no assurance that a Bats stockholder that has made a valid election to receive solely cash consideration or solely stock consideration will receive the form of consideration elected with respect to the shares of Bats common stock held by such stockholder.

For detailed illustrations of the potential proration and adjustment of the merger consideration for those stockholders electing to receive solely cash consideration or solely stock consideration for their shares of Bats common stock, see "The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations."

Q: What is the deadline for making an election?

A: Your election, to be properly made, must be received by Computer Share Trust Company, N.A., the exchange agent for the merger, which we refer to as the "*exchange agent*," at its designated

Table of Contents

office by the election deadline, which is 5:00 p.m. New York City time on the date that is two business days preceding the closing date of the merger. CBOE Holdings and Bats will publicly announce the anticipated election deadline at least three business days before the anticipated closing date of the merger.

Q: What happens if I do not send a form of election or it is not received by the election deadline?

A: If the exchange agent does not receive a properly completed form of election from you at or prior to the election deadline, then you will be deemed to have elected to receive mixed consideration with respect to your shares of Bats common stock. You bear the risk of delivery of the form of election to the exchange agent.

Q: Can I change my election after the form of election has been submitted?

A: Yes. You may revoke your election at or prior to the election deadline by submitting a written notice of revocation to the exchange agent. Revocations must specify the name in which your shares are registered on the share transfer books of Bats and any other information that the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this joint proxy statement/prospectus and the form of election. If you instructed a bank, broker, trust or other nominee holder to submit an election for your shares, you must follow directions from your bank, broker, trust or other nominee for changing those instructions. The notice of revocation must be received by the exchange agent at or prior to the election deadline in order for the revocation to be valid.

Q: May I transfer shares of Bats common stock after making an election?

A: Yes, but only if you revoke your election or the merger agreement is terminated. Once you properly make an election with respect to any shares of Bats common stock, you will be unable to sell or otherwise transfer those shares, unless you properly revoke your election or the merger agreement is terminated.

Q: May I transfer shares of Bats common stock before the Bats special meeting?

A: Yes. The Bats record date is earlier than the Bats special meeting and the date that the merger is expected to be completed. If you transfer your shares of Bats common stock after the Bats record date but before the Bats special meeting, you will retain your right to vote at the Bats special meeting, but you will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the completion of the merger.

Q: Who can help answer my questions?

A: If you have any questions about the special meetings, the merger or how to submit your proxy, or, for Bats stockholders, how to complete your form of election, or if you need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Table of Contents

If you are a CBOE Holdings stockholder, please contact MacKenzie Partners, Inc. ("**MacKenzie**"), CBOE Holdings' proxy solicitor:

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)
or
Call Toll-Free (800) 322-2885
CBOE@mackenziepartners.com

If you are a Bats stockholder, please contact Innisfree M&A Incorporated ("**Innisfree**"), Bats' proxy solicitor:

501 Madison Avenue, 20th floor
New York, New York 10022
Shareholders may call toll free: (888) 750-5834
Banks and brokers may call collect: (212) 750-5833

Table of Contents

SUMMARY

The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary does not contain all of the information that might be important to you. For a more complete description of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement, we encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes. In addition, we encourage you to read carefully the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about CBOE Holdings that has been filed with the U.S. Securities and Exchange Commission (the "SEC"). You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 420.

Information about the Companies

CBOE Holdings (see page 226)

CBOE Holdings is the holding company for Chicago Board Options Exchange, Incorporated ("**CBOE**"), CBOE Futures Exchange, LLC ("**CFE**"), C2 Options Exchange, Incorporated ("**C2**") and other subsidiaries. The principal executive offices of CBOE Holdings are located at 400 South LaSalle Street, Chicago, Illinois 60605, and its telephone number is (312) 786-5600.

CBOE Holdings' principal business is operating markets that offer for trading options on various market indexes ("**index options**"), mostly on an exclusive basis, and futures contracts, as well as trading options on non-exclusive "multiply-listed" options, such as options on the stocks of individual corporations ("**equity options**") and options on other exchange-traded products ("**ETP options**"), such as exchange-traded funds ("**ETF options**") and exchange-traded notes ("**ETN options**"). CBOE Holdings operates three stand-alone exchanges but reports the results of its operations in one reporting segment.

CBOE is the primary options market of CBOE Holdings and offers trading in listed options through a single system that integrates electronic trading and traditional open outcry trading on the trading floor in Chicago. This integration of electronic trading and traditional open outcry trading into a single exchange is known as the Hybrid trading model. CFE, the all-electronic futures exchange of CBOE Holdings, offers trading in futures on the VIX volatility index and other products. C2 is the all-electronic exchange of CBOE Holdings that also offers trading in listed options and may operate with a different market model and fee structure than CBOE. All of these exchanges operate on a proprietary technology platform known as CBOE Command.

Since 1974, the first full year of trading on CBOE, CBOE Holdings has grown from 5.6 million contracts on one exchange to 1.2 billion contracts on three exchanges in 2015.

Merger Sub (see page 226)

CBOE Corporation, which we refer to as "**Merger Sub**," is a direct wholly-owned subsidiary of CBOE Holdings and was formed solely for the purpose of consummating the merger and the subsequent merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. The principal executive offices of Merger Sub are located at 400 South LaSalle Street, Chicago, Illinois 60605, and its telephone number is (312) 786-5600.

Merger LLC (see page 226)

CBOE V, LLC is a direct wholly-owned subsidiary of CBOE Holdings and was formed solely for the purpose of consummating the subsequent merger. Merger LLC has not carried on any activities to

Table of Contents

date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. The principal executive offices of Merger LLC are located at 400 South LaSalle Street, Chicago, Illinois 60605, and its telephone number is (312) 786-5600.

Bats (see page 227)

Bats is a leading global operator of securities exchanges and other electronic markets enabled by world-class technology. Bats provides trade execution, market data, trade reporting, connectivity and risk management solutions to brokers, market makers, asset managers and other market participants, ultimately benefiting retail and institutional investors across multiple asset classes. Bats' principal objective is to improve markets by maximizing efficiency and mitigating trade execution risk for market participants. Bats' asset class focus is comprised of listed cash equity securities in the United States and Europe, listed equity options in the United States and certain foreign exchange products, or "**FX**," globally as well as exchange-traded products, or "**ETPs**," including exchange-traded funds, or "**ETFs**," in the United States and Europe. For the six months ended June 30, 2016, trade execution comprised 45.1% of Bats' revenues less cost of revenues, and market data and connectivity, or "**non-transaction revenues**," comprised 54.9% of Bats' revenues less cost of revenues. The principal office of Bats is located at 8050 Marshall Drive, Suite 120, Lenexa, Kansas 66214, and its telephone number is (913) 815-7000.

Bats is the second largest exchange operator in U.S. listed cash equity securities trading by market share, the largest exchange operator of ETFs and other ETPs by market share, and the largest European exchange operator as measured by notional value traded as of June 30, 2016. In addition, for each of the six consecutive months ended June 30, 2016, excluding the Chinese exchanges, Bats was the largest equities market operator globally as measured by notional value traded. Moreover, during 2015 Bats operated the fastest growing market in the United States for exchange traded options as measured by market share.

The Merger (see page 93)

On September 25, 2016, the CBOE Holdings board and the Bats board each approved the merger agreement attached as *Annex A* to this joint proxy statement/prospectus. The merger agreement provides that, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Bats, with Bats continuing as the surviving corporation and as a wholly-owned subsidiary of CBOE Holdings. Immediately following the effective time of the merger, Bats, as the surviving corporation in the merger, will merge with and into Merger LLC, with Merger LLC surviving the subsequent merger. At the effective time of the merger, each share of Bats common stock issued and outstanding immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law and unvested restricted shares of Bats common stock granted under any Bats equity incentive plan, which are discussed under "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards") will be converted into the right to receive the merger consideration, upon the terms provided in the merger agreement and as described below under "The Merger Agreement Merger Consideration."

We encourage you to carefully read the merger agreement in its entirety. We currently expect that the merger will be completed during the first half of 2017, subject to the satisfaction or waiver of the conditions to the merger. However, we cannot predict the actual timing of the completion of the merger.

Table of Contents

Merger Consideration (see page 174)

The merger agreement provides that at the effective time of the merger, each share of Bats common stock issued and outstanding immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law and unvested restricted shares of Bats common stock granted under any Bats equity incentive plan, which are discussed under "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards") will be converted into the right to receive, at the election of the holder of such shares of Bats common stock, either the mixed consideration, cash consideration or stock consideration, in each case as described below, subject to the automatic proration and adjustment procedures described under "The Merger Agreement Merger Consideration Cash Consideration" beginning on page 176, "The Merger Agreement Merger Consideration Stock Consideration" beginning on page 177 and "The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations" beginning on page 177.

The consideration to be paid to Bats stockholders electing to receive only cash consideration or stock consideration is subject, pursuant to the terms of the merger agreement, to automatic adjustment, as applicable, to ensure that the total amount of cash paid, and the total number of shares of CBOE Holdings common stock issued, in the merger is the same as what would be paid and issued if all Bats stockholders were to receive the mixed consideration. Accordingly, the total number of shares of CBOE Holdings common stock constituting the stock consideration and the total amount of cash consideration will not change from what was agreed to in the merger agreement (other than for adjustment in the event that there is any change in the outstanding shares of capital stock of CBOE Holdings or Bats as a result of any reclassification, stock split (including a reverse stock split), recapitalization, split-up, combination, exchange or readjustment of shares or other similar transaction, or any stock dividend or stock distribution, which we refer to as a "*capital stock adjustment event*"). However, since the market price of CBOE Holdings common stock will fluctuate, the total value of the merger consideration may increase or decrease between the date of the merger agreement and the effective time of the merger. Accordingly, the value of the actual per share consideration to be paid to Bats stockholders cannot be determined until the effective time of the merger. No fractional shares of CBOE Holdings common stock will be issued in the merger, and Bats stockholders will receive cash in lieu of any fractional shares of CBOE Holdings common stock.

Mixed Consideration

The merger agreement provides that each share of Bats common stock with respect to which a Bats stockholder makes an election to receive a fixed combination of cash and shares of CBOE Holdings common stock, and each share for which a Bats stockholder fails to make any election with respect to such stockholder's shares of Bats common stock, will be converted into the right to receive the combination of (i) \$10.00 in cash and (ii) 0.3201 of a share of CBOE Holdings common stock.

Cash Consideration

The merger agreement provides that each share of Bats common stock with respect to which a Bats stockholder makes a valid election to receive cash will be converted into the right to receive an amount of cash (rounded to two decimal places), without interest, equal to \$10.00 plus the product of (i) 0.3201 multiplied by (ii) the closing CBOE Holdings VWAP (calculated as (1) the sum of (A) the share price of each trade of CBOE Holdings common stock during the ten trading day period multiplied by (B) the number of shares of CBOE Holdings common stock traded in such trade, divided by (2) the total number of shares of CBOE Holdings common stock traded during the ten trading day period), subject to the proration and adjustment procedures described under "The Merger

Table of Contents

Agreement Merger Consideration Cash Consideration" beginning on page 176 and "The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations" beginning on page 177.

Stock Consideration

The merger agreement provides that each share of Bats common stock with respect to which a Bats stockholder makes a valid election to receive stock will convert into the right to receive a number of shares of CBOE Holdings common stock equal to the sum of (x) 0.3201 of a share of CBOE Holdings common stock plus (y) the quotient (rounded to four decimal places) obtained by dividing \$10.00 by the closing CBOE Holdings VWAP, subject to the proration and adjustment procedures described under "The Merger Agreement Merger Consideration Stock Consideration" beginning on page 176 and "The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations" beginning on page 177.

Treatment of Bats Equity Awards (see page 165)

Bats Stock Options

Pursuant to the merger agreement, at the effective time of the merger, each outstanding unexercised option to purchase Bats common stock granted under any Bats equity incentive plan, whether vested or unvested ("***Bats Stock Options***"), will be converted into an option to purchase shares of CBOE Holdings common stock ("***CBOE Holdings Stock Options***"), with the same terms and conditions (including vesting schedule) as were applicable to such Bats Stock Option (but taking into account any changes, including any acceleration of vesting of such Bats Stock Option, occurring by reason of the transactions contemplated by the merger agreement). The number of shares of CBOE Holdings common stock subject to each such CBOE Holdings Stock Option will be equal to the number of shares of Bats common stock subject to the corresponding Bats Stock Option immediately prior to the effective time of the merger multiplied by the exchange ratio (subject to certain adjustments and rounding), and the exercise price of such CBOE Holdings Stock Option will be equal to the per share exercise price under the corresponding Bats Stock Option divided by the exchange ratio (subject to certain adjustments and rounding).

Bats Restricted Shares

Pursuant to the merger agreement, at the effective time of the merger, each outstanding award of restricted Bats common stock granted under any Bats equity incentive plan ("***Bats Restricted Shares***") will be assumed by CBOE Holdings and will be converted into an award of restricted shares of CBOE Holdings common stock ("***CBOE Holdings Restricted Shares***"), subject to the same terms and conditions (including vesting schedule) that applied to the applicable Bats Restricted Shares immediately prior to the effective time of the merger (but taking into account any changes, including any acceleration of vesting of such Bats Restricted Shares, occurring by reason provided for in the merger agreement). The number of shares of CBOE Holdings common stock subject to each such award of CBOE Holdings Restricted Shares will be equal to the number of shares of Bats common stock subject to the corresponding Bats Restricted Share award multiplied by the exchange ratio.

Ownership of CBOE Holdings after the Merger

Based on the number of shares of CBOE Holdings common stock and Bats common stock outstanding on [•], 2016, the record date for the two companies' special meetings, CBOE Holdings expects to issue or reserve for issuance approximately [•] million shares of CBOE Holdings common stock in connection with the merger (including shares of CBOE Holdings common stock issuable to Bats stockholders pursuant to Bats Stock Options and Bats Restricted Shares). Based on

Table of Contents

these numbers, immediately following the completion of the merger, pre-existing CBOE Holdings stockholders and former Bats stockholders would own approximately [•]% and [•]% of the outstanding shares of CBOE Holdings common stock, respectively. The merger will have no effect on the number of shares of CBOE Holdings common stock owned by existing CBOE Holdings stockholders.

Share Ownership of Directors and Executive Officers

At the close of business on the CBOE Holdings record date, directors and executive officers of CBOE Holdings and their affiliates owned and were entitled to vote approximately [•] shares of CBOE Holdings common stock, collectively representing approximately [•]% of the shares of CBOE Holdings common stock outstanding on that date.

At the close of business on the Bats record date, directors and executive officers of Bats and their affiliates owned and were entitled to vote approximately [•] shares of Bats voting common stock, collectively representing [•]% of the shares of Bats voting common stock outstanding on that date.

Recommendation of the CBOE Holdings Board and Its Reasons for the Merger (see page 109)

After careful consideration, on September 25, 2016 the CBOE Holdings board unanimously approved the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement. **The CBOE Holdings board unanimously recommends that CBOE Holdings stockholders vote "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal at the CBOE Holdings special meeting.**

For a summary of the factors considered by the CBOE Holdings board in reaching its decision to approve the merger agreement as well as the CBOE Holdings board's reasons for, and certain risks related to, the merger, see "The Merger Recommendation of the CBOE Holdings Board and Its Reasons for the Merger" beginning on page 109.

Recommendation of the Bats Board and Its Reasons for the Merger (see page 114)

After careful consideration, on September 25, 2016, the Bats board unanimously (as among the members of the Bats board present) approved the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement. **The Bats board unanimously recommends that Bats stockholders vote "FOR" the proposal to adopt the merger agreement, "FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal at the Bats special meeting.**

For a summary of the factors considered by the Bats board in reaching its decision to approve the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the merger, as well as the Bats board's reasons for, and certain risks related to, the merger, see "The Merger Recommendation of the Bats Board and Its Reasons for the Merger" beginning on page 114.

Opinions of Financial Advisors (see page 120)

Opinions of CBOE Holdings' Co-Lead Financial Advisors

BofA Merrill Lynch Opinion

On September 25, 2016, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as "*BofA Merrill Lynch*," a financial advisor to CBOE Holdings, delivered to the CBOE Holdings board an oral opinion, which was confirmed by delivery of a written opinion dated September 25, 2016, to the

Table of Contents

effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in the opinion, the consideration to be paid by CBOE Holdings in the merger was fair, from a financial point of view, to CBOE Holdings.

The full text of BofA Merrill Lynch's written opinion to the CBOE Holdings board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by BofA Merrill Lynch, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. BofA Merrill Lynch delivered its opinion to the CBOE Holdings board for the benefit and use of the CBOE Holdings board (in its capacity as such) in connection with and for purposes of its evaluation of the consideration to be paid by CBOE Holdings in the merger, from a financial point of view, to CBOE Holdings. BofA Merrill Lynch's opinion did not address any other aspect of the merger, and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to CBOE Holdings or in which CBOE Holdings might engage or as to the underlying business decision of CBOE Holdings to proceed with or effect the merger. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the proposed merger or any related matter.

For a description of the opinion that the CBOE Holdings board received from BofA Merrill Lynch, see "The Merger Opinions of CBOE Holdings' Co-Lead Financial Advisors BofA Merrill Lynch Opinion" beginning on page 120.

Broadhaven Opinion

In connection with the transaction, the CBOE Holdings board received the written opinion dated September 25, 2016 from one of CBOE Holdings' financial advisors, Broadhaven Capital Partners LLC, referred to as "**Broadhaven**," that, as of such date, the consideration to be paid and issued by CBOE Holdings pursuant to the merger agreement, taken in the aggregate, was fair to CBOE Holdings, from a financial point of view. The full text of Broadhaven's opinion is attached to this joint proxy statement/prospectus as Annex C.

The opinion sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Broadhaven in connection with the opinion. **The opinion addressed only the fairness from a financial point of view to CBOE Holdings of the merger consideration to be paid and issued by CBOE Holdings pursuant to the merger agreement as of the date of the opinion and did not address any other aspect of the transaction. In addition, the opinion did not in any manner address (i) the prices at which shares of CBOE Holdings common stock would trade after the announcement or consummation of the transaction or at any other time, (ii) the underlying business decision by CBOE Holdings to proceed with or effect the transaction or the likelihood of consummation of the transaction, (iii) the relative merits of the transaction as compared to any other transaction or business strategy in which CBOE Holdings might engage or (iv) the fairness (financial or otherwise) of the amount, nature or any other aspect of the compensation to any of the officers, directors or employees of any party to the transaction, or any class of such persons, relative to the merger consideration. The opinion is addressed to the CBOE Holdings board only and does not constitute a recommendation as to how any CBOE Holdings or Bats stockholder should vote with respect to the transaction or any other matter.**

For a description of the opinion that the CBOE Holdings board received from Broadhaven, see "The Merger Opinions of CBOE Holdings' Co-Lead Financial Advisors Broadhaven Opinion" beginning on page 131.

Table of Contents

Opinion of Bats' Financial Advisor

Barclays Opinion

Bats engaged Barclays Capital Inc. ("**Barclays**") to act as its financial advisor with respect to pursuing strategic alternatives for Bats, including a possible sale of Bats. On September 25, 2016, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Bats board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be offered to the stockholders of Bats in the merger is fair, from a financial point of view, to such stockholders.

The full text of Barclays' written opinion, dated as of September 25, 2016, is attached as Annex D to this joint proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. A summary of Barclays' opinion and the methodology that Barclays used to render its opinion is set forth in this joint proxy statement/prospectus under the caption "The Merger Opinion of Bats' Financial Advisor Barclays Opinion" on page 142. The summary is qualified in its entirety by reference to the full text of the opinion.

Interests of Bats' Directors and Executive Officers in the Merger (see page 164)

The directors and executive officers of Bats have interests in the merger that are in addition to their interests as stockholders of Bats generally. These interests include, but are not limited to, continued employment with the combined company, the treatment in the merger of Bats Stock Options and Bats Restricted Shares held by these directors and executive officers (including accelerated vesting of outstanding equity awards on a qualifying termination of employment within 24 months after the closing, and in the case of certain outstanding Bats Stock Options and Bats Restricted Shares, accelerated vesting immediately upon the effective time). In addition, Bats executive officers are, by reason of their respective employment agreements with Bats, entitled to change-in-control severance benefits upon a termination of their employment within the 24-month period following the consummation of the merger. Certain executive officers of Bats have also entered into offer letters with CBOE Holdings pursuant to which each such executive has indicated his intent to enter into employment with CBOE Holdings following the completion of the merger in exchange for the compensation specified in his respective offer letter. In addition, three individuals who will be designated by Bats and who are serving on the Bats board immediately prior to the effective time of the merger will become directors of the combined company. The Bats board was aware of these interests and considered them, among other matters, in approving the merger agreement and in determining to recommend that Bats stockholders adopt the merger agreement.

Board of Directors of CBOE Holdings after the Merger (see page 173)

In connection with the merger, CBOE Holdings has agreed to take all requisite actions so that, as of the effective time of the merger, the CBOE Holdings board will consist of 14 directors, including three individuals designated by Bats who are serving on the Bats board immediately prior to the effective time of the merger and comply with the policies of the Nominating and Governance Committee of the CBOE Holdings board (the "**CBOE Holdings N&G Committee**") disclosed to Bats. Bats' current directors will resign from the Bats board as of the effective time of the merger. The CBOE Holdings board has indicated that it intends to appoint Joe Ratterman, the current Chairman of the Bats board, to the CBOE Holdings board at the effective time of the merger. However, as of the date of this joint proxy statement/prospectus, the CBOE Holdings board has not taken any such action, nor has there been any determination as to the identity of the other two Bats directors who will be

Table of Contents

appointed to the CBOE Holdings board or the three CBOE Holdings directors who will step down from the CBOE Holdings board at the effective time of the merger.

Information about the current CBOE Holdings directors and executive officers can be found in the documents listed under the heading "Where You Can Find More Information" beginning on page 420.

Listing of CBOE Holdings Common Stock and Delisting and Deregistration of Bats Common Stock (see pages 159 and 163)

Application will be made to have the shares of CBOE Holdings common stock to be issued in the merger approved for listing on NASDAQ, where CBOE Holdings common stock currently is traded under the symbol "CBOE." If the merger is completed, Bats common stock will be delisted from the Bats BZX Exchange, which we refer to as "**BZX**" and will be deregistered under the Exchange Act and Bats will no longer file periodic reports with the SEC. CBOE Holdings intends to list on BZX following the merger, but there can be no assurance regarding the timing of such listing.

Bats Stockholder Appraisal Rights (see page 159)

Under Delaware law, Bats stockholders of record who do not vote in favor of the proposal to adopt the merger agreement and otherwise comply with the requirements set forth in Section 262 (as defined below) will be entitled to seek appraisal rights and obtain payment in cash for the judicially determined fair value of their shares of Bats common stock in connection with the merger, if the merger is completed. This value could be more than, less than or the same as the implied value of the merger consideration for Bats common stock. The relevant provisions of the General Corporation Law of the State of Delaware (the "**DGCL**"), are included as *Annex E* to this joint proxy statement/prospectus. We encourage you to read these provisions carefully and in their entirety. Moreover, due to the complexity of the procedures for exercising the right to seek appraisal, Bats stockholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with these provisions will result in a loss of the right of appraisal.

An executed proxy card that does not contain voting instructions will, unless revoked, be voted in favor of the proposal to adopt the merger agreement. Therefore, a Bats stockholder who submits a proxy and who wishes to exercise appraisal rights must mark "**AGAINST**" or "**ABSTAIN**" with respect to the proposal to adopt the merger agreement. Bats stockholders who wish to exercise their appraisal rights and hold shares in the name of a bank, broker, trust or other nominee must instruct their bank, broker, trust or other nominee to take the steps necessary to enable them to demand appraisal for their shares.

Conditions to Completion of the Merger (see page 185)

The obligations of CBOE Holdings, Merger Sub, Merger LLC and Bats to effect the merger are subject to the satisfaction or waiver by CBOE Holdings, Merger Sub and Bats of the following conditions at or prior to the completion of the merger:

CBOE Holdings stockholders approving the share issuance proposal and Bats stockholders approving the proposal to adopt the merger agreement;

the approval for listing on NASDAQ, subject to official notice of issuance, of the shares of CBOE Holdings common stock to be issued to Bats stockholders in the merger;

the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**");

the receipt of all other authorizations, consents, orders, declarations or approvals of or filings with, or terminations or expirations of waiting periods imposed by, any governmental entity,

Table of Contents

which the failure to obtain, make or occur would have the effect of making any of the transactions contemplated by the merger agreement illegal or would, individually or in the aggregate, have a "material adverse effect" (as described on page 187 of this joint proxy statement/prospectus) with respect to Bats or CBOE Holdings;

the absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger or the subsequent merger or imposing a burdensome effect (as described on page 201 of this joint proxy statement/prospectus) upon the consummation of the merger or the subsequent merger;

the absence of any action threatened or commenced by any governmental entity that is pending by or before any governmental entity of competent jurisdiction where a judgment would, individually or in the aggregate with other such judgments, prevent or would reasonably be expected to prevent the completion of the merger or the subsequent merger or impose a burdensome effect upon the consummation of the merger or the subsequent merger;

the declaration by the SEC of the effectiveness under the Securities Act of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of any stop order or proceedings initiated (and not withdrawn) by the SEC for that purpose;

the accuracy and correctness of representations and warranties of the other party, subject to certain materiality or "material adverse effect" qualifications described in the merger agreement, and the receipt of a certificate from an executive officer of the other party to that effect;

the other party's having performed its covenants in the merger agreement in all material respects at or prior to the completion of the merger, and the receipt of a certificate from an executive officer of the other party to that effect;

the receipt by each party of a tax opinion from its counsel that the merger and subsequent merger, taken together, will constitute a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and that CBOE Holdings and Bats will each be a party to that reorganization within the meaning of Section 368(b) of the Code;

the approval by the SEC of the merger, the subsequent merger and any related amendments to the governance documents and rules of CBOE Holdings, Bats and their respective subsidiaries pursuant to Section 19(b) and Rule 19b-4 of the Exchange Act (the "*SEC Approvals*");

the approval by the Financial Industry Regulatory Authority ("*FINRA*") of the change of ownership or control of Bats' broker dealer entities; and

the approval by the United Kingdom Financial Conduct Authority ("*FCA*") of the merger and the delivery of the related notifications to the FCA.

In addition, it is a condition to CBOE Holdings' obligation to close that holders of no more than 20% of the outstanding shares of Bats common stock as of the effective time of the merger have properly demanded appraisal of their shares.

Some of the conditions set forth in the merger agreement may be waived by CBOE Holdings or Bats, subject to the agreement of the other party in specific cases. For a more detailed discussion of these matters, see "The Merger Agreement Conditions to Completion of the Merger" beginning on page 185.

Table of Contents

Regulatory Approvals (see page 153)

CBOE Holdings and Bats have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include the expiration or termination of the waiting period pursuant to the HSR Act, and receipt of approval from the SEC, FINRA, FCA and the Dutch Central Bank.

Debt Financing (see page 223)

Concurrently, and in connection with entering into the merger agreement, CBOE Holdings entered into a commitment letter (together with all exhibits, annexes and schedules attached thereto, and as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**debt commitment letter**"), with Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any of its designated affiliates) (Bank of America, N.A., and other such financial institutions that accede as lender to the debt commitment letter in accordance with its terms, the "**commitment parties**"), pursuant to which, the commitment parties, subject to the satisfaction and waiver of certain conditions as further specified in the debt commitment letter, have committed to provide debt financing for the purposes of funding (i) the cash portion of the merger consideration, (ii) the repayment of certain existing indebtedness of Bats and its subsidiaries and (iii) related fees and expenses, which debt financing consists of a senior unsecured 364-day bridge loan facility in an aggregate principal amount of up to \$1.65 billion (the "**bridge facility**") due and payable 364 days after the closing date to the extent CBOE Holdings fails to generate gross cash proceeds in an aggregate principal amount of up to \$1.65 billion from permanent financing, including in the form of a senior unsecured term loan facility and the issuance of senior unsecured notes on or prior to the consummation of the transactions contemplated by the merger agreement.

The commitment parties' obligations to provide such financing became effective September 25, 2016 and will end on the earliest of (i) the termination of the merger agreement pursuant to its terms, (ii) July 25, 2017 (or if the outside date is extended pursuant to the terms of the merger agreement, October 23, 2017) or (iii) the closing of the transactions contemplated by the merger agreement without the use of the bridge facility. CBOE Holdings currently expects to enter into a senior unsecured term loan facility and issue senior notes in lieu of drawing on the bridge facility.

Bats Acquisition Proposals (see page 189)

Subject to certain exceptions, the merger agreement precludes Bats from soliciting, initiating or knowingly encouraging or knowingly inducing or facilitating the making, submission or announcement of any inquiries or the making of any proposal or offer constituting, related to or that could reasonably be expected to lead to a Bats acquisition proposal (as described on page 191 of this joint proxy statement/prospectus). Notwithstanding such restrictions, the merger agreement provides that, at any time prior to Bats stockholders approving the proposal to adopt the merger agreement, provided that Bats and its subsidiaries have complied with their non-solicitation restrictions, the Bats board may, solely in response to a Bats superior proposal (as described on page 191 of this joint proxy statement/prospectus) received on or after the date of the merger agreement that has not been withdrawn or abandoned and that did not result from a breach of the merger agreement, make a Bats adverse recommendation change (as described on page 190 of this joint proxy statement/prospectus) and may cause Bats to terminate the merger agreement and concurrently enter into a binding definitive agreement to effect such Bats superior proposal if Bats has taken certain actions and the Bats board determines in good faith (after consultation with Bats' outside legal counsel) that such Bats acquisition proposal continues to constitute a Bats superior proposal (as described under "The Merger Agreement Bats Acquisition Proposals" and "The Merger Agreement Special Meeting of Bats Stockholders; Recommendation of the Bats Board" beginning on page 189 and 195, respectively).

Table of Contents

CBOE Holdings Acquisition Proposals (see page 192)

Subject to certain exceptions, the merger agreement precludes CBOE Holdings from soliciting, initiating or knowingly encouraging or knowingly inducing or facilitating the making, submission or announcement of any inquiries or the making of any proposal or offer constituting, related to or that could reasonably be expected to lead to a CBOE Holdings acquisition proposal (as described on page 194 of this joint proxy statement/prospectus). Notwithstanding such restrictions, the merger agreement provides that, at any time prior to CBOE Holdings stockholders approving the share issuance proposal, provided that CBOE Holdings and its subsidiaries have complied with their non-solicitation restrictions, the CBOE Holdings board may, solely in response to a CBOE Holdings superior proposal (as described on page 194 of this joint proxy statement/prospectus) received on or after the date of the merger agreement that has not been withdrawn or abandoned and that did not result from a breach of the merger agreement, make a CBOE Holdings adverse recommendation change (as described on page 194 of this joint proxy statement/prospectus) and may cause CBOE Holdings to terminate the merger agreement and concurrently enter into a binding definitive agreement to effect such CBOE Holdings superior proposal if CBOE Holdings has taken certain actions and the CBOE Holdings board determines in good faith (after consultation with CBOE Holdings' outside legal counsel) that such CBOE Holdings acquisition proposal continues to constitute a CBOE Holdings superior proposal (as described under "The Merger Agreement CBOE Holdings Acquisition Proposals" and "The Merger Agreement Special Meeting of CBOE Holdings Stockholders; Recommendation of the CBOE Holdings Board" beginning on page 192 and 197, respectively).

Termination of the Merger Agreement (see page 215)

Termination by CBOE Holdings or Bats

The merger agreement may be terminated prior to the effective time of the merger by the mutual written consent of CBOE Holdings and Bats. Also, either CBOE Holdings or Bats may terminate the merger agreement at any time prior to the effective time of the merger if:

any court of competent jurisdiction or other government entity has issued a judgment, order, injunction, rule or decree, or taken any other action, enjoining, restraining or otherwise prohibiting or making illegal the consummation of the merger, the subsequent merger or any of the other transactions contemplated by the merger agreement or imposing a burdensome effect on the consummation thereof and such judgment, order, injunction, rule or decree has become final and nonappealable (provided that the right to terminate the merger agreement for this reason will not be available to any party that has failed to use its reasonable best efforts to contest, resolve or lift, as applicable, such judgment, order, injunction, rule, decree or other action);

the Bats stockholder meeting (including any adjournment or postponement thereof) was held to obtain the approval of the proposal to adopt the merger agreement and concluded without obtaining such approval (provided that Bats may not terminate the merger agreement for this reason if Bats has not complied with its obligations under the merger agreement with respect to not soliciting Bats acquisition proposals and the holding of such stockholder meeting);

the CBOE Holdings stockholder meeting (including any adjournment or postponement thereof) was held to obtain the share issuance proposal and concluded without obtaining such approval (provided that CBOE Holdings may not terminate the merger agreement for this reason if CBOE Holdings has not complied with its obligations under the merger agreement with respect to not soliciting CBOE Holdings acquisition proposals and the holding of such stockholder meeting); or

Table of Contents

the merger is not completed on or before July 25, 2017 (or, if extended pursuant to the merger agreement, October 23, 2017) (the "*outside date*") (provided, that neither CBOE Holdings nor Bats has the right to terminate the merger agreement for this reason if the failure to consummate the merger by such date results from the material breach by CBOE Holdings, Merger Sub or Merger LLC (in the case of termination by CBOE Holdings) or Bats (in the case of termination by Bats) of any of its covenants or agreements contained in the merger agreement).

Termination by CBOE Holdings

CBOE Holdings may terminate the merger agreement as follows:

if Bats breaches or fails to perform in any material respect any of its representations, warranties, covenants or agreements contained in the merger agreement, which breach or failure to perform (i) would give rise to the failure of a condition to CBOE Holdings' obligation to complete the merger and (ii) cannot be or has not been cured within the period specified in the merger agreement;

if, prior to Bats stockholders approving the proposal to adopt the merger agreement, the Bats board or any committee thereof has (i) effected a Bats adverse recommendation change (whether or not permitted to do so under the terms of the merger agreement), (ii) adopted, approved, endorsed, declared advisable or recommended to Bats stockholders a Bats acquisition proposal other than the merger, (iii) failed to publicly reaffirm the Bats recommendation within three business days following receipt of a written request by CBOE Holdings to provide such reaffirmation after a Bats acquisition proposal has been publicly disclosed or has become publicly known, (iv) failed to include in this joint proxy statement/prospectus the Bats recommendation or included in this joint proxy statement/prospectus any proposal to vote upon or consider any Bats acquisition proposal other than the merger or (v) failed to recommend against a competing tender offer or exchange offer for 20% or more of the outstanding capital stock of Bats within ten business days after commencement of such offer;

if Bats breaches in any material respect any of its obligations with respect to not soliciting Bats acquisition proposals; or

if, prior to the CBOE Holdings stockholders approving the share issuance proposal, CBOE Holdings terminates the merger agreement in order to enter into a definitive agreement to effect a CBOE Holdings superior proposal, so long as CBOE Holdings has complied with its obligations with respect to not soliciting CBOE Holdings acquisition proposals and enters into such definitive agreement concurrently with the termination of the merger agreement and pays the termination fee in accordance with the procedures and time periods specified in the merger agreement.

Termination by Bats

Bats may terminate the merger agreement as follows:

if CBOE Holdings, Merger Sub or Merger LLC breaches or fails to perform in any material respect any of its representations, warranties, covenants or agreements contained in the merger agreement, which breach or failure to perform (i) would give rise to the failure of a condition to Bats' obligation to complete the merger and (ii) cannot be or has not been cured within the period specified in the merger agreement;

if prior to the CBOE Holdings stockholders approving the share issuance proposal, the CBOE Holdings board or any committee thereof has (i) effected a CBOE Holdings adverse recommendation change (whether or not permitted to do so under the terms of the merger

Table of Contents

agreement), (ii) adopted, approved, endorsed, declared advisable or recommended to CBOE Holdings stockholders a CBOE Holdings acquisition proposal other than the merger, (iii) failed to publicly reaffirm the CBOE Holdings recommendation within three business days following receipt of a written request by Bats to provide such reaffirmation after a CBOE Holdings acquisition proposal has been publicly disclosed or has become publicly known, (iv) failed to include in this joint proxy statement/prospectus the CBOE Holdings' recommendation or included in this joint proxy statement/prospectus any proposal to vote upon or consider any CBOE Holdings acquisition proposal other than the merger or (v) failed to recommend against a competing tender offer or exchange offer for 20% or more of the outstanding capital stock of CBOE Holdings within ten business days after commencement of such offer;

if CBOE Holdings breaches in any material respect any of its obligations with respect to not soliciting CBOE Holdings acquisition proposals; or

if, prior to Bats stockholders approving the proposal to adopt the merger agreement, Bats terminates the merger agreement in order to enter into a definitive agreement to effect a Bats superior proposal, so long as Bats has complied with its obligations with respect to not soliciting Bats acquisition proposals and enters into such definitive agreement concurrently with the termination of the merger agreement, and pays the termination fee in accordance with the procedures and time periods specified in the merger agreement.

Termination Fees and Expenses (see page 217)

CBOE Holdings must pay Bats a termination fee of \$110.0 million if the merger agreement is terminated under certain specified circumstances, including (i) following a failure by Bats or CBOE Holdings to obtain the requisite stockholder approvals, if CBOE Holdings enters into a transaction with respect to a CBOE Holdings acquisition proposal within 12 months of such termination, or (ii) if Bats terminates the merger agreement following a CBOE Holdings adverse recommendation change.

Bats must pay CBOE Holdings a termination fee of \$110.0 million if the merger agreement is terminated under certain specified circumstances, including (i) following a failure by CBOE Holdings or Bats to obtain the requisite stockholder approvals, if Bats enters into a transaction with respect to a Bats acquisition proposal within 12 months of such termination, or (ii) if CBOE Holdings terminates the merger agreement following a Bats adverse recommendation change.

If the merger agreement is terminated under certain circumstances, CBOE Holdings or Bats may be required to reimburse the other party for its expenses incurred in connection with the merger in an aggregate amount not to exceed \$10 million.

Material U.S. Federal Income Tax Consequences (see page 155)

The merger and subsequent merger, taken together, are intended to constitute a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the completion of the merger that each of CBOE Holdings and Bats each receives a written opinion from its counsel that for U.S. federal income tax purposes (i) the merger and subsequent merger, taken together, will constitute a reorganization within the meaning of Section 368(a) of the Code and (ii) CBOE Holdings and Bats will each be a party to this reorganization within the meaning of Section 368(b) of the Code. Assuming that treatment is proper, (i) a holder of Bats common stock who receives solely shares of CBOE Holdings common stock in the merger generally will not recognize gain or loss for U.S. federal income tax purposes, except with respect to the receipt of cash in lieu of a fractional share of CBOE Holdings common stock and (ii) a holder of Bats common stock who receives a combination of CBOE Holdings common stock and cash in the merger will recognize gain but not loss, and such holder's taxable gain in that case will not exceed the cash the holder receives in the merger. A holder of Bats common stock who receives solely cash in the merger will recognize gain or loss.

Table of Contents

Tax matters are complicated, and the tax consequences of the merger to each holder of Bats common stock will depend on such stockholder's particular facts and circumstances. For a more detailed description of the U.S. federal income tax consequences of the exchange of Bats shares in the merger, see "The Merger Material U.S. Federal Income Tax Consequences" beginning on page 155.

Accounting Treatment (see page 159)

CBOE Holdings will account for the acquisition of shares of Bats common stock through the merger in accordance with Financial Accounting Standards Board ("*FASB*") Accounting Standards Codification 805, *Business Combinations*, which we refer to as "*ASC 805*." In determining the acquirer for accounting purposes, CBOE Holdings considered the factors required under ASC 805 and determined that CBOE Holdings will be considered the acquirer of Bats for accounting purposes.

Risk Factors (see page 41)

In evaluating the merger, the merger agreement or the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 41.

CBOE Holdings' Dividend Policy

CBOE Holdings has paid quarterly dividends since its initial public offering in 2010 and intends to continue paying regular quarterly dividends to its stockholders. However, any decision to pay dividends on its common stock will be at the discretion of the CBOE Holdings board, which may determine not to declare dividends at all or at a reduced amount. See "The Merger CBOE Holdings' Dividend Policy" beginning on page 153.

Comparison of Rights of CBOE Holdings Stockholders and Bats Stockholders (see page 375)

As a result of the merger, Bats stockholders will become CBOE Holdings stockholders, unless such stockholders elect to receive and actually receive only cash consideration. Following the completion of the merger, Bats stockholders who receive shares of CBOE Holdings common stock will have the same rights as CBOE Holdings stockholders. However, due to differences in the governing documents of Bats and CBOE Holdings, the rights of former Bats stockholders as CBOE Holdings stockholders will be different from the rights they had as Bats stockholders. Certain of these differences are described in detail under "Comparison of Rights of CBOE Holdings Stockholders and Bats Stockholders" beginning on page 375.

Expenses (see page 221)

Generally, all fees and expenses incurred in connection with the merger, the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus.

Table of Contents

Summary Selected Historical Consolidated Financial Data for CBOE Holdings

The following tables set forth the summary selected historical consolidated financial data for CBOE Holdings and its consolidated subsidiaries. The summary selected consolidated financial data as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 have been derived from CBOE Holdings' audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2015, which are incorporated by reference into this joint proxy statement/prospectus. The summary selected consolidated financial data as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2012 and 2011 have been derived from CBOE Holdings' audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this joint proxy statement/prospectus. The summary selected consolidated financial data as of June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015 have been derived from CBOE Holdings' unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The results for the six months ended June 30, 2016 and 2015 are not necessarily indicative of the results that may be expected for the entire fiscal year. CBOE Holdings' unaudited interim financial statements reflect all adjustments that management of CBOE Holdings considers necessary for the fair presentation of CBOE Holdings' financial position and results of operations as of June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015 in accordance with United States generally accepted accounting principles ("**GAAP**"). Historical results are not necessarily indicative of the results that may be expected for any future period.

This summary selected historical consolidated financial data should be read in conjunction with CBOE Holdings' audited consolidated financial statements, the notes related thereto and the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in CBOE Holdings' Annual Report on Form 10-K for the year ended December 31, 2015 and CBOE Holdings' unaudited condensed consolidated financial statements, the notes related thereto and the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in CBOE Holdings' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016. See "Where You Can Find More Information" beginning on page 420.

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Table of Contents

	Six Months Ended June 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in thousands, except per share data)							
Income Statement Data:							
Total operating revenues	\$ 325,659	\$ 291,564	\$ 634,545	\$ 617,225	\$ 572,050	\$ 512,338	\$ 508,144
Total operating expenses	168,210	148,640	314,617	303,424	286,236	268,241	266,512
Operating income	157,449	142,924	319,928	313,801	285,814	244,097	241,632
Total other income (expense)	6,833	(15)	4,096	(4,104)	(2,158)	(1,546)	(1,548)
Income before income taxes	164,282	142,909	324,024	309,697	283,656	242,551	240,084
Income tax provision	64,175	55,804	119,001	119,983	107,657	85,156	100,678
Net income	\$ 100,107	\$ 87,105	\$ 205,023	\$ 189,714	\$ 175,999	\$ 157,395	\$ 139,406

Net income allocated to common stockholders	\$ 99,693	\$ 86,726	\$ 204,125	\$ 188,392	\$ 173,863	\$ 155,254	\$ 136,582
---	-----------	-----------	------------	------------	------------	------------	------------

Net income per share allocated to common stockholders

Basic	\$ 1.22	\$ 1.04	\$ 2.46	\$ 2.21	\$ 1.99	\$ 1.78	\$ 1.52
Diluted	1.22	1.04	2.46	2.21	1.99	1.78	1.52
Cash dividends declared per share ⁽¹⁾⁽²⁾	0.46	0.42	0.88	0.78	1.16	1.29	0.44

	Six Months Ended June 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in thousands)							
Balance Sheet Data:							
Total Assets	\$ 406,644	\$ 362,109	\$ 384,788	\$ 383,901	\$ 441,589	\$ 338,858	\$ 327,868
Total liabilities	128,281	135,092	125,143	133,834	157,072	99,736	91,598
Total stockholders' equity	265,763	227,017	259,645	250,067	284,517	239,122	236,270
Average daily volume by product⁽³⁾							
Equities	1,405	1,667	1,559	1,939	1,721	1,977	2,048
Indexes	1,750	1,422	1,620	1,613	1,479	1,217	1,271
Exchange-trade products	1,267	1,295	1,274	1,507	1,353	1,247	1,462
Total options average daily volume	4,422	4,384	4,453	5,059	4,553	4,441	4,781
Futures	238	185	205	201	159	96	48
Total average daily volume	4,660	4,569	4,658	5,260	4,712	4,537	4,829

Edgar Filing: CBOE Holdings, Inc. - Form S-4

- (1) On December 11, 2012, the CBOE Holdings board declared a special cash dividend of \$0.75 per share. This was in addition to CBOE Holdings' quarterly cash dividends which aggregated to \$0.54 per share for the year ended December 31, 2012.
- (2) On December 10, 2013, the CBOE Holdings board declared a special cash dividend of \$0.50 per share. This was in addition to CBOE Holdings' quarterly cash dividends which aggregated to \$0.66 per share for the year ended December 31, 2013.
- (3) Average daily volume equals the total contracts traded during the period divided by the number of trading days in the period.

Table of Contents

Summary Selected Historical Financial Data for Bats

The following tables set forth the summary selected historical consolidated financial data for Bats and its subsidiaries. The summary selected consolidated financial data as of December 31, 2015 and 2014 and for the fiscal years ended December 31, 2015, 2014 and 2013 have been derived from Bats' audited consolidated financial statements and related notes contained elsewhere in this joint proxy statement/prospectus. The selected consolidated financial data as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2012 and 2011 have been derived from Bats' audited consolidated financial statements for such years, which have not been included in this joint proxy statement/prospectus. The summary selected consolidated financial data as of June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015 have been derived from Bats' unaudited condensed consolidated financial statements and related notes for the quarterly period ended June 30, 2016, which are included elsewhere in this joint proxy statement/prospectus. The results for the six months ended June 30, 2016 and 2015 are not necessarily indicative of the results that may be expected for the entire fiscal year. Bats' unaudited interim financial statements reflect all adjustments that management of Bats considers necessary for the fair presentation of Bats' financial position and results of operations as of June 30, 2016 and 2015 and for the six months ended June 30, 2016 and 2015 in accordance with GAAP. Historical results are not necessarily indicative of the results that may be expected for any future period.

This summary selected consolidated financial data should be read in conjunction with Bats' audited consolidated financial statements, the notes related thereto and the related "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations" and Bats' unaudited condensed consolidated financial statements, the notes related thereto and the related "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations," each of which is included elsewhere in this joint proxy statement/prospectus.

Table of Contents

	Six Months Ended June 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in millions, except per share data)							
Consolidated Statements of Operations							
Data:							
Revenues:							
Transaction fees	\$ 704.0	\$ 608.3	\$ 1,290.2	\$ 1,009.9	\$ 612.8	\$ 645.3	\$ 695.4
Regulatory transaction fees ⁽¹⁾	151.0	133.8	275.7	272.0	127.4	148.1	156.4
Market data fees	73.7	64.2	131.0	110.3	59.4	60.3	55.6
Connectivity fees and other	48.1	36.9	81.8	66.0	41.9	31.0	19.2
Total revenues	976.8	843.2	1,778.7	1,458.2	841.5	884.7	926.6
Cost of revenues:							
Liquidity payments	581.7	503.6	1,070.7	831.4	474.7	508.2	566.1
Section 31 fees ⁽¹⁾	151.0	133.8	275.7	272.0	127.4	148.1	156.4
Routing and clearing	22.4	24.0	47.9	47.3	42.6	51.5	76.1
Total cost of revenues	755.1	661.4	1,394.3	1,150.7	644.7	707.8	798.6
Revenues less cost of revenues	221.7	181.8	384.4	307.5	196.8	176.9	128.0
Operating expenses:							
Compensation and benefits	45.1	37.5	79.7	87.0	41.5	48.4	42.9
Depreciation and amortization	20.8	18.0	40.8	28.4	15.2	17.0	8.4
Systems and data communication	9.0	16.2	27.2	23.5	9.6	11.9	10.1
Occupancy	1.4	1.7	3.1	4.2	1.9	2.3	1.5
Professional and contract services	5.1	7.1	11.1	6.5	8.1	9.2	10.3
Regulatory costs	5.8	5.7	11.1	12.1	5.4	5.7	5.5
Change in fair value of contingent consideration liability	1.7		2.8			12.4	0.3
Impairment of assets					3.5	0.2	
General and administrative	12.5	15.5	26.3	26.2	10.0	10.5	10.7
Total operating expenses	101.4	101.7	202.1	187.9	95.2	117.6	89.7
Operating income	120.3	80.1	182.3	119.6	101.6	59.3	38.3
Interest (expense) income, net	(22.5)	(21.3)	(46.6)	(27.3)	(25.8)	(0.6)	0.1
Loss on extinguishment of debt	(17.6)			(13.6)			
Equity in earnings in EuroCCP	0.9	0.6	1.2	1.1			
Other income (expense)	0.2	1.5	1.8	0.5	(0.2)	(0.6)	(0.1)
Income before income tax provision	81.3	60.9	138.7	80.3	75.6	58.1	38.3
Income tax provision	33.3	25.7	56.5	31.1	28.8	26.5	14.8
Net income	\$ 48.0	\$ 35.2	\$ 82.2	\$ 49.2	\$ 46.8	\$ 31.6	\$ 23.5
Earnings per share:							
Basic	\$ 0.51	\$ 0.37	\$ 0.87	\$ 0.53	\$ 0.71	\$ 0.48	\$ 0.44
Diluted	\$ 0.50	\$ 0.37	\$ 0.87	\$ 0.53	\$ 0.71	\$ 0.48	\$ 0.43
Weighted average shares outstanding:							
Basic	94.8	94.5	94.6	92.2	66.0	65.5	53.0
Diluted	96.1	95.7	95.0	92.7	66.3	66.2	54.5
Distributions per share	\$	\$	\$	\$ 2.69	\$	\$	\$

(1)

As national securities exchanges, BZX, Bats BYX Exchange, Inc. ("**BYX**"), Bats EDGX Exchange, Inc. ("**EDGX**") and Bats EDGA Exchange, Inc. ("**EDGA**") are assessed fees pursuant to Section 31 of the Exchange Act. Section 31 fees are assessed on the notional value traded and are designed to recover the costs to the government of supervision and regulation of securities markets and securities professionals. Section 31 fees are paid directly to the SEC, and our national securities exchanges then pass these costs along to our members as regulatory transaction fees, recognizing these amounts as incurred in cost of revenues and revenues, respectively.

Table of Contents

	As of June 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in millions)							
Consolidated Statements of Financial Condition							
Data:							
Total assets	1,359.2	1,398.6	1,307.0	1,000.1	452.3	469.6	594.9
Total liabilities	940.2	1,055.7	927.1	695.9	312.3	381.9	148.3
Stockholders' equity	419.0	342.9	379.9	304.2	140.0	87.7	446.6
	Six Months Ended June 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in millions except for trading days, earnings per share, percentages and as noted below)							
U.S. Equities:							
Average daily volume (ADV) (in billions of shares):							
Matched shares	1.6	1.4	1.5	1.2	0.6	0.7	0.9
Routed shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total touched shares	1.7	1.5	1.6	1.3	0.7	0.8	1.0
Market ADV	7.9	6.6	6.9	6.4	6.2	6.4	7.8
Number of trading days	125	124	252	252	252	250	252
Net capture per one hundred touched shares ⁽¹⁾	\$ 0.021	\$ 0.022	\$ 0.021	\$ 0.022	\$ 0.024	\$ 0.023	\$ 0.017
Market share ⁽²⁾	20.9%	20.8%	21.1%	19.4%	10.4%	11.9%	11.3%
European Equities:							
Average daily notional value (ADNV) (in billions):							
Matched and touched	€ 11.7	€ 8.1	€ 12.4	€ 8.6	€ 7.5	€ 7.6	€ 8.1
Market ADNV	€ 50.1	€ 53.8	€ 50.8	€ 39.7	€ 32.6	€ 30.9	€ 38.6
Number of trading days	127	126	257	256	256	257	257
Net capture per matched notional value (in basis points) ⁽¹⁾	0.147	0.131	0.133	0.162	0.167	0.113	0.045
Market share ⁽²⁾	23.2%	24.1%	24.4%	21.6%	23.1%	24.6%	7.0%
U.S. Options:							
ADV (in millions of contracts):							
Matched contracts	1.8	1.4	1.5	0.8	0.6	0.5	0.5
Routed contracts		0.1	0.1				0.1
Total touched contracts	1.8	1.5	1.6	0.8	0.6	0.5	0.6
Market ADV	16.1	15.5	16.1	16.6	15.9	15.7	17.6
Number of trading days	125	124	252	252	252	250	252
Net capture per touched contract ⁽¹⁾	\$ 0.050	\$ 0.022	\$ 0.030	\$ 0.046	\$ 0.058	\$ 0.063	\$ (0.010)
Market share ⁽²⁾	10.9%	9.3%	9.6%	4.8%	3.7%	3.3%	3.1%
Global FX:							
ADNV (in billions)	\$ 27.7	\$ 27.7	\$ 25.8	*	*	*	*
Number of trading days	129	78	209	*	*	*	*

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Net capture per one million dollars traded ⁽¹⁾	\$	2.67	\$	3.04	\$	2.95	*	*	*	*
---	----	------	----	------	----	------	---	---	---	---

(1)

"Net capture per one hundred touched shares" refers to annual transaction fees less liquidity payments and routing and clearing costs divided by the product of one-hundredth ADV of touched shares on BZX, BYX, EDGX and EDGA and the number of trading days. "Net capture per matched notional value" refers to annual transaction fees less liquidity payments in British pounds divided by the product of ADV in British pounds of shares matched on Bats Trading Limited (a U.K. operator of Bats' multilateral trading facility and Bats' Regulated Market, under its Recognised Investment Exchange status, which we refer to as "**Bats Europe**") and the number of trading days. "Net capture per touched contract" refers to annual transaction fees less liquidity payments and routing and clearing costs divided by the product of ADV of touched

Table of Contents

contracts and the number of trading days. "Net capture per one million dollars traded" refers to annual transaction fees less liquidity payments, if any, divided by the product of one thousandth of ADVN traded on the Bats Hotspot ("**Bats Hotspot**") FX market and the number of trading days, divided by two, which represents the buyer and seller that are both charged on the transaction.

(2)

"market share," "share of the market" or "share of trading" with respect to:

(i)

the U.S. equity market or specific securities in such market, such as NASDAQ- or NYSE-listed securities, during any period, means the number of shares of such U.S. listed cash equity securities and ETPs that were matched on BZX, BYX, EDGX and EDGA during such period divided by the total number of shares of such U.S. listed cash equity securities and ETPs that all national securities exchanges and the FINRA Trade Reporting Facilities reported as having been matched during such period;

(ii)

the U.S. equity options market during any period, means the number of U.S. listed equity option contracts that were matched on BZX and EDGX during such period divided by the total number of U.S. listed equity option contracts that all national securities exchanges reported as having been matched during such period; or

(iii)

European trading in the securities traded on Bats Europe for any period, means the total notional value of shares of European listed cash equity securities and ETPs that were matched on Bats Europe, respectively, during such period divided by the total notional value of all trades in the securities and ETPs available for trading on Bats Europe, respectively, during both continuous trading or an auction phase that the major European national securities exchanges and major multilateral trading facilities ("**MTFs**") reported as having been matched during such period. The total notional value of all such trades does not include the notional value of over-the-counter ("**OTC**") trades. The total notional value of all trades in the securities and ETPs available for trading on Bats Europe in the denominator of the calculation above will be affected to the extent that additional securities and ETPs are made available for trading on Bats Europe, respectively, during such period or by our inclusion of market data from additional European national securities exchanges or MTFs. Due to the lack of a consolidated European reporting tape, our share of European trading is based on public data provided by third-party sources and represents our best estimate of our market share.

Table of Contents**Summary Selected Unaudited Pro Forma Condensed Combined Financial Information**

The following summary selected unaudited pro forma condensed combined statement of operations data for the six months ended June 30, 2016 and the year ended December 31, 2015 reflect the merger and related financing transactions as if they had occurred on January 1, 2015. The following summary selected unaudited pro forma condensed combined balance sheet data as of June 30, 2016 reflect the merger and related financing transactions as if they had occurred on June 30, 2016.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the acquisition accounting is dependent upon certain valuations and other analyses that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. See "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 396. The summary selected unaudited pro forma condensed combined financial data is based on the historical financial statements of CBOE Holdings and Bats and certain assumptions and adjustments as discussed in the accompanying notes to the unaudited pro forma condensed combined financial information, including assumptions relating to the allocation of the consideration paid for Bats based on preliminary estimates of the fair value of the assets acquired and liabilities assumed, and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented. The summary selected unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of CBOE Holdings or Bats would have been had the merger and related financing transactions been completed at the beginning of the period or on the date indicated, nor are they necessarily indicative of any future operating results or financial position. CBOE Holdings and Bats may have performed differently had they been combined during the periods presented. The summary selected unaudited pro forma condensed combined financial information does not reflect the permanent financing that CBOE Holdings is seeking to obtain, any cost savings from operating efficiencies, any other potential synergies or the costs necessary to achieve any such savings or synergies. The following should be read in connection with the section of this joint proxy statement/prospectus entitled "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 396 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

Unaudited Pro Forma Condensed Combined Statement of Operations Data

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
	(in thousands, except per share data)	
Total operating revenue	\$ 545,244	\$ 1,017,111
Net income allocated to common stockholders	\$ 123,852	\$ 238,098
Net income per share allocated to common stockholders:		
Basic	\$ 1.10	\$ 2.10
Diluted	\$ 1.10	\$ 2.10
Weighted average shares used in computing income per share:		
Basic	111,925	113,354
Diluted	112,342	113,541

Table of Contents

Unaudited Pro Forma Condensed Combined Balance Sheet Data

	As of
	June 30, 2016
	(in thousands)
Total assets	\$ 5,202,399
Short-term debt	\$ 1,636,800
Total stockholders' equity	\$ 2,173,652

36

Table of Contents

Unaudited Pro Forma Combined Per Share Information

The following unaudited pro forma combined per share information for the six months ended June 30, 2016 and the year ended December 31, 2015 reflects the merger and related financing transactions as if they had occurred on January 1, 2015. The unaudited pro forma combined book value per share of common stock reflects the merger and related financing transactions as if they had occurred on June 30, 2016.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the acquisition accounting is dependent upon certain valuations and other analyses that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. See "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 396. The unaudited pro forma combined per share information is based on the historical financial statements of CBOE Holdings and Bats and certain assumptions and adjustments as discussed in the accompanying notes to the unaudited pro forma condensed combined financial information, including assumptions relating to the allocation of the consideration paid for Bats based on preliminary estimates of the fair value of the assets acquired and liabilities assumed, and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented. This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of CBOE Holdings or Bats would have been had the merger and related financing transactions been completed at the beginning of the period or on the date indicated, nor are they necessarily indicative of any future operating results or financial position. CBOE Holdings and Bats may have performed differently had they been combined during the periods presented. The unaudited pro forma combined per share information does not reflect the permanent financing that CBOE Holdings is seeking to obtain, any cost savings from operating efficiencies, any other potential synergies or the costs necessary to achieve any such savings or synergies. The following should be read in connection with the section of this joint proxy statement/prospectus entitled "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 396 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

The historical book value per share is computed by dividing shareholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma income per share of the combined company is computed by dividing the pro forma income by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The pro forma book value per share of the combined company is computed as if the merger had been completed on June 30, 2016 and December 31, 2015, respectively.

Table of Contents

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
CBOE HOLDINGS HISTORICAL PER COMMON SHARE DATA		
Net income allocated to common stockholders:		
Basic	\$ 1.22	\$ 2.46
Diluted	\$ 1.22	\$ 2.46
Cash dividends paid per common share	\$ 0.46	\$ 0.88
Book value per common share	\$ 3.27	\$ 3.16
BATS HISTORICAL PER COMMON SHARE DATA		
Net income allocated to common stockholders:		
Basic	\$ 0.51	\$ 0.87
Diluted	\$ 0.50	\$ 0.86
Cash dividends paid per common share		
Book value per common share	\$ 4.35	\$ 3.97
CBOE HOLDINGS UNAUDITED PRO FORMA COMBINED PER COMMON SHARE DATA		
Net income allocated to common stockholders:		
Basic	\$ 1.10	\$ 2.10
Diluted	\$ 1.10	\$ 2.10
Cash dividends paid per common share	\$ 0.46	\$ 0.88
Book value per common share	\$ 19.40	\$ 19.30
CBOE HOLDINGS UNAUDITED PRO FORMA EQUIVALENT PER COMMON SHARE DATA⁽¹⁾		
Net income allocated to common stockholders:		
Basic	\$ 0.35	\$ 0.67
Diluted	\$ 0.35	\$ 0.67
Cash dividends paid per common share	\$ 0.15	\$ 0.28
Book value per common share	\$ 6.42	\$ 6.39

- (1) Amounts are calculated by multiplying the unaudited pro forma combined per common share amounts by the number of shares of CBOE Holdings common stock to be exchanged for each share of Bats common stock as part of the mixed consideration (0.3201 of a share of CBOE Holdings common stock for each share of Bats common stock).

Table of Contents**Comparative Per Share Market Price Data and Dividend Information**

CBOE Holdings common stock trades on NASDAQ under the symbol "CBOE." Bats common stock trades on BZX under the symbol "BATS." The table below sets forth, for the periods indicated, cash dividends paid per share of CBOE Holdings and Bats common stock and the range of high and low per share sales prices for CBOE Holdings and Bats common stock as reported on NASDAQ and BZX, respectively. For current price information, you should consult publicly available sources.

CBOE Holdings Common Stock			
	High	Low	Dividends Paid
For the quarterly period ended:			
March 31, 2014	\$ 59.28	\$ 48.22	\$ 0.18
June 30, 2014	\$ 56.98	\$ 46.84	\$ 0.18
September 30, 2014	\$ 56.36	\$ 46.52	\$ 0.21
December 31, 2014	\$ 65.39	\$ 52.90	\$ 0.21
For the quarterly period ended:			
March 31, 2015	\$ 68.00	\$ 56.57	\$ 0.21
June 30, 2015	\$ 59.64	\$ 55.04	\$ 0.21
September 30, 2015	\$ 67.22	\$ 57.41	\$ 0.23
December 31, 2015	\$ 72.53	\$ 63.65	\$ 0.23
For the quarterly period ended:			
March 31, 2016	\$ 67.41	\$ 58.43	\$ 0.23
June 30, 2016	\$ 66.95	\$ 61.22	\$ 0.23
September 30, 2016	\$ 71.05	\$ 64.62	\$ 0.25
December 31, 2016 (through November 4, 2016)	\$ 64.09	\$ 62.58	\$

Bats Common Stock			
	High	Low	Dividends Paid
For the quarterly period ended:			
June 30, 2016 (beginning April 15, 2016) ⁽¹⁾	\$ 28.93	\$ 22.50	\$
September 30, 2016	\$ 33.00	\$ 23.38	\$ 0.08
December 31, 2016 (through November 4, 2016)	\$ 29.82	\$ 29.18	\$

(1) Bats common stock began trading on BZX on April 15, 2016.

The following table presents the last reported sale price of a share of CBOE Holdings common stock, as reported on NASDAQ, the last reported sale price of a share of Bats common stock, as reported on BZX, and the implied value of the consideration proposed for each share of Bats common stock, in each case, on September 22, 2016, the last full trading day prior to media publications regarding the proposed merger, and on [•], 201[6], the last trading day prior to the printing of this joint proxy statement/prospectus for which it was practicable to include this information.

Date	CBOE Holdings Common Stock	Bats Common Stock	Bats Common Stock Implied Per Share Value⁽¹⁾
September 22, 2016	\$ 69.41	\$ 26.53	\$ 32.22
[•], 201[6]	[•]	[•]	[•]

(1) Calculated by multiplying the last reported sale price of CBOE Holdings common stock by 0.3201 and adding \$10.00 in cash, as mixed consideration provided in the merger agreement. See "The Merger Agreement Merger Consideration" beginning on page 175.

Table of Contents

The market value of the shares of CBOE Holdings common stock to be issued in exchange for shares of Bats common stock upon the completion of the merger, if applicable, will not be known at the time Bats stockholders vote on the proposal to adopt the merger agreement or at the time CBOE Holdings stockholders vote on the share issuance proposal. The exchange ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed.

The above tables show historical stock price comparisons and the implied value of the merger consideration per share of Bats common stock. Because the market prices of CBOE Holdings common stock and Bats common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to CBOE Holdings stockholders in determining whether to approve the share issuance proposal, or to Bats stockholders in determining whether to approve the proposal to adopt the merger agreement. CBOE Holdings stockholders and Bats stockholders are encouraged to obtain current market quotations for CBOE Holdings common stock and Bats common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the proposals before them. See "Where You Can Find More Information" beginning on page 420.

Table of Contents

RISK FACTORS

The combined company will be faced with a market environment that cannot be predicted and that involves significant risks, many of which will be beyond its control. In addition to the other information contained in this joint proxy statement/prospectus, you should carefully consider the material risks described below before deciding how to vote your shares of stock. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the heading "Cautionary Statement Concerning Forward-Looking Statements." See also "Where You Can Find More Information."

Risks Relating to the Merger and the Combined Company

The combined company may not realize all of the anticipated benefits of the transactions contemplated by the merger agreement or such benefits may take longer to realize than expected.

The success of the merger will depend, in part, on the combined company's ability to realize the anticipated benefits from combining the businesses of CBOE Holdings and Bats as further described in the section titled "The Merger Recommendation of the CBOE Holdings Board and Its Reasons for the Merger" and "The Merger Recommendation of the Bats Board and Its Reasons for the Merger." The combined company's ability to realize the anticipated benefits of the merger will depend, to a large extent, on the ability of CBOE Holdings to integrate the businesses of Bats with CBOE Holdings. The combination of two independent companies is a complex, costly and time-consuming process. As a result, the combined company will be required to devote significant management attention and resources to integrating the business practices and operations of CBOE Holdings and Bats. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, could preclude realization of the full benefits expected by CBOE Holdings and Bats. The failure of the combined company to meet the challenges involved in integrating successfully the operations of CBOE Holdings and Bats or otherwise to realize the anticipated benefits of the proposed transactions could cause an interruption of, or a loss of momentum in, the activities of the combined company and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships and diversion of management's attention, and may cause the combined company's stock price to decline. The difficulties of combining the operations of the companies include, among others:

unanticipated issues in integrating information technology, communications and other systems;

unforeseen expenses or delays associated with the integration or the merger;

managing a significantly larger company;

the potential diversion of management focus and resources from other strategic opportunities and from operational matters, and potential disruption associated with the merger;

maintaining employee morale and retaining key management and other key employees;

integrating two unique business cultures, which may prove to be incompatible;

the possibility of faulty assumptions underlying expectations regarding the integration process and expense synergies;

consolidating corporate and administrative infrastructures and eliminating duplicative operations;

coordinating geographically separate organizations;

changes in applicable laws and regulations;

Table of Contents

managing costs or inefficiencies associated with integrating the operations of the combined company; and

making any necessary modifications to internal financial control standards to comply with the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

Many of these factors will be outside of the combined company's control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the combined company's business, financial condition and results of operations. In addition, even if the operations of CBOE Holdings and Bats are integrated successfully, the combined company may not realize the full benefits of the proposed transactions, including the synergies, cost savings or growth opportunities that the combined company expects. These benefits may not be achieved within the anticipated time frame, or at all. As a result, CBOE Holdings and Bats cannot assure you that the combination of Bats with CBOE Holdings will result in the realization of the full benefits anticipated from the transactions contemplated by the merger agreement.

A failure to integrate successfully or a material disruption in information technology systems could adversely affect the combined company's business and results of operations.

The combined company will rely extensively on its information technology systems. The failure of information technology systems to operate effectively, difficulty in integrating the information technology systems of CBOE Holdings and Bats, inconsistencies in standards, controls, procedures and policies and problems with transitioning to upgraded or replacement systems could adversely impact the business of the combined company. In addition, a number of CBOE Holdings' trading permit holders are not connected to Bats' information technology platforms and must complete the process of connecting to these platforms as part of the integration.

The process of integrating information technology systems may take longer, cost more and provide fewer synergies than initially anticipated. There may also be new regulations adopted during the transition period that require systems changes, which could divert attention away from integration process and cause delays. To the extent this occurs, the benefits of the proposed transaction may be reduced or delayed or may never come to fruition. Although Bats has experience with transitioning other businesses to its information technology platform, there are certain portions of CBOE Holdings' business, such as open outcry trading and complex order trading, that have not yet been addressed by Bats' information technology platform.

We currently expect to complete the integration of CBOE Holdings' information technology systems with those of Bats in phases over a four-year period following the merger. However, we may not be able to successfully achieve the transition on the timetable currently contemplated, and the transition may not be successful or could encounter various difficulties and unexpected issues. Any delays or issues that we encounter in the transition could have a material adverse effect on the businesses of the combined company and could negatively affect the combined company's reputation, which in turn could have a material adverse effect on the combined company's overall business, results of operations and financial condition, as well as impair customer confidence in the combined company's product offerings and overall services.

If CBOE Holdings' financing for the merger becomes unavailable, the merger may not be completed.

CBOE Holdings intends to finance all or a portion of the cash component of the merger consideration with debt financing, which may include the bridge facility in an aggregate principal amount of up to \$1.65 billion, or permanent financing including in the form of a senior unsecured term loan facility and the issuance of senior unsecured notes on or prior to effective time of the merger. There are a number of conditions in the debt commitment letter that must be satisfied or waived in

Table of Contents

order for closing of the debt financing to occur. There is a risk that these conditions will not be satisfied. In the event that the financing contemplated by the debt commitment letter is not available, CBOE Holdings may be required to obtain alternative financing on terms that are less favorable to CBOE Holdings than those in the debt commitment letter. In addition, any alternative financing may not be available on acceptable terms, in a timely manner or at all. While obtaining financing is not a condition to CBOE Holdings' obligation to effect the merger under the merger agreement, if other financing becomes necessary and CBOE Holdings is unable to secure such other financing, the merger may not be completed.

CBOE Holdings expects to incur substantial indebtedness to finance the merger, which may decrease CBOE Holdings' business flexibility and adversely affect CBOE Holdings' financial results.

In addition to using cash on hand at CBOE Holdings and Bats, the combined company expects to incur indebtedness of up to approximately \$1.65 billion to finance a portion of the cash component of the merger consideration, to refinance existing indebtedness of Bats and its subsidiaries and to pay related fees and expenses. Prior to entering into the merger agreement, CBOE Holdings did not have any indebtedness and was not subject to any financial covenants. The financial and other covenants to which CBOE Holdings has agreed or may agree to in connection with the incurrence of new indebtedness, and the combined company's increased indebtedness may have the effect, among other things, of reducing the combined company's flexibility to respond to changing business and economic conditions, thereby placing the combined company at a competitive disadvantage compared to competitors that have less indebtedness and making the combined company more vulnerable to general adverse economic and industry conditions. The combined company's increased indebtedness will also increase borrowing costs, and the covenants pertaining thereto may also limit the combined company's ability to repurchase shares of CBOE Holdings common stock, increase dividends or obtain additional financing to fund working capital, capital expenditures, acquisitions or general corporate requirements. The combined company will also be required to dedicate a larger portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flow for other purposes, including working capital, capital expenditures and general corporate purposes. In addition, the terms and conditions of such debt may not be favorable to the combined company and, as such, could further increase the costs of the merger, as well as the overall burden of such debt upon the combined company and the combined company's business flexibility. Further, if any portion of the combined company's borrowings is at variable rates of interest, the combined company will be exposed to the risk of increased interest rates unless the combined company enters into offsetting hedging transactions.

The combined company's ability to make payments on and to refinance its debt obligations and to fund planned capital expenditures will depend on its ability to generate cash from the combined company's operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the combined company's control.

The combined company may not be able to refinance any of its indebtedness on commercially reasonable terms, or at all. If the combined company cannot service its indebtedness, the combined company may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of the combined company's business strategy or prevent the combined company from entering into transactions that would otherwise benefit its business. Additionally, the combined company may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Any of the foregoing consequences could adversely affect the combined company's financial results.

Table of Contents

Deterioration in CBOE Holdings' credit profile may increase its costs of borrowing money.

CBOE Holdings has received an investment grade credit rating from S&P Global Ratings (BBB+) and a provisional investment grade rating from Moody's Investor Service (Baa1). (Ratings from credit agencies are not recommendations to buy, sell or hold our securities, and each rating should be evaluated independently of any other rating.) There is no assurance that CBOE Holdings will maintain such credit ratings, since credit ratings may be lowered or withdrawn entirely by a rating agency if, in its judgment, the circumstances warrant. If a rating agency were to downgrade CBOE Holdings' rating below investment grade, CBOE Holdings' borrowing costs and the costs of the transactions contemplated by the merger agreement would increase. Further, the provisional rating from Moody's Investor Service is based on the assumption that the merger will close in accordance with the terms of the merger agreement. Upon the effective time of the merger, the provisional rating will be converted to a definitive rating, subject to review of the final terms. There is no assurance that Moody's Investor Service will assign the same rating to CBOE Holdings following the merger.

The price of CBOE Holdings common stock might increase or decline prior to the completion of the merger, which change the value of the merger consideration to be received by Bats stockholders pursuant to the merger agreement. Further, at the CBOE Holdings and Bats special meetings, CBOE Holdings stockholders and Bats stockholders will not know the exact value of CBOE Holdings common stock that will be issued pursuant to the merger agreement.

The market price of CBOE Holdings common stock at the time the merger is completed may vary significantly from the price on the date of the merger agreement or from the price on the date of the CBOE Holdings special meeting and Bats special meeting. On September 22, 2016, the last full trading day prior to media publications regarding the proposed merger, CBOE Holdings common stock closed at \$69.41 per share as reported on NASDAQ, and on September 23, 2016, the last full day of trading prior to the announcement of the merger agreement, CBOE Holdings common stock closed at \$70.30 per share as reported on NASDAQ. If the market price of CBOE Holdings common stock increases above \$70.30, the market value of the merger consideration will be greater than \$32.50 per share of Bats common stock. If the market price of CBOE Holdings common stock decreases significantly prior to the Bats stockholder vote on the adoption of the merger agreement, it may be difficult to obtain Bats stockholder approval of the proposal to adopt the merger agreement.

Upon completion of the merger, Bats stockholders will be entitled to receive for each share of Bats common stock that they own, at the election of each stockholder, subject to proration and adjustment, consideration in the form of a combination of CBOE Holdings common stock and cash, only cash or only CBOE Holdings common stock. The proportion of the merger consideration payable in CBOE Holdings common stock is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed, and even if a Bats stockholder elects to receive all cash in the merger, the amount of cash to which such stockholder is entitled will depend on the price of CBOE Holdings common stock. As a result, any changes in the market price of CBOE Holdings common stock will have a corresponding effect on the market value of the merger consideration. Neither party, however, has a right to terminate the merger agreement based upon changes in the market price of CBOE Holdings common stock or Bats common stock.

CBOE Holdings and Bats are working to complete the merger as promptly as practicable. CBOE Holdings currently expects that the merger will be completed during the first half of 2017, subject to the satisfaction or waiver of the conditions to the merger. Because the date when the proposed transactions are completed will be later than the date of the CBOE Holdings and Bats special meetings, CBOE Holdings stockholders and Bats stockholders will not know the exact value of the CBOE Holdings common stock that will be issued pursuant to the merger agreement at the time they vote on the share issuance proposal, in the case of CBOE Holdings stockholders, or on the proposal to adopt the merger agreement, in the case of Bats stockholders. As a result, if the market price of CBOE

Table of Contents

Holdings common stock upon the completion of the merger is lower than the market price on the date of the Bats special meeting, the market value of the merger consideration received by Bats stockholders pursuant to the merger agreement will be lower than the market value of the merger consideration at the time of the vote by the Bats stockholders. Moreover, during the period between the CBOE Holdings and Bats special meetings and the completion of the merger, events, conditions or circumstances could arise that could have a material impact or effect on CBOE Holdings, Bats or the industries in which they operate.

If the combined company is unable to manage its growth, its business and financial results could suffer.

The combined company's future financial results will depend in part on its ability to manage its core businesses, including any growth that the combined company may be able to achieve. Over the past several years, each of CBOE Holdings and Bats has engaged in the identification of, and competition for, growth and expansion opportunities. In order to achieve those initiatives, the combined company will need to, among other things, recruit, train, retain and effectively manage employees and expand its operations and financial control systems. If the combined company is unable to manage its businesses effectively and profitably, its business and financial results could suffer.

To be successful, the combined company must retain and motivate key employees, including those experienced with post-acquisition integration, and failure to do so could seriously harm the combined company.

The success of the combined company, like each of CBOE Holdings and Bats, largely depends on the skills, experience and continued efforts of management and other key personnel. As a result, to be successful, the combined company must retain and motivate executives and other key employees. In particular, the combined company expects to benefit from the integration experience of certain Bats personnel. Certain key executives of Bats have executed offer letters with CBOE Holdings to continue their employment following the merger. However, these executives will continue to be at-will employees, and the offer letters provide no assurance that these executives will remain with the combined company. Additionally, certain of CBOE Holdings' information technology employees will be important to retain during the transition period to effectively manage CBOE Holdings' information technology platforms and to assist Bats in the process of integrating its information technology platform. If these personnel were to leave, the combined company may experience increased difficulty in the post-merger integration process and may not be able to adequately replace such personnel, which could have a material adverse effect on the combined company's overall business, results of operations and financial condition.

Employees of CBOE Holdings and Bats may experience uncertainty about their future roles with the combined company until integration strategies for the combined company are announced or executed. These circumstances may adversely affect the combined company's ability to retain key personnel. The combined company also must continue to motivate employees and maintain their focus on the strategies and goals of the combined company. Doing so may be difficult due to the uncertainties and challenges associated with post-merger integration. If the combined company is unable to retain executives and other key employees, the roles and responsibilities of such executive officers and employees will need to be filled either by existing or new officers and employees, which may require the combined company to devote time and resources to identifying, hiring and integrating replacements for the departed executives and employees that could otherwise be used to integrate the businesses of CBOE Holdings and Bats or otherwise pursue business opportunities. There can be no assurance that the combined company will be able to retain and motivate its employees in the same manner as CBOE Holdings and Bats have historically done.

Table of Contents

The combined company may need to hire additional personnel in order to assist with the transition of CBOE Holdings' businesses to the Bats information technology platform. It may be difficult for the combined company to retain and recruit qualified employees in sufficient numbers, and if the combined company is unable to satisfy its needs for qualified and capable employees, its business and operating results could be adversely affected.

There is substantial competition for qualified and capable personnel in the technology space, which may make it difficult for the combined company to retain and recruit qualified employees in sufficient numbers. Increased difficulty in retaining or recruiting sufficient and qualified personnel by the combined company may lead to increased employment compensation costs, which could adversely affect the combined company's results of operations. In addition, the increased number of employees may impose a significant administrative burden on the combined company. If the combined company is unable to retain and recruit highly qualified employees by offering competitive compensation, stable work environment and leadership opportunities now and in the future, the combined company's business and operating results could be negatively impacted.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that cannot be met.

Before the transactions contemplated by the merger agreement, including the merger, may be completed, various clearances and approvals must be obtained from certain regulatory and governmental authorities as described in "The Merger Regulatory Approvals." These regulatory and governmental entities may impose conditions on the granting of such approvals. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on the combined company following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion and may contain conditions on the completion of the merger. However, if any such conditions impose a "burdensome effect" as defined in the merger agreement, the parties may not be obligated to complete the merger, and either Bats or CBOE Holdings may have the right to terminate the merger agreement. In addition, the respective obligations of CBOE Holdings and Bats to complete the merger are conditioned on the receipt of certain regulatory approvals or waiver by the other party of such condition.

Directors and executive officers of Bats have interests in the merger that are different from, or in addition to, the interests of Bats stockholders.

The directors and executive officers of Bats have interests in the merger that are in addition to their interests as stockholders of Bats generally. These interests include, but are not limited to, continued employment with the combined company and the treatment in the merger of Bats Stock Options and Bats Restricted Shares held by these directors and executive officers (including accelerated vesting of outstanding equity awards on a qualifying termination of employment within 24 months after the closing, and in the case of certain outstanding Bats Stock Options and Bats Restricted Shares, accelerated vesting immediately upon the effective time). In addition, Bats executive officers are, by reason of their respective employment agreements with Bats, entitled to change-in-control severance benefits upon a termination of their employment within the 24-month period following the consummation the merger. Certain executive officers of Bats have also entered into offer letters with CBOE Holdings pursuant to which each such executive has indicated his intent to enter into employment with CBOE Holdings following the completion of the merger in exchange for the compensation specified in his respective offer letter. In addition, three individuals who will be designated by Bats and who are serving on the Bats board immediately prior to the effective time of the merger will become directors of the combined company. The Bats board was aware of these

Table of Contents

interests and considered them, among other matters, in approving the merger agreement and in determining to recommend that Bats stockholders adopt the merger agreement.

The merger will result in changes to the board of directors and management of the combined company that may affect the strategy of the combined company as compared to that of CBOE Holdings and Bats.

If the parties complete the merger, the composition of the board of directors of the combined company and management team will change from the current boards and management teams of CBOE Holdings and Bats. The board of directors of the combined company will consist of 14 members, including three individuals designated by Bats who are serving as Bats directors immediately prior to the effective time of the merger. The combined company will also have executive officers from both CBOE Holdings and Bats. This new composition of the board of directors and the management team of the combined company may affect the business strategy and operating decisions of the combined company upon the completion of the merger.

Bats generates a significant percentage of its total revenues from, and is provided with significant liquidity in its markets and other services by, entities who are affiliates of its significant stockholders, and there is no assurance that such entities will continue to generate such revenue or provide such liquidity and other services after the completion of the merger.

Bats earns a significant percentage of its revenue from customers who are affiliates of its significant stockholders. In addition, Bats relies on certain entities who are affiliates of significant Bats stockholders to route orders that are not routed directly by Bats and to clear certain trades routed to other markets. The significant stockholders of Bats may not receive CBOE Holdings stock in the merger, or even if they do, their proportionate stake in the combined company will be significantly less than their stake in Bats prior to the merger, so there may be less incentive for the affiliates of Bats' significant stockholders to maintain their current business relationships with the combined company following the merger at current levels or at all. If the affiliates of Bats' significant stockholders do not remain customers following the merger at current levels or at all or if any of the affiliates of Bats' significant stockholders do not continue to route and clear trades as they did prior to the merger, the combined company may experience decreased revenues and business interruptions, which could have a material adverse effect on the business, results of operations and financial condition of the combined company. See " Risks Relating to Bats *Bats generates a significant percentage of its total revenues from, and is provided with significant liquidity in its markets by, customers who are affiliates of its significant stockholders, who are not contractually obligated to continue to use Bats' services or purchase its products and who also use the services of Bats' competitors.*"

The combined company will record goodwill and intangible assets that could become impaired and adversely affect its results of operations and financial condition.

Accounting standards in the United States require that one party to the merger be identified as the acquirer. In accordance with these standards, the merger will be accounted for as an acquisition of Bats by CBOE Holdings and will follow the acquisition method of accounting for business combinations. The assets and liabilities of Bats will be consolidated with those of CBOE Holdings. The excess of the purchase price over the fair values of Bats' assets and liabilities, if any, will be recorded as goodwill. The unaudited pro forma condensed combined balance sheet as of June 30, 2016 reflects goodwill of \$1.2 billion and intangible assets of \$3.2 billion. These amounts include \$1.1 billion of goodwill and \$3.2 billion of intangible assets resulting from the merger, which are based on CBOE Holdings management's preliminary fair value estimates and are subject to change, including due to fluctuations in the market value of CBOE Holdings common stock as discussed in note 3 to the "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements."

Table of Contents

The combined company will be required to assess goodwill and intangible assets for impairment at least annually. In the future the combined company may take charges against earnings resulting from impairment. Any determination requiring the write off of a significant portion of the combined company's goodwill or other intangible assets could adversely affect the combined company's results of operations and financial condition.

The market price of the common stock of the combined company may be affected by factors different from those affecting the market price for shares of Bats common stock or for shares of CBOE Holdings common stock.

Upon completion of the merger, Bats stockholders will become CBOE Holdings stockholders, unless such Bats stockholders elect to receive and actually receive only cash consideration. CBOE Holdings' business differs from that of Bats, and the business of the combined company will differ from that of CBOE Holdings. Accordingly, the results of operations for the combined company will be affected by factors different from those currently affecting the results of operations of Bats and may be affected by factors different from those currently affecting the results of operations of CBOE Holdings. For a discussion of the businesses of CBOE Holdings and of certain factors to consider in connection with those businesses, see the section entitled "Information about CBOE Holdings, Merger Sub and Merger LLC" and the documents incorporated by reference in this joint proxy statement/prospectus and referred to in the section entitled "Where You Can Find More Information." For a discussion of the businesses of Bats and of certain factors to consider in connection with those businesses, see the section entitled "Information about Bats." See also the section entitled "Summary Comparative Per Share Market Price Data and Dividend Information" for additional information on the market value of shares of CBOE Holdings and Bats common stock.

The issuance of shares of CBOE Holdings common stock to Bats stockholders pursuant to the merger agreement will substantially reduce the percentage ownership interests of pre-existing CBOE Holdings stockholders.

Based on the number of shares of CBOE Holdings common stock and Bats common stock outstanding on [•], 2016, the record date for the two companies' special meetings of stockholders, CBOE Holdings expects to issue or reserve for issuance approximately [•] million shares of CBOE Holdings common stock in connection with the merger (including shares of CBOE Holdings common stock issuable to Bats stockholders pursuant to Bats Stock Options and Bats Restricted Shares). Based on these numbers, immediately following the completion of the merger, pre-existing CBOE Holdings stockholders and former Bats stockholders would own approximately [•]% and [•]% of the outstanding shares of CBOE Holdings common stock, respectively. The merger will have no effect on the number of shares of CBOE Holdings common stock owned by existing CBOE Holdings stockholders. The issuance of approximately [•] million shares of CBOE Holdings common stock to Bats stockholders and holders of equity incentive awards will cause a significant reduction in the relative percentage interests of current CBOE Holdings stockholders in earnings, voting, liquidation value and book and market value. See "Summary Ownership of CBOE Holdings after the Merger."

Bats stockholders may receive a form or combination of consideration different from what they elect.

While each holder of Bats common stock may elect to receive, in connection with the merger, the mixed consideration, cash consideration or stock consideration, the total amount of cash and the total number of shares of CBOE Holdings common stock available for all Bats stockholders will be fixed. Accordingly, depending on the elections made by other Bats stockholders, if a holder of Bats common stock elects to receive all cash in connection with the merger, such holder may receive a portion of the merger consideration in CBOE Holdings common stock and if a holder of Bats common stock elects to receive all CBOE Holdings common stock in connection with the merger, such holder may receive a

Table of Contents

portion of the merger consideration in cash. See "The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations" for more information. If a holder of Bats common stock does not submit a properly completed and signed form of election to the exchange agent by the election deadline, then such stockholder will have no control over the type of merger consideration such stockholder may receive and will receive mixed consideration consisting of both cash and shares of CBOE Holdings common stock. No fractional shares of CBOE Holdings common stock will be issued in the merger, and Bats stockholders will receive cash in lieu of any fractional shares of CBOE Holdings common stock.

If you deliver shares of Bats common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.

If you are a holder of Bats common stock and want to elect to receive the cash consideration or stock consideration in exchange for your shares, you must deliver to the exchange agent by the election deadline a properly completed form of election. Following the delivery of a completed form of election, you will not be able to transfer such shares unless you revoke your election before the election deadline by providing written notice to the exchange agent. If you do not revoke your election before the election deadline, you will not be able to liquidate your investment in Bats common stock for any reason until you receive the merger consideration.

The opinions of CBOE Holdings' and Bats' financial advisors will not reflect changes in circumstances between the original signing of the merger agreement in September 2016 and the completion of the merger.

CBOE Holdings and Bats each received opinions from their respective financial advisors as of September 25, 2016 and do not expect to receive updated fairness opinions prior to the completion of the merger. Changes in the operations and prospects of CBOE Holdings or Bats, general market and economic conditions and other factors that may be beyond the control of CBOE Holdings or Bats, and on which CBOE Holdings' and Bats' financial advisors' opinions were based, may significantly alter the value of CBOE Holdings or the prices of the shares of Bats' common stock or CBOE Holdings common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. Because CBOE Holdings' and Bats' financial advisors will not be updating their opinions, which were issued in connection with the signing of the merger agreement, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. The CBOE Holdings board's recommendation that CBOE Holdings stockholders vote "FOR" the share issuance proposal and the Bats board's recommendation that Bats stockholders vote "FOR" the Bats proposal to adopt the merger agreement, however, are current as of the date of this joint proxy statement/prospectus. For a description of the opinions that Bats and CBOE Holdings received from their respective financial advisors, please refer to "The Merger Opinions of CBOE Holdings' Co-Lead Financial Advisors" and "The Merger Opinion of Bats' Financial Advisor."

The merger agreement contains provisions that may discourage other companies from trying to acquire Bats for a value greater than the merger consideration or from trying to acquire CBOE Holdings.

The merger agreement contains provisions that apply both during the pendency of the merger transaction with CBOE Holdings as well as afterward should the merger with CBOE Holdings not be consummated that may discourage a third party from submitting a business combination proposal to Bats that might result in greater value to Bats stockholders than the CBOE Holdings merger. These merger agreement provisions include a general prohibition on Bats from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. In addition, Bats may be required to pay CBOE Holdings a \$110.0 million termination fee and reimburse CBOE Holdings for its expenses incurred in connection with the merger

Table of Contents

in an aggregate amount not to exceed \$10 million in certain circumstances involving acquisition proposals for competing transactions. For further information, please see the sections entitled "The Merger Agreement Bats Acquisition Proposals," and "The Merger Agreement Termination of the Merger Agreement Reimbursement of Fees and Expenses."

The merger agreement also contains provisions that apply both during the pendency of the merger transaction with Bats as well as afterward should the merger with Bats not be consummated that may discourage a third party from submitting a business combination proposal to CBOE Holdings that might result in greater value to CBOE Holdings stockholders than the Bats merger. These merger agreement provisions include a general prohibition on CBOE Holdings from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. In addition, CBOE Holdings may be required to pay Bats a \$110.0 million termination fee and reimburse Bats for its expenses incurred in connection with the merger in an aggregate amount not to exceed \$10 million in certain circumstances involving acquisition proposals for competing transactions. For further information, please see the sections entitled "The Merger Agreement CBOE Holdings Acquisition Proposals," and "The Merger Agreement Termination of the Merger Agreement Reimbursement of Fees and Expenses."

Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of CBOE Holdings and Bats.

If the merger is not completed, the ongoing businesses of CBOE Holdings and Bats may be adversely affected and CBOE Holdings and Bats will be subject to several risks and consequences, including the following:

Bats may be required, under certain circumstances, to pay CBOE Holdings a termination fee of \$110.0 million or reimburse CBOE Holdings' expenses up to \$10 million under the merger agreement;

CBOE Holdings may be required, under certain circumstances, to pay Bats a termination fee of \$110.0 million or reimburse Bats' expenses up to \$10 million under the merger agreement;

CBOE Holdings and Bats will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisory and printing fees;

under the merger agreement, each of CBOE Holdings and Bats is subject to certain restrictions on the conduct of its business prior to completing the merger that may adversely affect its ability to execute certain of its business strategies; and

matters relating to the merger may require substantial commitments of time and resources by CBOE Holdings and Bats management, which could otherwise have been devoted to other opportunities that may have been beneficial to CBOE Holdings and Bats as independent companies and such commitments by CBOE Holdings and Bats management may impact future earnings of the combined company.

In addition, if the merger is not completed, CBOE Holdings and Bats may experience negative reactions from the financial markets and from their respective customers and employees. CBOE Holdings and Bats also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against CBOE Holdings or Bats to perform their respective obligations under the merger agreement. If the merger is not completed, CBOE Holdings and Bats cannot assure their stockholders that the risks described above will not materialize and will not materially adversely affect the business, financial results and stock prices of CBOE Holdings and Bats.

Table of Contents

The shares of CBOE Holdings common stock to be received by Bats stockholders as a result of the merger will have different rights than shares of Bats common stock.

Upon completion of the merger, Bats stockholders will become CBOE Holdings stockholders, unless such Bats stockholders elect to receive and actually receive only cash consideration, and their rights will be governed by the CBOE Holdings Second Amended and Restated Certificate of Incorporation (the "***CBOE Holdings charter***") and the CBOE Holdings Third Amended and Restated Bylaws (the "***CBOE Holdings bylaws***"). The rights associated with CBOE Holdings common stock are different from the rights associated with Bats common stock. See "Comparison of Rights of CBOE Holdings Stockholders and Bats Stockholders" for a discussion of the different rights associated with CBOE Holdings and Bats stock.

The combined company will indirectly hold 100% of the issued share capital and voting rights in Bats Europe and its wholly owned subsidiary, Chi-X Europe ("Chi-X Europe"). As a result, any person who holds, or has voting power with respect to, 10% or more of the outstanding shares of common stock of CBOE Holdings following the effective time of the merger will be subject to certain regulatory requirements under United Kingdom ("U.K.") law.

A person that indirectly acquires control in an FCA entity is required to file a change in control notice with the FCA. Though both are FCA regulated entities, the statutorily prescribed change in control notification threshold for Bats Europe is acquisition of voting power with respect to 20% or more of the issued share capital thereof. The change in control notification threshold for Chi-X Europe is acquisition of voting power with respect to 10% or more of the issued share capital thereof. Therefore, any person who holds, or has voting power with respect to, 10% or more of the outstanding shares of common stock of CBOE Holdings will be required to file a change in control notice in respect of Chi-X Europe and, if this holding is in excess of 20%, also for Bats Europe. This obligation may discourage, delay or prevent accumulations of 10% or more of CBOE Holdings common stock.

CBOE Holdings and Bats will incur significant transaction and integration costs in connection with the merger.

CBOE Holdings and Bats expect to incur a number of costs associated with completing the merger and integrating the operations of the two companies. The substantial majority of these costs will be non-recurring expenses resulting from the merger and will consist of transaction costs related to the merger, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the businesses of CBOE Holdings and Bats. Although CBOE Holdings and Bats expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, will offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

The unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus are not necessarily an indication of the combined company's financial condition or results of operations following the proposed transactions.

The assumptions used in preparing the unaudited pro forma condensed combined financial information contained in this joint proxy statement/prospectus may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the proposed transactions. Any decline or potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company. See "CBOE Holdings, Inc. and Bats Global Markets, Inc. Unaudited Pro Forma Condensed Combined Financial Statements."

Table of Contents

The unaudited prospective financial information included in this joint proxy statement/prospectus may not prove to be accurate and is not necessarily indicative of current values or future performance.

The unaudited prospective financial information of CBOE Holdings and Bats contained in this joint proxy statement/prospectus involves risks, uncertainties and assumptions and is not a guarantee of future performance. The assumptions used in preparing the unaudited prospective financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the proposed transactions. Neither CBOE Holdings nor Bats can provide any assurance that the results indicated in CBOE Holdings' or Bats' unaudited prospective financial information will be realized or that CBOE Holdings' or Bats' future financial results will not materially vary from the unaudited prospective financial information. See "Certain Unaudited Prospective Financial Information."

The merger may not be accretive and may cause dilution to the combined company's earnings per share, which may negatively affect the market price of the combined company's common stock.

CBOE Holdings currently anticipates that the merger will be accretive to adjusted earnings per share in the first year following the completion of the merger. This expectation is based on preliminary estimates, which may materially change. The combined company could also encounter additional transaction and integration-related costs or other factors such as the failure to realize all of the benefits anticipated in the merger. All of these factors could cause dilution to the combined company's earnings per share or decrease or delay the expected accretive effect of the merger and cause a decrease in the price of the combined company's common stock.

Risks Relating to CBOE Holdings

CBOE Holdings is, and will continue to be, subject to the risks described in Part I, Item 1A in CBOE Holdings' Annual Report on Form 10-K for the year ended December 31, 2015 and in Part II, Item 1A in CBOE Holdings' Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, each as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Risks Relating to Bats

For purposes of this section, "Risk Factors Risks Relating to Bats" references to "Bats" means Bats and its consolidated subsidiaries, unless the context otherwise requires.

Bats faces intense competition and competes with a broad range of market participants globally, including certain of its stockholders. Further consolidation and alliances among Bats' securities trading competitors could impair its competitive position.

The market for trade execution services is intensely competitive in the asset classes and geographies in which Bats operates. Increased competition may result in a decline in Bats' share of trading activity and a decline in its revenues from transaction fees and market data fees, thereby adversely affecting Bats' operating results.

In the United States, the competition among securities exchanges and other securities execution venues has become more intense with regulatory changes. The U.S. listed cash equity securities marketplace has evolved dramatically in the years following the SEC's adoption of Regulation NMS. Bats competes in the U.S. listed cash equity securities market against the New York Stock Exchange (the "NYSE") and NASDAQ, other regional exchanges and several alternative trading systems ("ATSS"). Market participants have multiple venues for the execution of orders, including national securities exchanges as well as numerous off-exchange venues, including ATSSs operating "dark pools" that do not publicly display quotations, "lit" ATSSs that publicly display quotations operating as

Table of Contents

electronic communication networks ("*ECNs*"), and broker-dealers who internalize orders off-exchange. For example, dark pool venues compete with Bats by offering low cost executions and differ from lit ATSS in the degree of transparency with respect to quotes and trades they offer and in restrictions on who may access these systems. Unlike lit venues that publicly display orders, dark pools do not display orders publicly or privately. In addition, while dark pools are required to publicly report trade executions, unlike lit venues that are national securities exchanges, such as BZX, BYX, EDGX and EDGA, Bats' consolidated subsidiaries, each a registered national securities exchange operated in the United States, those public reports do not immediately identify the dark pool responsible for the trade execution. Hence, dark pools are less transparent than lit venues. Moreover, dark pools with trading volume below certain levels have discretion to offer access on discriminatory terms, effectively blocking access to certain types of market participants. These features of dark pools, which are not available to national securities exchanges, such as BZX, BYX, EDGX and EDGA, can appeal to trading participants who seek to minimize the public disclosure of their trading interest or limit the types of other trading participants that can access their orders. In addition, various broker-dealers internalize their order flow or route their orders to third-party ATSS. Based on publicly available data regarding reported trades, for the six months ended June 30, 2016, off-exchange trading accounted for approximately 32.4% of consolidated U.S. listed equity volume, and for the years ended December 31, 2015 and 2014, off-exchange trading accounted for approximately 35.4% and 36.2%, respectively, of consolidated U.S. equity volume. If off-exchange trading expands further, it will adversely affect Bats' market share in the United States. In addition, newer market entrants with different models may seek status as national securities exchanges, further competing with Bats' exchange business. For example, on June 17, 2016, the SEC approved IEX Group, Inc.'s request to launch a new national securities exchange.

The market for execution services within listed cash equity securities in Europe has become significantly more competitive since the Markets in Financial Instruments Directive (Directive 2004/39/EC) ("*MiFID*"), came into effect in 2007. MiFID will be superseded and enhanced by the Directive on Markets in Financial Instruments repealing Directive 2004/39/EC and the Regulation on Markets in Financial Instruments, commonly referred to as "*MiFID II and MiFIR*," which are expected to be implemented at the beginning of 2018. MiFID created a structure for pan-European competition versus other exchange monopolies throughout the European Union ("*E.U.*") countries. As a result, new MTFs, emerged that have captured significant market share from existing national exchanges. Bats' major competitors in Europe include the London Stock Exchange Group ("*LSE*") which also includes an MTF, Turquoise, Euronext, Deutsche Börse, NASDAQ, SIX Swiss Exchange and Bolsas y Mercados Españoles.

The market for the trading of U.S. listed equity options is also intensely competitive, with 14 U.S. options exchanges as of the date of this joint proxy statement/prospectus (not including a second U.S. options exchange of Miami International Holdings, Inc., planned for launch in the first quarter of 2017, pending SEC approval) competing for market share. Bats' primary competitors in the U.S. options market are CBOE, NYSE, NASDAQ, and Boston Options Exchange Group, LLC. As a result of Bats' size and limited product offerings, certain of its competitors have advantages in terms of greater market share and name recognition in the market for trading U.S. listed equity options. These advantages enable Bats' competitors to provide products and services Bats does not offer, including proprietary products. For instance, some products offered uniquely by CBOE (for example, products based on the VIX volatility index) are not traded on Bats' platform. On June 28, 2016, NASDAQ completed its acquisition of ISE, which operates three options exchanges. Additionally, a rule change recently adopted by the Options Clearing Corporation ("*OCC*"), and affirmed on review by the SEC in February 2016, concerns a capital plan that could effectively allow the OCC's stockholder exchanges, which include CBOE, ISE, NASDAQ and NYSE, to monetize for their benefit the OCC's monopoly over options clearing. Bats believes that the capital plan has the potential to result in a wealth transfer

Table of Contents

from options investors to the OCC's stockholder exchanges, stifling future competition in the options market and increasing the costs of trading listed options.

The spot FX market remains severely fragmented, with transparent automated marketplaces such as Bats Hotspot, which is Bats' foreign currency platform operated in the United States with matching engines located in the United States and the U.K., challenging ICAP plc (EBS BrokerTec) ("**ICAP**") and Thomson Reuters (Reuters Matching, FXall). While the spot FX market has been experiencing a shift from competing interbank platforms to ECNs recently, the electrification of spot FX may encounter resistance from clients that still prefer to utilize the phone, Reuters Conversational Dealing, Instant Bloomberg Chat, Bloomberg terminals and key banking relationships for price discovery and trading. Furthermore, electrification of spot FX appears to be experiencing more resistance outside the United States. The electronic spot FX market is also intensely competitive, with multiple venues such as EBS, Reuters Matching, FXall, FX Connect, CME Group, Currenex, 360T, Bloomberg, FastMatch, Gain GTX and others competing for market share. Additionally, exchange operators are actively expanding into the global spot FX market. For example Deutsche Börse completed its acquisition of 360T in late 2015. Moreover, the current market may experience consolidation, such as the acquisition of Molten Markets by ICAP.

Bats competes in the spot FX market based on its ability to execute its customers' trades at competitive prices, to retain its existing customers and to attract new customers. Certain of Bats' competitors have larger customer bases, more established name recognition, and a greater market share in certain markets, such as Europe. These advantages may enable them, among other things, to:

provide products and services Bats does not offer;

offer products and services at prices below Bats' to gain market share and to promote other businesses, such as spot FX options, contracts for difference including contracts for precious metals, energy and stock indices, and OTC derivatives;

more efficiently engage in and expand existing relationships with strategic alliances;

market, promote and sell their products and services more efficiently; and

develop stronger relationships with customers.

In recent years, the securities trading industry has witnessed increased consolidation among market participants, such as the November 2013 acquisition of NYSE by Intercontinental Exchange, Inc. and Bats' acquisition of Direct Edge Holdings LLC ("**Direct Edge**") in January 2014. More recently, in March 2016, LSE and Deutsche Börse executed a merger agreement aimed at creating the largest exchange operator in Europe. Additional consolidations and alliances among market participants may create larger internal liquidity pools that may attract trading volume and liquidity away from BZX, BYX, EDGX, EDGA and Bats Europe's exchanges and, therefore, lead to decreased revenues. In addition, consolidations or alliances among Bats' current competitors may achieve cost reductions or other increases in efficiency, which may allow Bats' competitors to offer lower prices or better customer service than it does. These post-merger competitors may be able to achieve efficiencies that allow them to offer lower transaction fees or other financial incentives, which may hinder Bats' ability to stay competitive in the listed cash equity securities market and to further penetrate the options market. In addition, these mergers may result in stronger competitors for Bats than the premerger entities as stand-alone businesses in other markets that Bats may decide to enter, such as futures and other derivative products.

Table of Contents

In addition, Bats is dependent upon certain third parties for its ETP listings business, some of which are direct competitors of Bats. For example, Bats does not currently offer intraday net asset values ("*INAVs*") calculation services for ETP issuers, which the SEC requires ETP issuers to calculate and distribute for their funds. NYSE Arca, owned by Intercontinental Exchange, Inc., is the primary provider of INAVs for equity ETP issuers. In December 2015, Intercontinental Exchange, Inc. completed its acquisition of financial market data provider Interactive Data Corp. ("*IDC*"). IDC provides data and calculation services for ETP issuers to generate INAVs for fixed-income funds. As a result of Intercontinental Exchange, Inc.'s acquisition of IDC, Intercontinental Exchange, Inc. would increase its competitive advantage in the INAV calculation space, which could result in ETP issuers listing on BZX not to be able to obtain comparable commercial terms from IDC for IDC's provision of INAV calculation services for BZX-listed ETPs.

Further, Bats may face competition from certain of its stockholders. Bats stockholders or their affiliates may already have or may acquire an ownership interest in competing businesses (including national securities exchanges, dark pools, MTFs, ATSS or ECNs). These businesses may compete with Bats, either in relation to existing product and service offerings or any diversification of its product and service offerings into new asset classes and/or new geographic locations. For example, certain of Bats' stockholders have a material interest in another MTF, Turquoise, and are planning to launch a new trading venue, "Plato." Furthermore, certain of Bats' stockholders operate off-exchange market-making desks, internalization platforms, dark pools, lit ATSS and ECNs and smart order routers, each of which potentially competes with Bats.

If Bats is unable to compete successfully in this environment, its business, financial condition and operating results may be adversely affected. Also, if Bats' share of total trading volumes decreases relative to its competitors, Bats may be less attractive to market participants as a source of liquidity, and Bats may lose additional trading volume and associated transaction fees, market data fees and connectivity fees as a result.

Bats' market data fees and net transaction fees may be reduced due to declines in its market share, trading volumes or regulatory changes, and Bats' lack of revenue diversification may adversely affect its operating results and place Bats at a competitive disadvantage.

Bats derived 33.2% and 45.1% of its revenues less cost of revenues from market data fees and net transaction fees, respectively, for the six months ended June 30, 2016. Bats derived 34.1% and 44.6% of its revenues less cost of revenues from market data fees and net transaction fees, respectively, for the year ended December 31, 2015. Bats derived 35.9% and 42.7% of its revenues less cost of revenues from market data fees and net transaction fees, respectively, for the year ended December 31, 2014. Approximately 79.2%, 84.0% and 83.8% of Bats' market data fees for the six months ended June 30, 2016 and the years ended December 31, 2015 and 2014, respectively, represent Bats' share of tape fees from the U.S. tape plans based on a formula, required by Regulation NMS, which takes into account both trading and quoting activity. For purposes of calculating this percentage, Bats has not attributed any incremental costs associated with providing trading and quoting information to the U.S. tape plans. Transaction fees represent fees that Bats earns for trade execution on BZX (including Bats' U.S. listed equity options market), BYX, EDGX (including Bats' U.S. listed equity options market), EDGA and Bats Europe, whether a trade is executed internally on BZX, BYX, EDGX, EDGA or Bats Europe or routed to another market center. Net transaction fees represent transaction fees less the liquidity payments and routing and clearing costs that Bats incurred to earn those transaction fees.

The occurrence of any event that reduces the amount of market data fees or transaction fees that Bats receives, whether as a result of fee reductions, fewer members subscribing to the U.S. tape plans, declines in market share or trading volumes (or notional volume in the case of Bats Europe) or regulatory changes, will have a direct negative impact on Bats' operating results and future profitability. For example, if Bats' market share of U.S. listed cash equities and U.S. listed equity options trading, or

Table of Contents

Bats' European cash equities trading, were to decline, Bats' share of market data fees could also decline. In addition, if the amount of trading volume on BZX, BYX, EDGX or EDGA or notional value traded on Bats Europe decreases, Bats will lose transaction fees. Moreover, market data fees could decline as a result of a reduction in the numbers of market data users, for example because of consolidation among market data subscribers or due to a decline in professional subscriptions as a result of staff reductions in the financial services industry or otherwise. Regulatory changes could also impact the manner in which Bats sets its transaction fees, the fees Bats receives from market data, or Bats' cost in providing such services. See " *Bats operates in a highly regulated industry. Regulatory changes and changes in market structure could have a material adverse effect on Bats' business and those of many of its clients.*"

Bats earns a significant percentage of its revenue from certain of its customers. For example, one of Bats' customers accounted for 11%, of Bats' total transaction fees for both the six months ended June 30, 2016 and the year ended December 31, 2015 and 12% of Bats' total transaction fees during the year ended December 31, 2014. None of Bats' customers are contractually or otherwise obligated to continue to use Bats' services or purchase Bats' products. The loss of, or a significant reduction in, participation on Bats' markets by these customers may have a material adverse effect on Bats' business, financial condition and results of operations.

In addition, Bats' dependence upon revenues derived primarily from its transaction-based businesses may place Bats at a competitive disadvantage. Some of Bats' competitors derive a more significant portion of their revenues from more than one source as a result of more diversified product and service offerings and in more numerous geographies. For example, NYSE, LSE, Euronext and NASDAQ may realize substantial revenue from listing fees and index licensing fees, and some of Bats' spot FX competitors may realize substantial revenue from market data and connectivity fees. In addition, many of Bats' competitors also offer technology outsourcing. As a result, lower transaction fees or market data fees may impact Bats' operating results and future profitability more significantly than its competitors', providing them with a competitive advantage in pricing their products and services or withstanding a reduction in trading volume.

Bats' industry is characterized by intense price competition.

The securities trading industry and spot FX market are characterized by intense price competition. Bats may be required to adjust pricing to respond to actions by new or existing competitors, which could adversely impact operating results. Bats also competes with respect to the pricing of market data and with respect to value-added market data such as historical market data. If Bats is unable to compete successfully with respect to the pricing of its services and products, its business, financial condition and operating results may be adversely affected. Furthermore, to attract market share, Bats may offer "inverted" pricing specials or no-transaction fee trading from time to time. For example, Bats' electronic trading platform for institutional spot FX (the "***Bats Hotspot Platform***"), has at times offered trading of spot gold and silver pairs without any transaction fee, or waived taker fees for certain currency pairs, previously offered free trading for all transactions on Bats Hotspot's London-based matching engine through 2015 and currently offer new clients connecting in 2016 to Bats Hotspot's London-based matching engine 90 days of free trading for all transactions on that platform. In addition, BZX recently began offering to pay an incentive fee to exchange-traded investment funds that list their shares on BZX. BZX also offers a "cross-asset add volume tier" that gives a bigger rebate for additional volume on both the BZX equities and options platforms. These forms of promotions may adversely affect Bats' profitability.

Table of Contents

Bats' revenues are positively correlated with overall market volume, which can be impacted by a number of factors, including market prolonged diminished volatility.

A significant percentage of Bats' revenue is tied directly to the volume of securities traded on Bats' markets. Trading volume on Bats' markets can be influenced by a number of factors, including market volatility. The U.S. listed cash equity market trading volume was flat from 2012 through 2014 and increased 7.8% in 2015 from 2014 trading volumes. In addition, other events may affect overall market volume on a sustained basis, including rule-making under Dodd-Frank. For example, the provision commonly known as the "Volcker Rule" restricts banking entities from engaging in certain kinds of proprietary trading, including with respect to listed equity securities and listed equity options. Still in its early stages of adoption, the Volcker Rule could have an adverse impact on U.S. equity market volumes and Bats' U.S. equity exchanges. For example, if banking entities reduce their trading activity and that activity is not replaced by other market participants, Bats may face a decline in its trading volumes, which could lower Bats' revenues and may adversely affect its operating results.

Revenue from Bats' spot FX business is influenced by the general level of trading activity in the spot FX market. Bats' spot FX revenue and operating results may vary significantly from period to period due primarily to movements and trends in the world's currency markets and to fluctuations in trading levels. Bats has generally experienced greater trading volume and higher revenue in periods of volatile currency markets. Significant swings in the market volatility can also result in increased customer trading losses, higher turnover and reduced trading volume. In the event Bats experiences lower levels of currency volatility, Bats' revenue and profitability may be negatively affected.

Like other financial services firms, Bats' spot FX business and profitability are directly affected by factors that are beyond its control, such as economic and political conditions, government or central bank actions like the unexpected actions of the Swiss National Bank on January 15, 2015, the U.K. pound flash crash on October 7, 2016, central bank monetary policy (keeping interest rates historically low or high), broad trends in business and finance, changes in the volume of foreign currency transactions, changes in supply and demand for currencies, movements in currency exchange rates, changes in the financial strength of market participants, legislative and regulatory changes, changes in how such transactions are processed and disruptions due to terrorism, war or extreme weather events. Any one or more of these factors, or other factors, including the effects of the U.K.'s vote to leave the E.U. (see " *The Brexit Vote could have a negative impact on the U.K. and E.U. economies and lead to considerable uncertainty while new treaties are negotiated*"), may adversely affect Bats' spot FX business and results of operations and cash flows. A weakness in equity markets could result in reduced trading activity in the spot FX market and therefore could have a material adverse effect on Bats' spot FX business, financial condition and results of operations and cash flows.

System limitations, failures or security breaches could harm Bats' business.

Bats' business depends on the integrity and performance of its computer and communications systems. If Bats' systems cannot expand to cope with increased demand or otherwise fail to perform, Bats could experience unanticipated disruptions in service, slower response times and delays in the introduction of new products and services. These consequences could result in trading outages, lower trading volumes, financial losses, decreased customer service and satisfaction and regulatory sanctions. Bats' markets have experienced occasional systems failures and delays in the past and could experience future systems failures and delays.

For example, on March 23, 2012, Bats experienced a serious technical failure on BZX, forcing Bats to cancel its first attempt at an initial public offering. The failure resulted from a software bug that appeared during the initial public offering auction. In addition to forcing Bats to cancel its initial public offering at the time, the technological failure played a role in the halting of another issuer's stock for five minutes. These technical failures damaged Bats' reputation and resulted in increased regulatory

Table of Contents

scrutiny of the event by the SEC and other governmental authorities. Bats has since investigated that incident and adopted various policy and procedure enhancements, including implementation of an independent software quality assurance department, but there can be no guarantee that Bats will not suffer a similar technological failure in the future that damages Bats' reputation and results in increased regulatory scrutiny by the SEC and other governmental authorities.

Bats' systems and operations also are vulnerable to damage or interruption from human error, natural disasters, power loss, cyber-attacks, sabotage or terrorism, computer viruses, unauthorized access, intentional acts of vandalism and similar events. Persons who circumvent security measures could wrongfully access and use Bats' information or its customers' information or cause interruptions or malfunctions in Bats' operations. Although Bats currently maintains and expects to maintain security measures designed to protect the integrity of its systems, multiple computer facilities designed to provide redundancy and back-up to reduce the risk of system disruptions and facilities expected to maintain service during a system disruption, such security measures, systems and facilities may prove inadequate. Any breach in security or system failure that allows unauthorized access, causes an interruption in service or decreases the responsiveness of Bats' systems could impair its reputation, damage its brand name and negatively impact its business, financial condition and operating results.

Bats operates in a highly regulated industry. Regulatory changes and changes in market structure could have a material adverse effect on Bats' business and those of many of its clients.

Bats' securities markets and their participants are highly regulated and are subject to extensive regulation in the United States and Europe. In recent years, the securities trading industry and, in particular, the securities markets have also been subject to significant regulatory changes. Moreover, in the past several years, the securities markets have been the subject of increasing governmental and public scrutiny in response to the global economic crisis. For example, on July 21, 2010, Dodd-Frank was enacted, introducing significant changes to financial industry regulation. Dodd-Frank may also affect the structure, size, depth and liquidity of the financial markets generally and requires that certain standardized derivative products be traded on a Swap Execution Facility ("**SEF**") or designated contract market. Currently, only certain interest rate and credit derivatives are required to be traded on a SEF or designated contract market, but currency derivative products may be subject to this requirement in the future. Bats' acquisition of Javelin SEF, LLC ("**Javelin**"), a SEF operator, may impose additional regulations on Bats' operations.

Similarly, in Europe, the European Commission ("**E.C.**") enacted a delegated regulation in the context of the MiFID II and MiFIR reforms which introduces a harmonized definition of currency derivative products across the E.U. This means that a number of currency products which may have been treated as spot transactions (and outside the scope of the MiFID and certain other derivative rules) will now be treated as derivative products (and consequently within the scope of the MiFID and certain other derivative rules). This may adversely impact the overall level of activity conducted in such products, although, to the extent that any such products are declared by the European Securities Markets Authority ("**ESMA**") to be subject to an obligation to trade on certain trading venues, this could lead to a greater proportion of the remaining activity taking place on trading venues.

In addition, Congress, regulators and some media have been increasingly scrutinizing electronic trading and the structure of equity markets in recent years. The SEC continues to consider various potential market structure changes, which could result in reduced trading volumes, or which could negatively affect Bats' business. For example, in June 2014, the Chair of the SEC announced that the SEC was conducting a comprehensive review of market structure. As part of that review, in January 2015, the SEC appointed a special market structure advisory committee of industry participants to review possible regulatory changes. In response to the SEC's efforts, many market participants, including Bats, have publicly announced recommendations for regulatory changes. Reforms recommended by various market participants have included: (i) the elimination of maker-taker pricing

Table of Contents

or a drastic reduction in access fees charged by exchanges, (ii) increased transparency around order handling practices, (iii) implementation of a so-called trade-at prohibition, which would restrict execution of a trade by a market center that was not displaying the best available quotation, such as off-exchange trading in listed equities, (iv) limitations on high frequency trading and restrictions on, and enhanced oversight of, broker-dealers' automated trading algorithms, (v) limitations on the distribution of direct, or proprietary, market data feeds by exchanges, (vi) changes to the governance models of the consolidated market data national market system plans ("*SIPs*"), including potentially providing for increased representation by non-self-regulatory organizations ("*non-SROs*"), as well as increasing the *SIPs*' technological capacity, (vii) elimination of self-regulatory organization ("*SRO*") status for securities exchanges and (ix) limitations on or elimination of Rule 611 of Regulation NMS, which currently requires all market participants to execute trades at prices no worse than the best bid or offer displayed by an exchange or other automated trading center. To the extent the SEC decides to adopt some or all of these recommendations, Bats' business could be negatively impacted. For example, elimination of maker-taker pricing or a reduction in access fees could make it more difficult to incentivize market makers to display orders on Bats' exchanges, and could reduce Bats' net transaction fees. Implementation of a trade-at prohibition could restrict Bats' ability to execute non-displayed orders on its exchanges. New restrictions on high frequency trading or broker-dealers' use of automated trading algorithms could result in decreases in market volumes which could negatively affect Bats' revenue. Additional restrictions on Bats' ability to distribute proprietary market data could make it more difficult to derive revenue from the sale of such market data. Changes to the *SIPs*, including by providing for greater non-SRO participation or mandating further technological investments, could negatively impact the costs and revenues of the *SIPs*, which in turn could negatively impact the amount of revenue Bats receives from the *SIPs*. Elimination of SRO status for securities exchanges could have the effect of eliminating Bats' ability to assert the legal defense of quasi-governmental immunity to shield Bats from civil liability for actions Bats takes in furtherance of its SRO responsibilities, which in turn could subject Bats to liability for monetary damages in lawsuits. Elimination or limitation on Rule 611 could reduce market participants' need to execute trades on Bats' exchanges when such exchange is displaying the best available price, reducing Bats' trading volumes and revenues.

Over the last several years, the SEC and other regulators have proposed various specific market structure changes in addition to those described above. Actions on any of the specific regulatory issues currently under review in the United States and Europe could have a material impact on Bats' business. The SEC, FINRA and the national securities exchanges have proposed, adopted, or are in the process of implementing several initiatives aimed at addressing the oversight, integrity and resilience of the markets. These include large trader reporting, market access risk control rules, limit up/limit down trading price bands and market-wide circuit-breakers, among other initiatives. In addition, in July 2012, the SEC adopted a rule requiring FINRA and the securities exchanges, such as BZX, BYX, EDGX and EDGA, to develop a consolidated audit trail ("*CAT*") that will allow regulators to efficiently and accurately track all activity in listed securities throughout the U.S. markets. While Bats supports these initiatives and believes they will strengthen the U.S. equity market structure, these and potential future market structure reforms could involve significant implementation and ongoing costs for Bats' U.S. exchange subsidiaries and other market participants. Bats believes its customers would likely bear a portion of these expenses through increased trading costs, and this could result in lower transaction volumes. For example, the costs of developing, building and operating the *CAT* are expected to be significant. Although the manner in which the costs of the *CAT* will be allocated among the exchanges, FINRA and market participants has not yet been finalized, to the extent that FINRA and the national securities exchanges impose new quoting or trading fees in order to fund the *CAT*, market participants may alter their trading activities, causing volumes to decline.

Since November 2015, the SEC's Regulation SCI requires providers of certain key market infrastructure, including BZX, BYX, EDGX and EDGA, to have comprehensive policies and procedures in place surrounding their technology. Regulation SCI, which stands for "Systems

Table of Contents

Compliance and Integrity," replaces the current voluntary compliance program with rules whose violation may be the subject of enforcement actions. Self-regulatory organizations, such as BZX, BYX, EDGX and EDGA, certain ATs, the SIPs and certain clearing agencies are required to take specific measures to ensure that the core technology meets these new Regulation SCI standards, to conduct business continuity testing and to provide certain notifications in the event of systems disruptions and other events. While Bats supports this regulation and has not needed to implement material changes for continued compliance, the burdens associated with compliance with such rule could negatively impact Bats' business by increasing its operational expenses.

In addition, the SEC recently approved a two-year "tick pilot" program to impose wider minimum quoting and/or trading increments, or tick sizes, in certain illiquid securities in an effort to incentivize liquidity provision in those securities. The tick pilot began on October 3, 2016 and generally includes stocks of companies with \$3 billion or less in market capitalization, an average trading volume of one million shares or less and a volume weighted average price of at least \$2.00 for each trading day during the measurement period prior to the effective date of the pilot, among other criteria. The tick pilot consists of a control group of approximately 1,400 securities and three test groups with 400 securities in each selected by a stratified sampling. During the pilot: (i) pilot securities in the control group will be quoted at the current tick size increment of \$0.01 per share and will trade at the currently permitted increments; (ii) pilot securities in the first test group will be quoted in \$0.05 minimum increments, but will continue to trade at any price increment that is currently permitted; (iii) the second test group will be quoted in \$0.05 minimum increments and will trade at \$0.05 minimum increments, subject to a midpoint exception, a retail investor exception, and a negotiated trade exception; and (iv) pilot securities in the third test group will be subject to the same terms as the second test group and will also be subject to a "trade-at" requirement to prevent price matching by a venue not displaying at a price of a trading center's best "protected" bid or offer, unless an enumerated exception applies. The exchanges, including BZX, BYX, EDGX and EDGA, and FINRA are required to submit their initial assessments on the tick pilot's impact 18 months after the pilot begins based on data generated during the first 12 months of its operation. The tick pilot requires BZX, BYX, EDGX and EDGA to devote additional significant resources to implement and report on the program, increasing Bats' costs. In addition, for tick pilot test group securities where execution at price increments narrower than the permitted quote is permitted, the implementation of the tick pilot could incentivize additional trading away from the exchanges, reducing the volume of orders executed on BZX, BYX, EDGX and EDGA.

The continued growth of high frequency trading, and what, if any, response is appropriate, has also been the subject of extensive Congressional and regulatory consideration. High frequency trading generally refers to certain types of computer-executed automated trading strategies. A number of exchanges and other market participants have also been the subject of private litigation and regulatory enforcement actions alleging that high frequency trading firms have received unfair advantages at the expense of other traders. High frequency trading accounts for a significant percentage of the daily volume in the U.S. and European equity markets and these actions and other efforts to slow trading could lead to a reduction in trading volumes, negatively impacting all trading markets, including Bats' business.

Bats' customers are also highly regulated. The SEC, FINRA, the Commodity Futures Trading Commission ("**CFTC**"), the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the Federal Deposit Insurance Corporation ("**FDIC**"), the Office of the Comptroller of the Currency, FCA and other regulatory authorities could impose regulatory changes that could adversely impact the attractiveness of, and the ability of Bats' customers to use, Bats' markets. Regulatory changes by the SEC, FINRA, CFTC, Federal Reserve, FDIC, Office of the Comptroller of the Currency, FCA or other regulatory authorities could result in the loss of a significant number of customers or a reduction in trading activity on Bats' markets.

Table of Contents

The implementation of MiFID II and MiFIR in Europe will result in an alteration of the existing MiFID structure that has encouraged competition among market centers in Europe. The impact of MiFID II and MiFIR, is likely to be significant, and could reduce trading volumes and trading fees, while increasing Bats' costs of operating in Europe. Despite the U.K.'s vote to leave the E.U., it is expected that MiFID II and MiFIR will be implemented in the U.K. ahead of any exit.

For example, MiFID II and MiFIR introduce a number of new rules which apply directly to European trading venues such as Bats' MTF and Bats' Regulated Market ("**RM**"). These rules include provisions governing high frequency algorithmic trading and specific obligations on firms operating RMs and MTFs to put in place systems, procedures and arrangements to ensure the trading venue is resilient, has sufficient capacity to cope with order flow, has effective business continuity arrangements, etc. In particular, there are new rules specifically governing tick sizes, synchronization of business clocks and the imposition of limits on the ratio of orders to transactions which RMs will need to implement.

MiFIR also introduces a much broader transparency regime for RMs and MTFs covering not only pre-and post-trade transparency for equities but also for equity-like instruments, derivatives and fixed income instruments.

Waivers from transparency are subject to venue-specific and European-wide volume caps which may curtail participants' ability to conduct dark book trading.

In addition to the new trading venue and transparency rules noted above, MiFID II and MiFIR introduces enhanced internal organizational and compliance monitoring requirements for RMs and MTFs which will require the enhancement of internal compliance arrangements, processes and procedures.

These additional requirements, individually and in aggregate, could have a material adverse effect on Bats' business and cash flows, financial condition and results of Bats' European operations. They imply additional implementation expenditure but potentially also additional ongoing compliance resources. They may also have an adverse impact on the volume of trading that takes place on Bats' venues thereby potentially reducing revenue.

MiFIR may also have an adverse impact on Bats' U.S. listed cash equity operations as a result of the introduction of a mandatory equity trading rule which would require E.U. investment firms to trade equities which are either admitted to trading on an RM or traded on an E.U. trading venue only on RMs, MTFs with systematic internalisers or with third-country trading venues which have been specifically assessed to be equivalent. Since a significant number of U.S. listed cash equities can be traded on E.U. trading venues, E.U. investment firms may be required to undertake trades in such U.S. listed cash equities only on those European markets unless and until an equivalence assessment is made in respect of Bats' U.S. exchanges.

On February 14, 2013, the E.C. published a proposal for a directive for a common Financial Transaction Tax ("**FTT**"), in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has a broad scope and could, if introduced in the form originally proposed, apply to certain transactions relating to financial instruments (including secondary market transactions) in certain circumstances.

Under the February 14, 2013 proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain transactions relating to financial instruments where at least one party is a financial institution (as defined in the FTT), and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State

Table of Contents

or (b) where the financial instrument which is the subject of the transaction is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. Ten out of the eleven participating Member States agreed on certain core principles at their December 2015 meeting, Estonia having withdrawn from the group. At an October 2016 meeting of the Economic and Financial Affairs Council configuration, Taxation Commissioner Moscovici confirmed that the Finance Ministers had agreed on a number of core principles behind the FTT, in respect of which he would follow up with a legislative proposal. The FTT proposal may be altered prior to any implementation, the timing of which remains unclear. Additional member states of the E.U. may decide to participate and/or certain of the participating Member States may decide to withdraw.

Legislators in the United States have also sponsored bills to impose an FTT on certain financial market transactions, including transactions in securities on an exchange.

If implemented, an FTT may, among other matters, make listing the affected financial instruments on an exchange less attractive for issuers than would be the case absent implementation of the FTT. By raising the cost of trading for Bats' customers, an FTT may reduce the volume of transactions and the liquidity and market efficiency of the capital markets, reducing revenues.

In addition, Dodd-Frank will likely result in exchange or execution platform trading and clearing of many swaps, which could give greater liquidity and accessibility to derivatives that compete with options traded on Bats' U.S. listed equity options markets. The Tax Reform Act of 2014, or the "Camp Tax Reform proposals," introduced as legislation in 2014 as a means to unifying the taxation of derivatives could result in adverse tax consequences to market participants, which may lead to fewer investors using listed equity options to reduce the risks of owning stock or generating additional income from their stock holdings. The proposals, if adopted as proposed, may reduce the volume of transactions in the U.S. listed equity options market. Furthermore, the SEC continues to consider whether to impose a cap on transaction fees charged by options exchanges similar to the caps applied to equity exchanges. Transaction fee caps would limit the amount of fees that Bats can charge to access its liquidity and, accordingly, the payments Bats can pay to market participants to attract liquidity.

In addition to its other SRO responsibilities, BZX, as a listing market, also is responsible for overseeing each listed company's compliance with BZX's listing standards. Bats' listings department evaluates applications submitted by issuers interested in listing their securities on BZX to determine whether the quantitative and qualitative listing standards have been satisfied. Once securities are listed, Bats' listings department monitors each issuer's ongoing compliance with BZX's continued listing standards. Failure to comply with these SRO responsibilities could result in potential sanctions or fines and a negative impact on Bats' reputation or branding.

The legislative and regulatory environment in which the spot FX market operates is evolving and has undergone significant changes in the recent past, and there may be future regulatory changes in the spot FX industry. Spot FX market participants have seen an increasing number of law enforcement actions and regulatory inquiries into their business practices. The governmental bodies and regulatory organizations that regulate parts of the spot FX market have enacted, proposed and may consider additional legislative and regulatory initiatives and may adopt new or revised laws and regulations. Changes in the interpretation or enforcement of existing laws and regulations by these entities, or the adoption of new legal or regulatory requirements, may also adversely affect Bats' spot FX business. For example, the New York State Department of Financial Services recently issued a consent order with Barclays Bank PLC, or "**Barclays Bank**," pursuant to which Barclays Bank agreed, among other things, to pay a \$150 million fine over the "last look" function in its electronic spot FX trading business. The Bats Hotspot Platform contains "last look" functionality that may be used by certain platform participants. Changes in how "last look" is viewed by governmental bodies or regulatory organizations

Table of Contents

may have an adverse impact on the acceptance of "last look" functionality in the spot FX market generally as well as on Bats' spot FX business.

The Brexit Vote (as defined below) could have a negative impact on the U.K. and E.U. economies and lead to considerable uncertainty while new treaties are negotiated.

On June 23, 2016 the U.K. voted to leave the E.U. in a referendum (the "***Brexit Vote***"). At this stage, both the terms and the exact timing of the U.K.'s exit from the E.U. ("***Brexit***") are unclear, although it is unlikely to be before the end of March 2019. Moreover, the nature of the relationship of the U.K. with the remaining E.U. (the "***EU27***") has yet to be discussed and negotiations with the E.U. on the terms of the exit have yet to commence. In addition to the economic uncertainty this brings, there are a number of potential risks that investors should consider:

Political uncertainty

Following the Brexit Vote, the U.K. has entered into a period of acute political uncertainty both as to the nature and timing of the negotiations with the E.U. Such uncertainty could lead to a high degree of economic and market disruption and legal uncertainty. It is not possible to ascertain how long this period will last and the impact it will have on the U.K. in general and markets more broadly.

Legal uncertainty

A significant proportion of English law currently derives from or is designed to operate in concert with E.U. law. This is especially true of English law relating to financial markets, financial services, prudential and conduct-regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, and market infrastructure. Depending on the timing and terms of the U.K.'s exit from the E.U., significant changes to English law are likely, and Bats cannot predict what these changes will be and how they may affect Bats' business.

Regulatory uncertainty

There is significant uncertainty about how EU27 financial institutions with assets (including branches) in the U.K. and U.K. financial institutions with assets in the EU27 will be regulated. At present, E.U. single market regulation allows regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorizations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. E.U. law is also the framework for mutual recognition of bank recovery and resolution regimes.

Once the U.K. ceases to be a member state of the E.U., the current passporting arrangements will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the U.K. and the EU27 after the U.K. ceases to be a member state of the E.U. would therefore be subject to separate arrangements between the U.K. and the EU27, in respect of which negotiations have not yet begun. There can be no assurance that there will be any such arrangements concluded and, if they are concluded, on what terms.

Market uncertainty

Since the Brexit Vote, there has been volatility and disruption of the capital, currency and credit markets. If this disruption continues, it may impact Bats' business and its returns. In 2015, Bats derived 6.6% of its total revenues from its U.K. operations. Depending on the outcome of the Brexit negotiations, companies with operations in the U.K. may face an unfavorable business environment. In

Table of Contents

such a case, Bats Europe may choose to move some or all of its operations to the E.U. and the related costs and expenses could have a material adverse effect on Bats' business.

Bats plans on expanding its spot FX business, which will expose Bats to additional risks, including increased regulatory oversight.

In September 2015, Bats Hotspot launched a London matching engine to target specific currency pairs that are more active in Europe and attract more participation from Europe and Asia, complementing Bats Hotspot's New York area matching engine and giving investors two distinct pools of liquidity to drive price formation globally. This business expansion brings increased risk and potentially increased regulatory scrutiny.

In connection with its acquisition of Javelin, Bats Hotspot plans to operate a SEF to permit certain of its users to enter into non-deliverable forward currency transactions. The success of this plan depends on Bats' ability to successfully launch non-deliverable forwards, outright deliverable forwards and swaps. Launching the SEF would require Bats Hotspot to comply with additional regulatory obligations, as the SEF will be registered with and regulated by the CFTC. For example, under Dodd-Frank and CFTC rules, SEFs must comply with certain core principles, including establishing and enforcing trading and market monitoring procedures and maintaining comprehensive business records, among other requirements. Similarly, Bats Hotspot may also launch an MTF or other venue in the U.K. that would be registered with and regulated by the FCA, and subject to corresponding obligations.

Changes to the regulators and agencies governing European financial markets could adversely affect Bats' business.

A number of changes in the regulators and agencies governing European financial markets have been enacted or proposed since the financial crisis. In 2010, the U.K. government announced plans to reform the U.K. regulatory regime by abolishing the Financial Services Authority and replacing it with two regulators, one covering prudential risks and the other covering conduct of business matters. Accordingly, on April 1, 2013, the FCA became the primary regulator of Bats Europe. In addition, three independent European agencies now regulate the financial markets, banking and insurance industries, with the mandate of contributing to the stability of the E.U.'s financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as by enhancing investor protection. In particular, ESMA fosters supervisory convergence both among national securities regulators and across financial sectors by working closely with the other competent European Supervisory Authorities.

Until such changes have been in effect for a longer period of time, Bats cannot fully estimate what long-term effect they will have on the oversight and operation of Bats' European market, clearing and other operations, but Bats does expect it to affect its business, potentially leading to increased regulation and oversight of Bats' operations and the European capital markets generally.

Regulatory changes or future court rulings may have an adverse impact on Bats' revenue from proprietary market data products.

Regulatory and legal developments could reduce the amount of revenue that Bats earns from its proprietary market data products. In the United States, Bats generally is required to file with the SEC any changes to the fees that it charges for its securities market data products. In recent years, certain industry groups have objected to the ability of exchanges to charge for certain market data products. Specifically, the Securities Industry and Financial Markets Association ("*SIFMA*") has filed a number of denial of access applications with the SEC to set aside proposed rule changes to establish or modify fees for Bats' market data products and related services. Each application is being held in abeyance pending a decision on a separate SIFMA denial of access application held before the SEC's Chief

Table of Contents

Administrative Law Judge ("**ALJ**") regarding fees proposed by NASDAQ and NYSE for their respective market data products. On June 1, 2016, the ALJ issued a decision rejecting SIFMA's denial of access challenge to the NASDAQ and NYSE fees at issue, concluding that the exchanges do not enjoy monopoly pricing power over their depth of book feeds. On July 19, 2016, SIFMA petitioned the SEC for review of the ALJ decision. An adverse ruling in that matter could cause the SEC to more closely examine exchange market data fees, which in turn could result in Bats having to reduce the fees it charges for market data. The SEC also has authority to undertake such review at its own discretion. If such an examination is conducted, and the results are detrimental to Bats' U.S. securities exchanges' ability to charge for market data, there could be a negative impact on Bats' revenues. Bats cannot predict if the SEC will grant review of the petition, or how it will rule on the matter or whether, or in what form, any regulatory changes will be implemented, or their potential impact on Bats' business. A determination by the SEC, for example, to link securities market data fees to marginal costs, to take a more active role in the market data rate-setting process, or to reduce the current levels of securities market data fees could have an adverse effect on Bats' securities market data revenues.

Bats believes Bats Europe currently offers market data to customers on a non-discriminatory basis at a reasonable cost. As regulators determine how market data should be disaggregated and what is a reasonable commercial basis for providing market data, as set out in MiFID II and MiFIR, it could affect Bats' ability to offer market data products in the same manner that Bats does today thereby causing an adverse effect on Bats' European market data revenues. While MiFID II and MiFIR aims to encourage a commercial solution to a consolidated tape in Europe, should this fail to materialize, policy makers might be encouraged to implement a mandatory solution that could impact Bats' ability to develop its own commercial offering.

Bats has indirect exposure to the European sovereign debt crisis.

Bats Europe may from time to time hold cash reserves in U.K. sovereign government debt, commonly known as Gilts. In addition, many of its customers are banks who may hold investments in Euro-denominated sovereign debt. To the extent those customers are negatively impacted by those investments, they may be less able to pay amounts owed to Bats or renew service agreements with Bats. Such developments could negatively affect Bats' business. Further, to the extent that sovereign debt concerns depress economic activity, it may negatively impact the number of transactions processed on Bats' trading venues, resulting in lower revenue.

In addition, an exit from the Euro by a member state of the E.U. or an ongoing recession in the Euro zone and the related Euro crisis could lead to foreign exchange volatility and a potential loss of revenues if trading volumes are negatively impacted across all of Bats' trading platforms. See "*The Brexit Vote could have a negative impact on the U.K. and E.U. economies and lead to considerable uncertainty while new treaties are negotiated*" above.

Bats is dependent on the members of its senior management team and other key personnel.

Bats is highly dependent upon its Chief Executive Officer and President, Chris Concannon, and the CEO of Bats Europe, Mark Hemsley. Both of these individuals' talents and leadership have been, and continue to be, critical to Bats' success. The diminution or loss of the services of any one of these individuals for any reason, and any negative market or industry perception arising from that diminution or loss, would have a material adverse effect on Bats' business.

Bats' success also depends largely on the efforts and abilities of the other key members of Bats' senior management team. Many of these individuals have worked together closely since Bats' inception in 2005.

Table of Contents

Members of Bats' senior management team are subject to employment agreements, each with a term of three years, with automatic one-year annual extensions. Notwithstanding the foregoing, an employment agreement and the corresponding employment relationship between Bats and its senior management may be terminated at any time by either party with or without cause or advance notice. Accordingly, it is possible that one or more members of Bats' senior management team could resign to work elsewhere. Because each member of Bats' senior management team has a different area of specialization, the departure of any one of these individuals could create a deficiency in one of the core aspects of Bats' business, particularly given Bats' small number of employees relative to its competitors.

Bats is also dependent on the efforts of its team of technology professionals, many of whom have been with Bats for several years, and on Bats' ability to recruit and retain highly skilled and often specialized personnel, particularly in light of the rapid pace of technological advances. The level of competition in Bats' industry for individuals with this level of experience or these skills is intense. Significant losses of key personnel, particularly to competitors, could make it difficult for Bats to compete successfully. In addition, Bats may be unable to attract and retain qualified management and personnel in the future, including in relation to any diversification of Bats' product and service offerings into new asset classes and/or new geographic locations.

Bats does not maintain "key person" life insurance policies on any of its executive officers, managers, key employees or technical personnel. The loss of the services of these persons for any reason, as well as any negative market or industry perception arising from those losses, could have a material adverse effect on Bats' business, financial condition and operating results.

Bats may not be able to keep up with rapid technological and other competitive changes affecting its industries, and Bats may be unable to further diversify its business.

The markets in which Bats competes are characterized by rapidly changing technology, evolving industry standards and regulations, frequent enhancements to existing products and services, the adoption of new services and products and changing customer demands and regulatory requirements. If Bats' platforms fail to function as expected, Bats' business would be negatively affected. In addition, Bats' business, financial condition and operating results may be adversely affected if Bats cannot successfully develop, introduce and/or market new services and products or if Bats needs to adopt costly and customized technology for its services and products. Further, Bats' failure to anticipate or respond adequately to changes in technology, customer preferences and regulatory requirements or any significant delays in product development efforts could have a material adverse effect on Bats' business, financial condition and operating results.

In addition, Bats will face significant challenges as it seeks to diversify its product and service offerings. Bats may, for example, diversify its equities business by competing with NYSE, NASDAQ and other exchanges and non-exchange trading platforms for new asset classes and in new geographic locations and new or existing listings. Bats may also diversify its spot FX business by competing with ICAP, Thomson Reuters and others for new asset classes and in new geographic locations. Bats will face substantial competition from these market centers, some of which have greater brand recognition than Bats does and offer a broader range of services than Bats currently offers. Accordingly, Bats may not be able to increase its revenues, compete successfully by further diversifying its product and service offerings or meet ongoing and changing regulatory requirements.

Bats generates a significant percentage of its total revenues from, and is provided with significant liquidity in its markets by, customers who are affiliates of its significant stockholders, who are not contractually obligated to continue to use Bats' services or purchase its products and who also use the services of Bats' competitors.

Bats earns a significant percentage of its revenue from customers who are affiliates of its significant stockholders. For example, for the six months ended June 30, 2016, 24.3% of Bats' total transaction fees were generated by affiliates of Bats' significant stockholders. For the years ended

Table of Contents

December 31, 2015, 2014 and 2013, 44.1%, 47.7%, and 28.0% of Bats' total transaction fees, respectively, were generated by affiliates of Bats' significant stockholders. In addition, affiliates of Bats' significant stockholders also provide Bats with liquidity for which Bats provides them with a rebate. For the six months ended June 30, 2016 and the years ended December 31, 2015, 2014 and 2013, 30.5%, 53.1%, 44.3%, and 35.2% of Bats' total liquidity payments, respectively, were generated by affiliates of Bats' significant stockholders. None of Bats' customers is contractually or otherwise obligated to continue to use Bats' services or purchase its products. In addition, affiliates of certain of Bats' stockholders and Bats' other customers have made, and may continue to make, investments in businesses that directly compete with Bats. Bats' customers also trade, and will continue to trade, on markets operated by its competitors. The loss of, or a significant reduction in, participation on Bats' markets by these customers may have a material adverse effect on Bats' business, financial condition and results of operations.

Bats may not be able to successfully integrate recently acquired businesses, which may result in an inability to realize the anticipated benefits of the acquisition of Hotspot FX Holdings LLC.

Integrating the operations of recently-acquired businesses involves complex technological, operational and personnel-related challenges. This process is time-consuming and may disrupt the business of the combined company. Difficulties, costs and delays could be encountered with respect to:

the possible redesign of Bats Hotspot technology;

resolving possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures between Bats and Bats Hotspot;

the diversion of management's attention from ongoing business concerns and other strategic opportunities;

the retention of Bats Hotspot's key employees and management;

possible costs or inefficiencies associated with integrating the operations of the combined company; and

the retention of strategic partners and attraction of new strategic partners.

For these reasons, Bats may not achieve the anticipated financial and strategic benefits, including cost savings from operational efficiencies and synergies and growth from newly launched products, from the acquisition of Bats Hotspot's business, and any actual cost savings and synergies may be lower than Bats currently expects and may take a longer time to achieve than Bats currently anticipates.

Bats may have difficulty executing its growth strategy and managing its growth effectively.

Bats has experienced significant growth in its business since its inception in 2005, with material expansions into diverse businesses including European listed cash equity securities, U.S. listed equity options and global institutional spot FX trading. While Bats' securities market share has increased, there is no guarantee this will continue in the future. Continuing to grow Bats' businesses will require increased investment in its facilities, personnel and financial and management systems and controls. Unless Bats' growth results in an increase in its revenues that is proportionate to the increase in Bats' costs associated with this growth, Bats' future profitability will be adversely affected. Furthermore, failure to successfully expand into new asset classes or new geographies may adversely affect Bats' growth strategy and its future profitability.

As part of Bats' growth strategy, Bats intends to continue evaluating potential acquisition opportunities and strategic alliances, subject to its obligations under the merger agreement. Any such transaction may be effected quickly, may occur at any time and may be significant in size relative to Bats' existing assets and operations. The market for acquisition targets and strategic alliances is highly competitive, particularly in light of increasing consolidation in the securities trading industry and spot

Table of Contents

FX industry, which may adversely affect Bats' ability to find acquisition candidates or strategic partners that fit Bats' growth strategy and Bats' investment parameters. These transactions involve numerous risks, including, among others:

failure to achieve financial or operating objectives;

failure to successfully and timely integrate any operations, products, services or technology Bats may acquire or combine within a strategic alliance;

diversion of management's and other key personnel's attention;

failure to obtain necessary regulatory or other approvals;

potential loss of customers or personnel;

failure to obtain necessary financing on acceptable terms;

acquisition-related litigation; or

market volume contraction.

Failure to successfully manage any acquisition or strategic alliance Bats may make in the future could adversely affect Bats' growth strategy and its future profitability. Furthermore, future acquisitions or strategic alliances may require significant resources and may result in significant unanticipated losses, costs or liabilities.

Subject to Bats' obligations under the merger agreement, future acquisitions may be effected through the issuance of Bats' common stock, which could substantially dilute the ownership percentage of Bats' current stockholders.

If Bats' goodwill or intangible assets become impaired, Bats may be required to record a significant charge to earnings.

As a result of Bats' acquisitions of Chi-X Europe on November 30, 2011, Direct Edge on January 31, 2014, Bats Hotspot on March 13, 2015 and Bats ETF.com on April 1, 2016, Bats has recorded approximately \$1,054.5 million of goodwill and other acquired intangible assets as of June 30, 2016. Bats assesses the potential impairment of goodwill at least annually, or more frequently when events or changes in circumstances signal indicators of impairment are present. Adverse changes in economic conditions or Bats' operations could affect the assumptions Bats uses to calculate the fair value, which in turn could result in an impairment charge in future periods that would impact Bats' results of operations and financial position.

The regulatory framework under which Bats operates and new regulatory requirements or new interpretations of existing regulatory requirements could require substantial time and resources for compliance, which could make it difficult and costly for Bats to operate its business.

Bats' securities markets operate in a highly regulated industry and may be subject to regulatory actions or other legal proceedings that could lead to censures, fines or other penalties if Bats fails to comply with its legal and regulatory obligations or Bats' customers fail to comply with their obligations. The securities trading industry is subject to significant regulatory oversight and could be subject to increased governmental and public scrutiny in the future in response to global conditions and events. In the United States, Bats' markets are regulated by the SEC and Bats' broker-dealer subsidiary is regulated by the SEC, FINRA and other applicable SROs. In the U.K., Bats' markets are subject to local regulation and will continue to be subject to E.U. regulation until the Brexit Vote is implemented. As a result, Bats' Recognised Investment Exchange ("**RIE**") may be subject to audits, investigations, administrative proceedings and enforcement actions relating to compliance with applicable rules and regulations.

Table of Contents

In January 2015, the SEC completed two separate investigations into the development of order types: one related to BZX and BYX and another related to EDGX and EDGA. While the SEC concluded its investigation with no action taken with regards to BZX and BYX, the SEC accepted Bats' offer of settlement with respect to EDGX and EDGA, which included a monetary penalty and an agreement to implement certain measures aimed at preventing future violations of the Exchange Act and the rules and regulations promulgated thereunder. In the future, Bats could be subject to SEC or other regulatory investigations or enforcement proceedings that could result in substantial sanctions, including revocation of Bats' operating licenses. Any such investigations or proceedings, whether successful or unsuccessful, could result in substantial costs, the diversion of resources, including management time, and potential harm to Bats' reputation, which could have a material adverse effect on Bats' business, results of operations or financial condition. In addition, Bats' exchanges could be required to modify or restructure their regulatory functions in response to any changes in the regulatory environment, or they may be required to rely on third parties to perform regulatory and oversight functions, each of which may require Bats to incur substantial expenses and may harm Bats' reputation if its regulatory services are deemed inadequate.

In addition, Bats' registered broker-dealer subsidiary, Bats Trading, Inc. ("**Bats Trading**"), is subject to regulation by the SEC, FINRA and other SROs. As a registered broker-dealer, Bats Trading is subject to regulations concerning all aspects of its business, including trading practices, order handling, best execution, anti-money laundering, handling of material non-public information, safeguarding data, reporting, record retention, market access and the conduct of its officers, employees and other associated persons. In addition, Bats Trading is subject to regulatory requirements intended to ensure its general financial soundness and liquidity, which require that it comply with certain minimum capital requirements. The SEC and FINRA impose rules that require notification when a broker-dealer's net capital falls below certain predefined criteria, dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC's uniform net capital rule and FINRA rules impose certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC and FINRA for certain withdrawals of capital. Any failure to comply with applicable broker-dealer regulations could have a material adverse effect on the operation of Bats' business, financial condition and operating results.

Bats' European securities business is subject to regulatory oversight in the U.K. by the FCA, which through the "passporting" process provides authorization to carry on business in other European Economic Area ("**EEA**") member states. The authorities may revoke this authorization if Bats does not suitably carry out its regulated business activities. The authorities are also entitled to request that Bats adopt measures in order to ensure that Bats continues to fulfill the authorities' requirements. Any failure by Bats to meet these requirements or any revocation by the authorities of Bats' authorization to carry on business in other EEA member states would materially affect Bats' ability to operate a trading venue on a pan-European basis and could adversely affect its business, financial condition and results of operations. Bats currently operates both an RIE and a routing broker in the U.K.

In addition, the regulatory authorities in certain foreign jurisdictions may require securities exchanges to be named on certain designated exchange lists maintained by such authorities. The failure of any of Bats' exchanges to be named on any such list may make it difficult for certain foreign investors to invest, or prevent certain foreign investors from investing, in Bats' listed securities, which may put Bats' listings business in such jurisdictions at a competitive disadvantage compared to other securities exchanges that have been named on such designated exchange's lists. Failure to comply with the applicable foreign regulations may also subject Bats or its customers in such jurisdictions to regulatory actions or other legal proceedings that could lead to fines or other penalties.

Table of Contents

Bats has self-regulatory obligations that may create conflicts of interests.

Bats has obligations to regulate and monitor activities in its markets and ensure compliance with applicable law and the rules of its markets by market participants. In the United States, the SEC and others have expressed concern about potential conflicts of interest of "for-profit" markets performing the regulatory functions of an SRO. For example, Bats is responsible for identifying possible violations of the securities laws by its members and taking regulatory action against those members if such violations are confirmed. Although Bats' U.S. exchanges outsource certain of their regulatory functions to FINRA, Bats could be conflicted in pursuing such regulatory actions against its customers because to do so could result in a loss of trading volumes on Bats' markets. Any failure by Bats to diligently and fairly regulate its markets or to otherwise fulfill its regulatory obligations could significantly harm Bats' reputation, prompt SEC scrutiny and adversely affect Bats' business and reputation.

Bats' ability to implement or amend rules could be limited or delayed because of regulatory oversight, review or approval, which could negatively affect Bats' ability to implement needed changes or expand its products or services.

Bats' exchanges registered with the SEC must submit proposed rule changes to the SEC for its review and, in many cases, its approval. Even where a proposed rule change may be effective upon filing with the SEC, the SEC retains the right to suspend and disapprove such rule changes. The rule review process can be lengthy and can significantly delay the implementation of proposed rule changes that Bats believes are necessary to the operation of its markets. If the SEC delays or does not allow one of Bats' exchanges to implement a rule change, this could negatively affect Bats' ability to make needed changes or implement business activities. In addition, Bats must compete with ATs that are not subject to the same SEC approval process and therefore may have lower regulatory and surveillance costs than Bats. There is a risk that other trading venues will be able to charge lower fees than Bats because they spend significantly less on regulation, attracting trading to those venues. The SEC has also been actively enforcing exchanges' compliance with these requirements, including entering an order against EDGX and EDGA for alleged failures to properly maintain SEC-approved rules relating to all of its order types. See " *Failures in Bats' compliance systems could subject Bats to significant legal and regulatory costs. Furthermore, if Bats' risk management methods are not effective, Bats' business, reputation and financial results may be adversely affected.*"

Similarly, the SEC must approve amendments to Bats' exchange subsidiaries' certificates of incorporation and bylaws, as well as certain amendments to the Bats Amended and Restated Certificate of Incorporation (the "***Bats charter***") and the Bats Amended and Restated Bylaws (the "***Bats bylaws***"). The SEC may decide not to approve a proposed amendment or may delay such approval in a manner that could negatively affect Bats' ability to make a desired change, which could prevent or delay Bats from improving the operations of its markets or recognize income from new products.

Bats depends on third-party service providers for certain services that are important to its business. An interruption or cessation of such service by any third-party could have a material adverse effect on Bats' business.

Bats depends on a number of service providers, including but not limited to, banking and clearing organizations such as the National Securities Clearing Corporation ("***NSCC***") and the OCC, and its member clearing firms; LCH.Clearnet Group, EuroCCP, a Dutch domiciled clearing house ("***EuroCCP***"), SIX x-clear AG; data center providers such as Equinix, which hosts Bats' primary data centers in the United States and Europe, and CenturyLink, which hosts Bats' backup data center in the United States; the Consolidated Tape Association ("***CTA***"), and the Options Price Reporting Authority, LLC ("***OPRA***"); and various vendors of communications and networking products and services.

Table of Contents

Bats also relies on third-party broker-dealers for routing and clearing services in certain circumstances. Specifically, Bats may route an order from a customer away from its markets to another trading venue if there is insufficient liquidity on Bats' markets to match the order and/or if the customer is utilizing one of Bats' smart-order routing strategies. Bats may use a third-party broker-dealer to establish back-up connectivity to another exchange in the event that its connection to such exchange fails, because Bats does not have a direct connection to such exchange or to take advantage of tiered pricing rates at such exchange. Once Bats (or such third party) fills an order on another market, the executed trade is sent to a clearing broker to match the details of the trade with the clearing broker for the other party to the trade. Bats relies on certain of its stockholders' affiliates to route orders that are not routed directly by Bats and to clear certain trades routed to other markets.

In addition, Bats currently relies on FINRA to perform certain regulatory functions on its behalf pursuant to a regulatory services agreement ("**RSA**") which Bats entered into in 2014. Under the RSA, Bats maintains ultimate responsibility for the regulatory activities.

Bats cannot assure you that any of these providers will be able to continue to provide these services in an efficient manner or that they will be able to adequately expand their services to meet Bats' needs. An interruption or malfunction in or the cessation of an important service by any third party and Bats' inability to make alternative arrangements in a timely manner, or at all, could have a material adverse impact on Bats' business, financial condition and operating results.

Financial or other problems experienced by third parties could have an adverse effect on Bats' business.

Bats is exposed to credit risk from third parties, including customers, clearing agents and counterparties. For example, Bats is exposed to credit risk for transaction fees Bats bills to customers on a monthly basis in arrears. Bats' customers and other third parties may default on their obligations to Bats due to lack of liquidity, operational failure, bankruptcy or other reasons.

In addition, with respect to orders Bats Trading routes to other markets for execution on behalf of Bats' customers, Bats Trading is exposed to some counterparty credit risk in the case of failure to perform on the part of Bats' routing and clearing firms who are involved in processing transactions on behalf of Bats, including, Wedbush Securities, BofA Merrill Lynch or Morgan Stanley, as well as failure on the part of such brokers to pass back any transactional rebates. Wedbush Securities, BofA Merrill Lynch and Morgan Stanley guarantee trades until one day after the trade date, after which time NSCC provides a guarantee. Thus, Bats Trading is potentially exposed to credit risk to the counterparty to a trade routed to another market center between the trade date and one day after the trade date in the event that Wedbush Securities, BofA Merrill Lynch or Morgan Stanley fails to perform.

With respect to U.S. equities, Bats Trading has counterparty credit risk exposure to Wedbush Securities and Morgan Stanley related to clearing until the day following the trade date. Bats Trading uses Wedbush Securities to clear trades routed through Credit Suisse as well as for trades routed directly to other exchanges and optionally dark pools. Morgan Stanley clears trades routed through the Morgan Stanley routing brokers and also clears executions routed to most dark pools. Bats Trading maintains counterparty credit risk exposure from routing brokers (*i.e.*, Morgan Stanley, Credit Suisse, NASDAQ) with respect to rebates earned until completion of the routing brokers next invoice cycle following the execution.

With respect to U.S. listed equity options, Bats Trading is subject to counterparty credit risk exposure from Wedbush Securities and BofA Merrill Lynch related to clearing until the day following the trade date. For U.S. listed equity options, Bats Trading uses Wedbush Securities to clear trades routed through Lime Brokerage as well as trades sent directly to another exchange. BofA Merrill Lynch are used to clear trades routed through its own routing broker. Counterparty credit risk also exists with respect to rebates earned from routing brokers (Lime Brokerage and BofA Merrill Lynch) until completion of the routing brokers' next invoice cycle has completed for an execution.

Table of Contents

Bats' exposure to credit risk may be further impacted by volatile securities markets that may affect the ability of its customers and other third parties to satisfy their contractual obligations to Bats. Moreover, Bats may not be successful in managing its credit risk through reporting and control procedures or by maintaining credit standards. Any losses arising from such defaults or other credit losses could adversely affect Bats' financial condition and operating results.

Bats Hotspot is not a counterparty to any spot FX transactions occurring on the Bats Hotspot Platform and it does not have any direct counterparty risk associated with such transactions. All transactions occurring on the Bats Hotspot Platform occur bilaterally between two banks or prime brokers as counterparties to the trade. While Bats Hotspot does not have direct counterparty risk, Bats Hotspot may suffer a decrease in transaction volume if a bank or prime broker experiences an event that causes other prime brokers to decrease or revoke the credit available to the prime broker experiencing the event. Therefore, Bats Hotspot may have risk that is related to the credit of the banks and prime brokers that trade spot FX on the Bats Hotspot Platform.

Bats may be required to inject further capital into EuroCCP.

Bats Trading Limited owns 25% of EuroCCP. EuroCCP is one of three interoperable central counterparties ("**CCPs**"), used to clear trades conducted on Bats Europe. If EuroCCP were to experience financial difficulties, Bats Europe might be required to inject further capital into it in order to maintain its working or regulatory capital. In a worst case scenario, EuroCCP might have its regulatory license suspended or withdrawn, or it might have to wind down. This would result in a loss to Bats Europe of its investment in EuroCCP and a withdrawal of EuroCCP as a clearing house to the Bats Europe markets. On August 17, 2016, Euronext announced it had signed an agreement to acquire 20% of EuroCCP and to offer its users a choice in clearing for its equity markets. If approved by regulators, this will result in the four existing stockholders' ownership in EuroCCP being diluted to 20% each.

Bats may be required to assume ownership of a position in securities in connection with Bats' order routing service, which could subject Bats to trading losses when it disposes of that position.

Bats offers a smart-order routing service through its broker-dealer subsidiary, Bats Trading, which provides its customers with access to other market centers when Bats routes their orders to those market centers for execution. In connection with this service, however, Bats may assume ownership of a position in securities. This may occur, for example, when a market center to which Bats has routed a customer's order experiences systems problems and is unable to determine the status of that order. When this happens, Bats may make a business decision to provide a cancellation notice to its customer, relieving its customer of any liability with respect to the order. Bats may be informed later, however, that the order was executed at the market center to which Bats routed it, in which case Bats Trading would be required to take ownership of that securities position. Bats' clearing brokers, Wedbush Securities, BofA Merrill Lynch and Morgan Stanley, maintain error accounts on behalf of Bats Trading into which such positions settle, and Bats requires the respective clearing broker to trade out of those positions as expeditiously as possible, which could result in Bats incurring trading losses.

General economic conditions could adversely affect Bats' business and financial condition.

Bats' business performance is impacted by a number of factors, including general economic conditions and other factors that are generally beyond Bats' control. A long-term continuation of challenging economic conditions is likely to negatively impact Bats' business. Poor economic conditions may result in a decline in trading volume and a reduction in the demand for Bats' products and could affect the ability of its customers to meet their obligations to Bats.

Securities market data revenues may also be significantly affected by global market conditions. Adverse market conditions may cause reductions in the number of recipients of Bats' market data.

Table of Contents

Securities and spot FX trading volume is directly affected by economic, political and market conditions, broad trends in business and finance, unforeseen market closures or other disruptions in trading, the level and volatility of interest rates, inflation, changes in price levels of securities and the overall level of investor confidence. In recent years, trading volumes across Bats' markets have fluctuated significantly depending on market conditions and other factors beyond its control. In addition, trading volume in a particular stock could be negatively impacted by a significant reverse stock split which materially reduces the number of shares of such stock in the market. It is not possible to accurately forecast volatility or trading volumes. Because a significant percentage of Bats' revenue is tied directly to the volume of securities traded on Bats' markets, it is possible that a general decline in trading volumes could lower revenues and may adversely affect Bats' operating results if Bats is unable to offset falling volumes through increased market share or other pricing actions.

In Europe, countries such as Portugal, Ireland, Italy, Greece and Spain have been particularly affected by the recent financial and economic conditions. The E.U., the European Central Bank and the International Monetary Fund have prepared rescue packages for some of the affected countries. Other Euro-zone countries have been forced to take actions to mitigate similar developments in their economies. Bats cannot predict with any certainty whether these packages or other rescue plans will ultimately be successful or the effect that they may have on Bats' business, results of operations, cash flows and financial condition.

Fluctuations in Bats' quarterly operating results may negatively affect the valuation of its common stock.

Bats' business experiences seasonal fluctuations, reflecting reduced trading activity generally during the third quarter of each year and during the last month of each year. In addition, the financial services industry is risky and unpredictable and is directly affected by many national and international factors beyond Bats' control, including:

economic, political and geopolitical market conditions;

natural disasters, terrorism, war or other catastrophes;

broad trends in industry and finance;

changes in price levels and volatility in the stock markets;

the level and volatility of interest rates;

changes in government monetary or tax policy;

other legislative and regulatory changes;

the perceived attractiveness of the U.S. or European capital markets; and

inflation.

Any one of these factors could have a material adverse effect on Bats' business, financial condition and operating results by causing a substantial decline in the financial services markets and reducing trading volumes. As a result, it is possible that Bats' operating results or other operating metrics may fail to meet the expectations of stock market analysts and investors. If this happens, the market price of Bats' common stock may be adversely affected.

The occurrence or perception of unauthorized disclosure of confidential information could harm Bats' business.

Edgar Filing: CBOE Holdings, Inc. - Form S-4

In the course of Bats' business, Bats receives, processes, transmits and stores confidential information. Bats' treatment of such information is subject to contractual restrictions. While Bats takes measures to protect against unauthorized access to such information, these measures may be inadequate, and any failure on Bats' part to protect this information may subject Bats to contractual liability and damages, loss of business, penalties and unfavorable publicity. Even the mere perception of

Table of Contents

a security breach or inadvertent disclosure of confidential information could harm Bats' reputation. The occurrence of any of these events could have an adverse effect on Bats' business.

Bats' inability to protect its intellectual property rights and claims by others that Bats infringes their intellectual property rights could adversely affect Bats' business.

To protect Bats' intellectual property rights, Bats relies on a combination of trademark and copyright laws in the United States and similar laws in other countries, trade secret protection, confidentiality agreements and other contractual arrangements with its employees, customers and others. Despite these measures, any of Bats' intellectual property rights could be challenged, invalidated, circumvented or misappropriated, and any application for registration of such rights could be denied. Bats may be unable to detect the unauthorized use of its proprietary information or take appropriate steps to enforce its intellectual property rights. Failure to protect Bats' intellectual property adequately could harm its brand and affect its ability to compete effectively. Defending Bats' intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect Bats' business, financial condition and operating results. Further, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions, Bats may be unable to protect its intellectual property and proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect Bats' competitive position.

Although Bats owns patents covering its proprietary business processes related to the Bats 1000 Index and its proprietary business processes related to Bats' now defunct European market-on-close product, as well as having filed patent applications further covering the administration of the Bats 1000 Index, Bats' national best bid or best offer, Setter pricing (incentive for setting the national best bid or best offer ("**NBBO**")) and Joiner pricing (incentive for joining the NBBO offer when Bats is not at the NBBO), Bats' primary market auction, the business process related to operating an exchange based on the net asset value of an ETP, Bats' Competitive Liquidity Provider Program and Bats' retail price improvement program, Bats does not anticipate relying upon patents as a primary means of protecting its rights in its intellectual property. In any event, there can be no assurance that Bats' patent applications will be approved, that any issued patents will adequately protect Bats' intellectual property or that such patents will not be challenged by third parties.

Finally, third parties may claim that Bats or customers indemnified by Bats are infringing upon their intellectual property rights. Even if Bats believes that such claims are without merit, they can be time-consuming and costly to defend and divert management resources and attention. Successful claims of intellectual property infringement also might require Bats to redesign infringing technology, enter into costly settlement or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting Bats from using infringing technology. If Bats is found to be infringing and cannot, or does not, license the infringed technology on reasonable pricing terms or at all, or substitute similar technology from another source, Bats' business, financial condition and results of operations could be adversely impacted.

Bats' use of open source software code may subject its software to general release or require Bats to re-engineer its software, which could harm Bats' business.

Bats has used open source software code to create its proprietary software for use in its business. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the ownership of open source software. As a result, Bats could be subject to suits by parties claiming ownership of what Bats believes to be open source software. In addition, some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code in their software and make any derivative works of the open source code available on unfavorable terms or at no cost. Open source license terms may be

Table of Contents

ambiguous, and many of the risks associated with usage of open source software cannot be eliminated. Bats believes that its use of open source software is in compliance with the relevant open source software licenses and does not require disclosure of any of Bats' source code. However, if Bats were found to have inappropriately used open source software, Bats may be required to release its proprietary source code, re-engineer or discontinue use of its software or take other remedial action.

Bats is subject to risks relating to litigation, potential securities law liability and other liability.

Many aspects of Bats' business, including trading, market data services and listings, and the business of Bats' members, potentially involve substantial liability risks. These risks include, among others, potential liability from disputes over terms of a trade and the claim that a system failure or delay caused monetary loss to a member or that an unauthorized trade occurred. For example, dissatisfied members that have traded on Bats' electronic platform or those on whose behalf such members have traded, may make claims regarding the quality of trade execution, or allege improperly confirmed or settled trades, abusive trading practices, security and confidentiality breaches, mismanagement or even fraud against Bats or its members. In addition, because of the ease and speed with which sizable trades can be executed on Bats' electronic platform, members can lose substantial amounts by inadvertently entering trade orders or by entering them inaccurately. A large number of significant error trades could result in member dissatisfaction and a decline in member willingness to trade in Bats' electronic markets.

In addition, SROs such as BZX, BYX, EDGX and EDGA are required by federal law to perform a variety of functions that would otherwise be performed by a governmental agency. As such, and similar to sovereign immunity accorded to governments, U.S. federal courts have held that SROs are immune from civil damages for conduct undertaken as part of their statutorily delegated adjudicatory, regulatory and prosecutorial authority. This immunity, however, only covers certain of Bats' activities in the United States, and Bats could be exposed to liability under national and local laws, court decisions and rules and regulations promulgated by regulatory agencies.

Furthermore, in the United States, Bats' securities markets are subject to oversight by the SEC. As a result, Bats could be subject to investigations and judicial or administrative proceedings that result in substantial penalties if Bats were found to be out of compliance with its obligations under the federal securities laws. Any such liability or penalties could have a material adverse effect on Bats' business. Bats has from time to time received inquiries and investigative requests from the SEC's Office of Compliance Inspections and Examinations as well as the SEC's Division of Enforcement seeking information about Bats' and its members' compliance with the federal securities laws. For example, in January 2015, the SEC completed two separate investigations into the development of order types, one related to BZX and BYX and another related to EDGX and EDGA. While the SEC concluded its investigation with no action taken with regards to BZX and BYX, the SEC accepted Bats' offer of settlement with respect to EDGX and EDGA which included a monetary penalty and an agreement to implement certain measures aimed at preventing future violations of the Exchange Act and the rules and regulations promulgated thereunder.

From time to time Bats is also involved in various legal proceedings arising in the ordinary course of its business. While Bats does not believe that the outcome of any of these legal proceedings will have a material impact on its consolidated financial position, results of operations or cash flows, litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. See "Information about Bats Legal Proceedings."

In addition to potential sanctions, censure, monetary penalties and disruption of Bats' business, an investigation, inquiry, regulatory enforcement action and the related publicity could impair Bats' reputation and damage its brand name, particularly with its members and other market participants. This could result in a decrease of Bats' share of total trading volumes relative to its competitors, which may make Bats less attractive to market participants as a source of liquidity and cause Bats to lose

Table of Contents

additional trading volume and associated fees, which would adversely affect Bats' business, reputation, financial condition and operating results.

Bats' European business is subject to regulatory oversight in the U.K. by the FCA, which through the "passporting" process provides authorization to carry on business in other EEA member states. In addition, Bats' operations are regulated at the E.U. level. If a regulatory authority makes a finding of non-compliance, conditional fines could be imposed, and Bats' licenses could be revoked. Any such fine or revocation of a license could have a material adverse effect on Bats' business.

Failures in Bats' compliance systems could subject Bats to significant legal and regulatory costs. Furthermore, if Bats' risk management methods are not effective, Bats' business, reputation and financial results may be adversely affected.

Bats' ability to comply with all applicable laws and rules is largely dependent on its establishment and maintenance of compliance, audit, risk and reporting systems and procedures, as well as its ability to attract and retain qualified compliance, audit and risk management personnel. These systems and procedures may not be fully effective. Bats faces the risk of intervention by regulatory authorities, including extensive examination and surveillance activity. In the case of actual or alleged non-compliance with applicable laws or regulations, Bats could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties, settlements or civil lawsuits, including by customers, for damages, which can be substantial. In the past, the SEC has brought actions against exchange operators for failing to fulfill their obligations to have an effective regulatory system. Any failure to comply with applicable laws and rules could adversely affect Bats' business, reputation, financial condition and operating results and, in extreme cases, Bats' ability to conduct its business or portions thereof.

Additionally, Bats has adopted policies and procedures to identify, monitor and manage its risks. For example, Bats' Global Policy for Enterprise Risk Management ("**ERM**") adopts a framework for identifying and managing risks in both Bats' U.S. and European operations. In the United States, the ERM framework is overseen by the U.S. exchanges' Audit Committee, as well as Bats' Audit Committee, and ultimately the Bats board. The ERM framework is also periodically reviewed by the SEC's Office of Compliance Inspections and Examinations as part of routine inspections. The policy created a firm-wide risk committee that regularly reviews known and emerging risks, as well as the maintenance of the risk register. The European ERM framework is overseen by the Bats Trading Limited Audit, Risk and Compliance Committee as well as Bats' Audit Committee, and ultimately the Bats board. The FCA has also reviewed and approved the framework and maintains continuous dialogue with European executive management on risk-related matters. The framework has been in place formally since January 2013 and, in addition to the policy and strategy, comprises a risk appetite statement and risk register. Bats also maintains a vendor management policy that is intended to both manage the business relationships and mitigate the risks associated with utilizing outside vendors and other third-party service providers. Bats employs a vendor risk tool to facilitate this process.

These policies and procedures, however, may not be fully effective. If Bats' policies and procedures are not fully effective or Bats is not always successful in monitoring or evaluating the risks to which it is or may be exposed, Bats' business, reputation, financial condition and operating results could be materially adversely affected.

Damage to Bats' reputation could have a material adverse effect on its business.

Bats believes one of its competitive strengths is its strong industry reputation. Various issues may give rise to reputational risk, including issues relating to:

the representation of Bats' business in the media;

the quality of Bats' products, including the reliability of Bats' transaction-based business, and the accuracy of Bats' market data;

Table of Contents

the ability to execute Bats' business plan, key initiatives or new business ventures and the ability to keep up with changing customer demands and regulatory initiatives;

Bats' regulatory compliance and its enforcement of compliance on its customers;

the accuracy of Bats' financial statements and other financial and statistical information;

the quality of Bats' corporate governance structure;

the quality of Bats' disclosure controls or internal controls over financial reporting, including any failures in supervision;

the integrity and performance of Bats' computer and communications systems;

security breaches, including any unauthorized delivery of proprietary data to third parties;

management of Bats' outsourcing relationships, including Bats' relationship with FINRA;

any misconduct or fraudulent activity by Bats' employees, especially senior management, or other persons formerly or currently associated with it;

Bats' listings business and Bats' enforcement of its listing rules; and

any negative publicity surrounding Bats' listed companies.

Damage to Bats' reputation could cause a reduction in the trading volume on its exchanges or cause Bats to lose customers. This, in turn, may have a material adverse effect on Bats' business, financial condition and operating results.

Because Bats has operations outside of the United States, it is exposed to currency risk.

Bats has operations in the United States, the U.K., continental Europe and Singapore. Bats therefore has significant exposure to exchange rate movements between the British pound, the Euro, the Singapore dollar and the U.S. dollar. Significant inflation or changes in foreign exchange rates with respect to one or more of these currencies could occur as a result of general economic conditions, acts of war or terrorism, changes in governmental monetary or tax policy, the U.K. referendum to leave the E.U. or changes in local interest rates. These exchange rate differences will affect the translation of Bats' non-U.S. results of operations and financial condition into U.S. dollars as part of Bats' consolidated financial statements.

Changes in tax laws, regulations or policies could have a material adverse effect on Bats' financial results.

Like other corporations, Bats is subject to taxes at the federal, state and local levels, as well as in non-U.S. jurisdictions. Changes in tax laws, regulations or policies could result in Bats having to pay higher taxes, which would in turn reduce Bats' net income. For example, in 2015, Bats' tax liability increased as a result of legislative changes in New York and New York City. In computing Bats' tax obligation in federal, state and local and non-U.S. jurisdictions, Bats takes various tax positions on matters that are not entirely free from doubt. Bats cannot assure you that upon review of these positions the applicable tax authorities will agree with Bats' positions. A successful challenge by a tax authority could result in additional taxes being imposed on Bats.

Table of Contents

THE CBOE HOLDINGS SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to CBOE Holdings stockholders as part of a solicitation of proxies by the CBOE Holdings board for use at the CBOE Holdings special meeting. This joint proxy statement/prospectus provides CBOE Holdings stockholders with important information they need to know to be able to vote, or instruct their bank, broker, trust or other nominee to vote, at the CBOE Holdings special meeting.

Date, Time, Place and Purpose of the CBOE Holdings Special Meeting

The CBOE Holdings special meeting will be held at [•], on [•], 201[6], at [9:00 a.m.], local time.

The CBOE Holdings special meeting is being held for the following purposes:

to consider and vote upon the share issuance proposal;

to consider and vote upon the CBOE Holdings meeting adjournment proposal; and

to transact such other business as may properly come before the CBOE Holdings special meeting or any adjournments or postponements thereof.

Recommendation of the CBOE Holdings Board

After careful consideration, on September 25, 2016 the CBOE Holdings board unanimously approved the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement. **The CBOE Holdings board unanimously recommends that CBOE Holdings stockholders vote "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal at the CBOE Holdings special meeting.**

For a summary of the factors considered by the CBOE Holdings board in reaching its decision to approve the merger agreement as well as the CBOE Holdings board's reasons for approving, and certain risks related to, the merger, see "The Merger Recommendation of the CBOE Holdings Board and Its Reasons for the Merger."

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of CBOE Holdings common stock at the close of business on the CBOE Holdings record date, [•], 2016, are entitled to notice of and to vote at the CBOE Holdings special meeting. As of the CBOE Holdings record date, there were [•] shares of CBOE Holdings common stock outstanding and entitled to vote at the CBOE Holdings special meeting (including [•] unvested restricted shares of CBOE Holdings common stock), held by approximately [•] holders of record. Each holder of CBOE Holdings common stock is entitled to one vote for each share of CBOE Holdings common stock owned as of the CBOE Holdings record date.

A complete list of CBOE Holdings stockholders will be available for review at the CBOE Holdings special meeting and at the executive offices of CBOE Holdings during regular business hours for a period of ten days before the CBOE Holdings special meeting.

Quorum and Vote Required

The holders of a majority in voting power of the shares of CBOE Holdings common stock issued and outstanding and entitled to vote as of the CBOE Holdings record date, present in person or represented by proxy at the CBOE Holdings special meeting constitutes a quorum for the CBOE

Table of Contents

Holdings special meeting. A quorum must be present before a vote can be taken on the share issuance proposal or any other matter except adjournment of the meeting due to the absence of a quorum.

The approval by CBOE Holdings stockholders of the share issuance proposal and the CBOE Holdings meeting adjournment proposal requires, in each case, the affirmative vote of the majority of the votes properly cast at the special meeting (assuming a quorum is present).

Abstentions will be counted as present for purposes of determining the presence of a quorum at the CBOE Holdings special meeting but will not be considered a "vote cast" and will have no effect on the proposals.

CBOE Holdings expects that the CBOE Holdings special meeting will be adjourned, if necessary or appropriate, to permit further solicitation of proxies in favor of the share issuance proposal if there are insufficient votes at the time of the special meeting to approve the share issuance proposal, assuming that the CBOE meeting adjournment proposal is approved by CBOE Holdings stockholders. In addition, if a quorum is not present at the special meeting, the affirmative vote of shares representing a majority in voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote "**AGAINST**" the proposal to adjourn the meeting due to an absence of a quorum. An officer entitled to preside at or to act as secretary of the CBOE Holdings special meeting is also entitled to adjourn the meeting to another place, date or time if a quorum is not present. At any subsequent reconvening of the CBOE Holdings special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the CBOE Holdings special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Voting by CBOE Holdings' Directors and Executive Officers

As of the CBOE Holdings record date for the CBOE Holdings special meeting, the directors and executive officers of CBOE Holdings as a group owned and were entitled to vote approximately [•] shares of CBOE Holdings common stock, or approximately [•]% of the outstanding shares of CBOE Holdings common stock on that date. On September 25, 2016, all of CBOE Holdings' directors and executive officers entered into Voting and Support Agreements with Bats, pursuant to which such directors and executive officers have agreed to vote any shares of CBOE Holdings common stock that they beneficially own for the approval of the share issuance proposal and against any competing proposal or other proposal, action or transaction that would reasonably be expected to in any manner impede, frustrate, prevent or nullify the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement, the merger or the merger agreement.

Accordingly, CBOE Holdings currently expects that each of its directors and executive officers entitled to vote at the CBOE Holdings special meeting will vote their shares of CBOE Holdings common stock "**FOR**" share issuance proposal and "**FOR**" the CBOE Holdings meeting adjournment proposal.

Voting; Proxies; Revocation

Holders of CBOE Holdings common stock as of the CBOE Holdings record date may vote by proxy or in person at the CBOE Holdings special meeting. Votes cast by proxy or in person at the CBOE Holdings special meeting will be tabulated and certified by Computershare Trust Company, N.A., the registrar and transfer agent for CBOE Holdings common stock.

Table of Contents

Voting in Person

CBOE Holdings stockholders who plan to attend the CBOE Holdings special meeting and wish to vote in person will be given a ballot at the CBOE Holdings special meeting. Please note, however, that CBOE Holdings stockholders who hold their shares in "street name," which means such shares are held of record by a bank, broker, trust or other nominee, and who wish to vote in person at the CBOE Holdings special meeting, must bring to the CBOE Holdings special meeting a legal proxy, executed in their favor, from the record holder of the shares authorizing such CBOE Holdings stockholder to vote at the CBOE Holdings special meeting.

To attend the CBOE Holdings special meeting in person, all CBOE Holdings stockholders must bring an acceptable form of identification, such as a driver's license. Holders of CBOE Holdings common stock in street name need to bring an account statement or other acceptable evidence of ownership of shares as of the close of business on [•], 2016, the record date for the special meeting.

Any representative of a stockholder who wishes to attend the CBOE Holdings special meeting must present acceptable documentation evidencing his or her authority, acceptable evidence of ownership by the stockholder of CBOE Holdings common stock and an acceptable form of identification. CBOE Holdings reserves the right to limit the number of representatives of any stockholder who may attend the special meetings.

CBOE Holdings stockholders who plan to attend the CBOE Holdings special meeting should provide adequate time to pass through the security process necessary to gain access to the meeting room.

Voting by Proxy

The vote of each CBOE Holdings stockholder is very important. Accordingly, CBOE Holdings stockholders who are record holders of their shares of CBOE Holdings common stock should vote by proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card; or

accessing the Internet website specified on the enclosed proxy card.

CBOE Holdings stockholders should submit their proxy even if they plan to attend the CBOE Holdings special meeting. CBOE Holdings stockholders can change their vote at the CBOE Holdings special meeting. Voting instructions are included on the enclosed proxy card. If a CBOE Holdings stockholder properly submits a proxy to CBOE Holdings in time to vote, one of the individuals named as such CBOE Holdings stockholder's proxy will vote the shares as such CBOE Holdings stockholder has directed. A proxy card is enclosed for use by CBOE Holdings stockholders.

The method of voting by proxy differs for shares held as a record holder and shares held in "street name." If a CBOE Holdings stockholder holds shares of CBOE Holdings common stock in street name, which means such shares are held of record by a bank, broker, trust or other nominee, the CBOE Holdings stockholder will receive instructions from such stockholder's bank, broker, trust or other nominee that the CBOE Holdings stockholder must follow in order to vote such stockholder's shares. Such bank, broker, trust or other nominee may allow such CBOE Holdings stockholder to deliver voting instructions over the Internet, by telephone or by mail. CBOE Holdings stockholders who hold their shares in street name should refer to the voting instructions from their bank, broker, trust or other nominee that accompany this joint proxy statement/prospectus. Unless CBOE Holdings stockholders give their banks, brokers, trusts or other nominees instructions on how to vote their shares

Table of Contents

of CBOE Holdings common stock, their banks, brokers, trusts and other nominees will not be able to vote their shares on either of the proposals at the CBOE Holdings special meeting.

All properly executed proxies that are received prior to the CBOE Holdings special meeting and that are not revoked will be voted at the CBOE Holdings special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal.

Revocation of Proxy

A CBOE Holdings stockholder of record may revoke such stockholder's proxy at any time before it is voted at the CBOE Holdings special meeting by taking any of the following actions:

delivering to the Corporate Secretary of CBOE Holdings a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date;

submitting another proxy by telephone or on the Internet (the latest telephone or Internet voting instructions are followed); or

attending the CBOE Holdings special meeting and voting in person, although attendance at the CBOE Holdings special meeting will not, by itself, revoke a proxy.

If a CBOE Holdings stockholder's shares are held in "street name," such stockholder may change such stockholder's vote by submitting new voting instructions to such stockholder's bank, broker, trust or other nominee. CBOE Holdings stockholders must contact their bank, broker, trust or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of CBOE Holdings proxies with respect to shares held of record should be addressed to:

CBOE Holdings, Inc.
400 South LaSalle Street
Chicago, Illinois 60605
Attention: Corporate Secretary

Abstentions and Broker Non-Votes

An abstention, which occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting, will not affect the results of the vote on the share issuance proposal or the CBOE Holdings meeting adjournment proposal. However, if a quorum is not present at the special meeting, the affirmative vote of shares representing a majority in voting power of the shares present in person or represented by proxy at the CBOE Holdings special meeting and entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote "**AGAINST**" the proposal to adjourn the meeting due to an absence of a quorum.

The failure of a CBOE Holdings stockholder to vote or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name" will also not affect the results of the share issuance proposal or the CBOE Holdings meeting adjournment proposal. However, such shares would not be counted as present for the purpose of establishing a quorum at the special meeting.

Under applicable stock exchange rules, the share issuance proposal and the CBOE Holdings meeting adjournment proposal are non-routine matters, so there can be no broker non-votes at the special meeting. A broker non-vote occurs when shares held by a bank, broker, trust or other nominee

Table of Contents

are represented at a meeting, but the bank, broker, trust or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals at such meeting. **Accordingly, if your shares of CBOE Holdings common stock are held in "street name," your bank, broker, trust or other nominee will NOT be able to vote your shares of CBOE Holdings common stock on any of the proposals, and your shares will not be counted in determining the presence of a quorum at the special meeting unless you have properly instructed your bank, broker, trust or other nominee on how to vote.**

Proxy Solicitation

CBOE Holdings is soliciting proxies for the CBOE Holdings special meeting from CBOE Holdings stockholders. CBOE Holdings will bear the entire cost of soliciting proxies from CBOE Holdings stockholders, except that CBOE Holdings and Bats have each agreed to share equally all expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, CBOE Holdings will request that banks, brokers, trusts and other nominees send proxies and proxy materials to the beneficial owners of CBOE Holdings common stock held by them and secure their voting instructions, if necessary. CBOE Holdings will reimburse those record holders for their reasonable expenses. CBOE Holdings has also made arrangements with MacKenzie to assist it in soliciting proxies, and has agreed to pay MacKenzie's reasonable and customary charges for such services, currently estimated not to exceed \$40,000, plus expenses. CBOE Holdings and its directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

Other Business; Adjournments

CBOE Holdings does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the CBOE Holdings special meeting. **However, if other matters are properly presented at the CBOE Holdings special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.** An adjournment may be made from time to time with the affirmative vote of the holders of shares representing a majority in voting power present in person or represented by proxy at the CBOE Holdings special meeting and entitled to vote on such matter or by an officer entitled to preside at or to act as secretary of the CBOE Holdings special meeting, if a quorum is not present, without further notice other than by an announcement made at the CBOE Holdings special meeting unless the adjournment is for more than 30 days.

Assistance

If a CBOE Holdings stockholder needs assistance in completing such stockholder's proxy card or has questions regarding the CBOE Holdings special meeting, such stockholder should contact MacKenzie, which is assisting CBOE Holdings with the solicitation of proxies, at (800) 322-2885 (toll-free) or (212) 929-5500 (collect).

Table of Contents

THE BATS SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to Bats stockholders as part of a solicitation of proxies by the Bats board for use at the Bats special meeting. This joint proxy statement/prospectus provides Bats stockholders with important information they need to know to be able to vote, or instruct their bank, broker, trust or other nominee to vote, at the Bats special meeting.

Date, Time, Place and Purpose of the Bats Special Meeting

The Bats special meeting will be held at the corporate headquarters of Bats, located at 8050 Marshall Drive, Suite 120, Lenexa, Kansas 66214, on [•], 201[6], at [9:00 a.m.], local time.

The Bats special meeting is being held for the following purposes:

to consider and vote upon the proposal to adopt the merger agreement;

to consider and vote upon the non-binding compensation advisory proposal;

to consider and vote upon the Bats meeting adjournment proposal; and

to transact such other business as may properly come before the Bats special meeting or any adjournments or postponements thereof.

Recommendation of the Bats Board

After careful consideration, on September 25, 2016, the Bats board unanimously (as among the members of the Bats board present) approved the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement. **The Bats board unanimously recommends that Bats stockholders vote "FOR" the proposal to adopt the merger agreement, "FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal at the Bats special meeting.**

For a summary of the factors considered by the Bats board in reaching its decision to approve the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the merger, as well as the Bats board's reasons for approving, and certain risks related to, the merger, see "The Merger Recommendation of the Bats Board and Its Reasons for the Merger."

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of Bats common stock at the close of business on the Bats record date, [•], 2016 are entitled to notice of the Bats special meeting. Only holders of record of Bats voting common stock on the Bats record date are entitled to vote at the Bats special meeting. As of the Bats record date, there were [•] shares of Bats voting common stock outstanding (including [•] unvested restricted shares of Bats voting common stock) and entitled to vote at the Bats special meeting, held by approximately [•] holders of record. Each holder of Bats voting common stock is entitled to one vote for each share of Bats voting common stock owned as of the Bats record date.

A complete list of Bats stockholders will be available for review at the Bats special meeting and at the executive offices of Bats during regular business hours for a period of ten days before the Bats special meeting.

Quorum and Vote Required

Edgar Filing: CBOE Holdings, Inc. - Form S-4

The presence at the Bats special meeting, in person or by proxy duly authorized, of the holders of a majority of the voting power of all of the then-outstanding shares of the stock entitled to vote at the

Table of Contents

Bats special meeting as of the Bats record date constitutes a quorum for the Bats special meeting. A quorum must be present before a vote can be taken on the proposal to adopt the merger agreement or any other matter except adjournment of the meeting due to the absence of a quorum.

In accordance with the DGCL, approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bats common stock entitled to vote on this proposal at the Bats special meeting. All outstanding shares of Bats voting common stock count as shares entitled to vote. Approval of the non-binding compensation advisory proposal or the Bats meeting adjournment proposal require, in each case, the affirmative vote of a majority of the votes properly cast on the proposal at the Bats special meeting (assuming a quorum is present).

Bats expects that the Bats special meeting will be adjourned, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, assuming that the Bats meeting adjournment proposal is approved by Bats stockholders. In addition, if a quorum is not present at the special meeting, the affirmative vote of the holders of a majority of the voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote "**AGAINST**" the proposal to adjourn the meeting due to an absence of a quorum. The chairman of the Bats special meeting is also entitled to adjourn the meeting to another place, date or time if a quorum is not present. At any subsequent reconvening of the Bats special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Bats special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Voting by Bats' Directors and Executive Officers

As of the Bats record date for the Bats special meeting, the directors and executive officers of Bats as a group owned and were entitled to vote approximately [•] shares of Bats voting common stock, or approximately [•]% of the outstanding shares of Bats voting common stock on that date. On September 25, 2016, all of Bats' directors and executive officers who beneficially own Bats voting common stock entered into Voting Support Agreements with CBOE Holdings, pursuant to which such directors and executive officers have agreed to vote any shares of Bats voting common stock that they beneficially own for the adoption of the merger agreement and approval of the transactions contemplated by the merger agreement and against any competing proposal or other proposal, action or transaction that would reasonably be expected to in any manner impede, frustrate, prevent or nullify the merger or the merger agreement.

Accordingly, Bats currently expects that each of its directors and executive officers entitled to vote at the Bats special meeting will vote their shares of Bats voting common stock "**FOR**" the proposal to adopt the merger agreement, "**FOR**" the non-binding compensation advisory proposal and "**FOR**" the Bats meeting adjournment proposal.

Voting; Proxies; Revocation

Holders of Bats voting common stock as of the Bats record date may vote by proxy or in person at the Bats special meeting. Votes cast by proxy or in person at the Bats special meeting will be tabulated and certified by Computershare Trust Company, N.A., the registrar and transfer agent for Bats common stock.

Table of Contents

Voting in Person

Holders of Bats voting common stock who plan to attend the Bats special meeting and wish to vote in person will be given a ballot at the Bats special meeting. Please note, however, that Bats stockholders who hold their shares of Bats common stock in "street name," which means such shares are held of record by a bank, broker, trust or other nominee, and who wish to vote in person at the Bats special meeting, must bring to the Bats special meeting a legal proxy, executed in their favor, from the record holder of the shares authorizing such Bats stockholder to vote at the Bats special meeting.

To attend the Bats special meeting in person, all Bats stockholders must bring an acceptable form of identification, such as a driver's license. Holders of Bats common stock in street name need to bring an account statement or other acceptable evidence of ownership of shares as of the close of business on [•], 2016, the record date for the special meeting.

Any representative of a stockholder who wishes to attend the Bats special meeting must present acceptable documentation evidencing his or her authority, acceptable evidence of ownership by the stockholder of Bats common stock and an acceptable form of identification. Bats reserves the right to limit the number of representatives of any stockholder who may attend the special meetings.

Bats stockholders who plan to attend the Bats special meeting should provide adequate time to pass through the security process necessary to gain access to the meeting room.

Voting by Proxy

The vote of each holder of Bats voting common stock is very important. Accordingly, Bats stockholders who are record holders of their shares of Bats voting common stock should vote by proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card; or

accessing the Internet website specified on the enclosed proxy card.

Holders of Bats voting common stock should submit their proxy even if they plan to attend the Bats special meeting. Bats stockholders can change their vote at the Bats special meeting. Voting instructions are included on the enclosed proxy card. If a Bats stockholder properly submits a proxy to Bats in time to vote, one of the individuals named as such Bats stockholder's proxy will vote the shares as such Bats stockholder has directed. A proxy card is enclosed for use by Bats stockholders.

The method of voting by proxy differs for shares held as a record holder and shares held in "street name." If a Bats stockholder holds shares of Bats voting common stock in street name, which means such shares are held of record by a bank, broker, trust or other nominee, the Bats stockholder will receive instructions from such stockholder's bank, broker, trust or other nominee that the Bats stockholder must follow in order to vote such stockholder's shares. Such bank, broker, trust or other nominee may allow such Bats stockholder to deliver voting instructions over the Internet, telephone or by mail. Bats stockholders who hold their shares in street name should refer to the voting instructions from their bank, broker, trust or other nominee that accompany this joint proxy statement/prospectus. Unless Bats stockholders give their banks, brokers, trusts or other nominees instructions on how to vote their shares of Bats voting common stock, their banks, brokers, trusts and other nominees will not be able to vote their shares on any of the proposals at the Bats special meeting.

All properly executed proxies that are received prior to the Bats special meeting and that are not revoked will be voted at the Bats special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted "FOR" the proposal to adopt the merger agreement,

Table of Contents

"FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal.

Revocation of Proxy

A holder of record of Bats voting common stock may revoke such stockholder's proxy at any time before it is voted at the Bats special meeting by taking any of the following actions:

delivering to the Corporate Secretary of Bats a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date;

submitting another proxy by telephone or on the Internet (the latest telephone or Internet voting instructions are followed); or

attending the Bats special meeting and voting in person, although attendance at the Bats special meeting will not, by itself, revoke a proxy.

If a Bats stockholder's shares of Bats voting common stock are held in "street name" such stockholder may change such stockholder's vote by submitting new voting instructions to such stockholder's bank, broker, trust or other nominee. Bats stockholders must contact their bank, broker, trust or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of Bats proxies with respect to shares held of record should be addressed to:

Bats Global Markets, Inc.
8050 Marshall Drive, Suite 120
Lenexa, Kansas 66214
Attention: Corporate Secretary

Abstentions and Broker Non-Votes

For purposes of the Bats stockholder vote on the proposal to adopt the merger agreement, an abstention, which occurs when a holder of Bats voting common stock attends a meeting, either in person or by proxy, but abstains from voting, or the failure of holders of Bats voting common stock to vote or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name," will have the same effect as a vote "**AGAINST**" the proposal to adopt the merger agreement.

An abstention, which occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting, will not affect the results of the non-binding compensation advisory proposal or the Bats meeting adjournment proposal. However, if a quorum is not present at the special meeting, the affirmative vote of shares representing a majority in voting power of the shares present in person or represented by proxy at the Bats special meeting and entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote "**AGAINST**" the proposal to adjourn the meeting due to an absence of a quorum.

The failure of a Bats stockholder to vote or to instruct such stockholder's bank, broker, trust or other nominee to vote if such stockholder's shares are held in "street name" will also not affect the results of the non-binding compensation advisory proposal or the Bats meeting adjournment proposal. However, such shares would not be counted as present for the purpose of establishing a quorum at the special meeting.

Under applicable stock exchange rules, the proposal to adopt the merger agreement, the non-binding compensation advisory proposal and the Bats meeting adjournment proposal are

Table of Contents

non-routine matters, so there can be no broker non-votes at the special meeting. A broker non-vote occurs when shares held by a bank, broker, trust or other nominee are represented at a meeting, but the bank, broker, trust or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals at such meeting. **Accordingly, if your shares of Bats voting common stock are held in "street name," your bank, broker, trust or other nominee will NOT be able to vote your shares of Bats voting common stock on any of the proposals, and your shares will not be counted in determining the presence of a quorum at the special meeting unless you have properly instructed your bank, broker, trust or other nominee on how to vote.**

Proxy Solicitation

Bats is soliciting proxies for the Bats special meeting from holders of shares of Bats voting common stock. Bats will bear the entire cost of soliciting proxies from such Bats stockholders, except that CBOE Holdings and Bats have each agreed to share equally all expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, Bats will request that banks, brokers, trusts and other nominees send proxies and proxy materials to the beneficial owners of Bats voting common stock held by them and secure their voting instructions, if necessary. Bats will reimburse those record holders for their reasonable expenses. Bats has also made arrangements with Innisfree to assist it in soliciting proxies, and has agreed to pay Innisfree's reasonable and customary charges for such services, currently estimated not to exceed \$12,500, plus expenses. Bats and its directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

Other Business; Adjournments

Bats does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the Bats special meeting. **However, if other matters are properly presented at the Bats special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.** In the absence of a quorum, an adjournment may be made from time to time by the chairman of the special meeting or with the approval of a majority of the voting power of the shares represented at the Bats special meeting without further notice other than by an announcement made at the Bats special meeting unless the adjournment is for more than 30 days.

Assistance

If a Bats stockholder needs assistance in completing such stockholder's proxy card or has questions regarding the Bats special meeting, such stockholder should contact Innisfree, which is assisting Bats with the solicitation of proxies, at (888) 750-5834 (toll-free) or (212) 750-5833 (collect).

Table of Contents

CBOE HOLDINGS PROPOSAL 1: SHARE ISSUANCE PROPOSAL

As discussed elsewhere in this joint proxy statement/prospectus, CBOE Holdings stockholders will consider and vote on a proposal to approve the issuance of shares of CBOE Holdings common stock pursuant to the merger agreement, which we refer to as the "share issuance proposal."

CBOE Holdings common stock is listed on the NASDAQ Global Select Market, and, as such, CBOE Holdings is subject to the NASDAQ Listing Rules, including NASDAQ Listing Rule 5635 Shareholder Approval. In order to comply with the NASDAQ Listing Rules and to satisfy conditions under the merger agreement, CBOE Holdings stockholders are being asked to approve the share issuance proposal.

The CBOE Holdings board unanimously recommends that CBOE Holdings stockholders vote "**FOR**" the share issuance proposal.

If a CBOE Holdings stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of CBOE Holdings common stock represented by such proxy card will be voted "**FOR**" the share issuance proposal.

The approval by CBOE Holdings stockholders of the share issuance proposal requires the affirmative vote of the majority of the votes properly cast on such proposal, provided that a quorum is present.

Table of Contents

CBOE HOLDINGS PROPOSAL 2: MEETING ADJOURNMENT PROPOSAL

CBOE Holdings stockholders may be asked to vote on a proposal to adjourn the CBOE Holdings special meeting, if necessary or appropriate, to a later date or time, including to permit further solicitation of proxies in favor of the share issuance proposal if there are insufficient votes at the time of the CBOE Holdings special meeting to approve the share issuance proposal. We refer to this proposal as the "CBOE Holdings meeting adjournment proposal."

The CBOE Holdings board unanimously recommends that stockholders vote "**FOR**" the CBOE Holdings meeting adjournment proposal.

If a CBOE Holdings stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of CBOE Holdings common stock represented by such proxy card will be voted "**FOR**" the CBOE Holdings meeting adjournment proposal.

The approval by CBOE Holdings stockholders of the CBOE Holdings meeting adjournment proposal requires the affirmative vote of the majority of the votes properly cast on such proposal, provided that a quorum is present. The approval by CBOE Holdings stockholders of the CBOE Holdings meeting adjournment proposal is not a condition to the completion of the merger.

In addition, if a quorum is not present at the CBOE Holdings special meeting, the affirmative vote of shares representing a majority in voting power of the shares present in person or represented by proxy at the CBOE Holdings special meeting and entitled to vote on such matter may adjourn the meeting to another place, date or time. At any subsequent reconvening of the CBOE Holdings special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the CBOE Holdings special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Table of Contents

BATS PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT

As discussed elsewhere in this joint proxy statement/prospectus, holders of shares of Bats voting common stock will consider and vote on a proposal to adopt the merger agreement. The approval by such stockholders of this proposal is required by Delaware law and is a condition to the completion of the merger. Such stockholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the merger. In particular, such stockholders should read in its entirety the merger agreement, which is attached as *Annex A* to this joint proxy statement/prospectus. In addition, see the sections entitled "The Merger" and "The Merger Agreement."

The Bats board unanimously recommends that Bats stockholders vote "**FOR**" the proposal to adopt the merger agreement.

If a holder of shares of Bats voting common stock returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Bats common stock represented by such proxy card will be voted "**FOR**" the proposal to adopt the merger agreement.

The approval by Bats stockholders of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bats common stock entitled to vote on the proposal at the Bats special meeting.

Table of Contents

BATS PROPOSAL 2: NON-BINDING COMPENSATION ADVISORY PROPOSAL

As required by Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, which were enacted pursuant to Dodd-Frank, Bats is required to provide its stockholders the opportunity to vote to approve, on a non-binding, advisory basis, certain compensation that may be paid or become payable to Bats' named executive officers that is based on or otherwise relates to the merger, as disclosed in the section entitled "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers," including the narrative and tabular disclosure included under the heading "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Golden Parachute Compensation," beginning on page 169 of this joint proxy statement/prospectus, which we refer to as the "non-binding compensation advisory proposal." Accordingly, Bats stockholders are being provided the opportunity to cast an advisory vote on such payments.

As an advisory vote, this proposal is not binding upon Bats or the Bats board, and approval of this proposal is not a condition to completion of the merger. Because the merger-related executive compensation to be paid in connection with the merger is based on the terms of the merger agreement as well as the contractual arrangements with Bats' named executive officers, such compensation will be payable, regardless of the outcome of this advisory vote, if the merger agreement is adopted (subject only to the contractual conditions applicable thereto). However, Bats seeks the support of its stockholders and believes that stockholder support is appropriate because Bats has a comprehensive executive compensation program designed to link the compensation of its executives with Bats' performance and the interests of Bats stockholders. Accordingly, holders of Bats voting common stock are being asked to vote on the following resolution:

"RESOLVED, that the stockholders of Bats Global Markets, Inc. approve, on an advisory, non-binding basis, certain compensation that may be paid or become payable to the named executive officers of Bats Global Markets, Inc. that is based on or otherwise relates to the merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers" (which disclosure includes the "Golden Parachute Compensation" table required pursuant to Item 402(t) of Regulation S-K)."

The Bats board unanimously recommends that Bats stockholders vote "**FOR**" the non-binding compensation advisory proposal.

If a Bats stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Bats common stock represented by such proxy card will be voted "**FOR**" the non-binding compensation advisory proposal.

The approval of the non-binding compensation advisory proposal requires the affirmative vote of the majority of the votes properly cast, provided that a quorum is present. The vote is advisory only and, therefore, not binding on Bats or CBOE Holdings or any of their respective subsidiaries, and, if the merger agreement is adopted by Bats stockholders and the merger is completed, the compensation that is based on or otherwise relates to the merger will be payable to Bats' named executive officers even if this proposal is not approved.

Table of Contents

BATS PROPOSAL 3: MEETING ADJOURNMENT PROPOSAL

Holders of shares of Bats voting common stock may be asked to vote on a proposal to adjourn the Bats special meeting, if necessary or appropriate, to a later date or time, including to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, which we refer to as the "Bats meeting adjournment proposal."

The Bats board unanimously recommends that stockholders vote "**FOR**" the Bats meeting adjournment proposal.

If a Bats stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Bats common stock represented by such proxy card will be voted "**FOR**" the Bats meeting adjournment proposal.

The approval of the Bats meeting adjournment proposal requires the affirmative vote of the majority of the votes properly cast, provided that a quorum is present. The approval by Bats stockholders of the approval of the Bats meeting adjournment proposal is not a condition to the completion of the merger.

In addition, if a quorum is not present at the special meeting, the affirmative vote of the holders of a majority of the voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. The chairman of the Bats special meeting is also entitled to adjourn the meeting to another place, date or time if a quorum is not present. At any subsequent reconvening of the Bats special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Bats special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Table of Contents

THE MERGER

The following is a description of the material aspects of the merger. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

General

On September 25, 2016, the CBOE Holdings board and the Bats board each approved the merger agreement attached as Annex A to this joint proxy statement/prospectus. The merger agreement provides that, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Bats, with Bats continuing as the surviving corporation and as a wholly-owned subsidiary of CBOE Holdings. Immediately following the effective time of the merger, Bats, as the surviving corporation in the merger, will merge with and into Merger LLC, with Merger LLC surviving the subsequent merger. At the effective time of the merger, each share of Bats common stock issued and outstanding immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law and unvested restricted shares of Bats common stock granted under any Bats equity incentive plan, which are discussed under "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards") will be converted into the right to receive the merger consideration, upon the terms provided in the merger agreement and as described below under "The Merger Agreement Merger Consideration."

Background of the Merger

The Bats board and Bats management regularly evaluate and consider Bats' historical performance, future growth prospects, overall strategic goals and objectives and various opportunities to enhance stockholder value, as well as industry conditions and developments. As part of this ongoing evaluation process, Bats from time to time evaluates potential transactions that would further its strategic objectives.

The CBOE Holdings board regularly reviews CBOE Holdings' results of operations and competitive position in the industries in which CBOE Holdings operates, as well as CBOE Holdings' strategic alternatives. In connection with this review, CBOE Holdings has considered potential transactions, including bolt-on acquisitions and large-scale acquisitions, consistent with its strategic objectives in addition to organic growth potential and a potential sale of CBOE Holdings.

Over the course of 2015 and early 2016, representatives of several investment banks, including Barclays and UBS Securities LLC ("**UBS**") contacted Bats management to provide Bats management with presentations regarding potential strategic transactions with companies in the exchange industry, including CBOE Holdings, that would potentially fit with Bats' overall strategic goals and objectives.

During December 2015, Mr. Chris Concannon, in his capacity as President and Chief Executive Officer of Bats, contacted certain financial and strategic parties, including CBOE Holdings, regarding potential transactions that would provide Bats stockholders with liquidity as an alternative to an initial public offering. During the course of those conversations, on December 2, 2015, Mr. Concannon raised the possibility of a such a potential transaction during a call with Mr. William J. Brodsky, the Chairman of the CBOE Holdings board, on an unrelated matter. In response, Mr. Brodsky suggested that Mr. Concannon have a discussion with Mr. Edward Tilly, Chief Executive Officer of CBOE Holdings.

Table of Contents

On December 14, 2015, Mr. Concannon spoke with Mr. Tilly and Mr. Edward Provost, President and Chief Operating Officer of CBOE Holdings, to gauge CBOE Holdings' interest in taking part in such a potential transaction. Messrs. Tilly and Provost informed Mr. Concannon that they would consider the matter.

On December 16, 2015, the CBOE Holdings board held a regularly scheduled meeting. At the meeting, Messrs. Brodsky and Tilly informed the CBOE Holdings board of their respective conversations with Mr. Concannon earlier in the month. Following discussion, the CBOE Holdings board requested that the agenda for the next regularly scheduled meeting of the CBOE Holdings board include a discussion of management's criteria for evaluating potential acquisitions. Messrs. Tilly and Provost did not contact Mr. Concannon following this meeting.

Also, on December 16, 2015, Bats filed a Registration Statement on Form S-1 with respect to its initial public offering of Bats common stock.

On February 17, 2016, the CBOE Holdings board held a regularly scheduled meeting at which CBOE Holdings management and representatives of an investment bank not formally retained by CBOE Holdings (and which was not otherwise involved with the transaction) discussed with the CBOE Holdings board the exchange industry environment in general and with respect to mergers and acquisitions, considerations relating to CBOE Holdings' acquisition strategy and growth prospects in various revenue categories, the objective of diversification as part of CBOE Holdings' growth plan and potential growth opportunities. In addition, CBOE Holdings management discussed with the CBOE Holdings board management's criteria for evaluating potential acquisitions.

On April 16, 2016, Bats completed its initial public offering, and Bats common stock began trading on BZX.

On May 18 and 19, 2016, the CBOE Holdings board held a regularly scheduled meeting. During the meeting, CBOE Holdings management discussed with the CBOE Holdings board CBOE Holdings' organic growth potential, potential growth through bolt-on acquisitions, management's criteria for evaluating potential acquisitions and management's view that the timing was favorable for the pursuit of large-scale acquisition opportunities. CBOE Holdings management specifically discussed Bats as a potential acquisition candidate, and Mr. Tilly noted that Mr. Concannon had contacted him and that he expected to see Mr. Concannon on June 1, 2016. Ms. Joanne Moffic-Silver, Executive Vice President, General Counsel and Corporate Secretary of CBOE Holdings, then addressed key legal considerations in the context of consideration of potential acquisitions, including fiduciary duties of directors, securities law matters and regulatory review. Following discussion, the CBOE Holdings board authorized Mr. Tilly to meet with Mr. Concannon but not to raise the possibility of a potential strategic transaction with Bats if Mr. Concannon did not do so. The CBOE Holdings board also authorized CBOE Holdings management to consider potential financial advisors and investigate potential financing alternatives for large-scale acquisition opportunities.

On June 1, 2016, while in Chicago on other business, Mr. Concannon met with Mr. Tilly and discussed general industry trends and developments, including Bats' recent initial public offering. Messrs. Concannon and Tilly also discussed ways in which Bats' and CBOE Holdings' respective businesses were complementary. During the meeting, Mr. Concannon indicated to Mr. Tilly that the Bats board was continuing, in the ordinary course, to evaluate strategic goals and objectives for Bats, including considering the possibility of appropriate strategic transactions to enhance stockholder value. Mr. Tilly noted that the CBOE Holdings board would be meeting in the coming month and planned to review, in the ordinary course, CBOE Holdings' results of operations, competitive position and strategic alternatives. Mr. Tilly informed Mr. Concannon that he would mention their conversation to the CBOE Holdings board at its upcoming meeting.

Table of Contents

Later in the day on June 1, 2016, Mr. Tilly sent a memorandum to the CBOE Holdings board regarding his meeting with Mr. Concannon that morning. The memorandum noted that the CBOE Holdings board would meet in late June to continue the discussion in further detail of CBOE Holdings' mergers and acquisitions strategy and Bats as a potential acquisition opportunity.

On June 27, 2016, the CBOE Holdings board held a special meeting. At the meeting, CBOE Holdings management discussed with the CBOE Holdings board strategic alternatives and considerations, key sources of future growth for CBOE Holdings, the mergers and acquisitions landscape in the exchange industry generally and with respect to Bats and other considerations and factors that led CBOE Holdings management to focus on Bats as a target for a potential large-scale acquisition. In addition, CBOE Holdings management discussed its recommendation that CBOE Holdings retain BofA Merrill Lynch and Broadhaven, which would have industry experience and, in the case of BofA Merrill Lynch, would be capable of facilitating financing for a potential large-scale acquisition. Following discussion, the CBOE Holdings board authorized CBOE Holdings management to analyze a potential strategic transaction with Bats, requested that CBOE Holdings management conduct due diligence with respect to material relationships of BofA Merrill Lynch and Broadhaven and ratified the retention of Sidley Austin LLP ("**Sidley Austin**") as CBOE Holdings' legal advisor in connection with a potential strategic transaction with Bats.

On July 6, 2016, the Finance and Strategy Committee of the CBOE Holdings board (the "**CBOE Holdings F&S Committee**"), which is responsible for, among other things, overseeing and making recommendations to the CBOE Holdings board about the strategic plan of CBOE Holdings and reviewing and making recommendations to the CBOE Holdings board about strategic transactions, held a special meeting, at which representatives of BofA Merrill Lynch, Broadhaven and Sidley Austin were present. Before the representatives of BofA Merrill Lynch and Broadhaven joined the meeting, a representative of Sidley Austin and Ms. Moffic-Silver reviewed the financial advisor due diligence process and the matters revealed during due diligence conversations with representatives of each of BofA Merrill Lynch and Broadhaven. Among other things, the CBOE Holdings F&S Committee was advised of and took into account the fact that, as of June 30, 2016, BofA Merrill Lynch owned approximately 1.15% of the equity securities of Bats. Representatives of BofA Merrill Lynch and Broadhaven then separately provided the CBOE Holdings F&S Committee an overview of their respective firms and relevant experience. After discussion, the CBOE Holdings F&S Committee determined to recommend to the CBOE Holdings board that the CBOE Holdings board authorize CBOE Holdings management to negotiate an engagement letter with each of BofA Merrill Lynch and Broadhaven to advise CBOE Holdings as co-lead financial advisors in connection with its exploration of a potential strategic transaction with Bats, subject to CBOE Holdings board approval.

On July 7, 2016, the CBOE Holdings board held a special meeting, at which representatives of Sidley Austin were present. During the meeting, a representative of Sidley Austin provided an overview of the financial advisor due diligence, including the material relationships of BofA Merrill Lynch and Broadhaven that were considered by the CBOE Holdings F&S Committee, and, upon the recommendation of CBOE Holdings management and the CBOE Holdings F&S Committee, the CBOE Holdings board authorized CBOE Holdings management to negotiate an engagement letter with each of BofA Merrill Lynch and Broadhaven. In addition, the CBOE Holdings board authorized Mr. Tilly to contact Mr. Concannon to express interest in a potential strategic transaction with Bats without making any indication with respect to value.

On July 13, 2016, the Bats board held a regularly scheduled meeting during which, among other things, it discussed with Bats management potential growth strategies for Bats, both through organic growth and through potential strategic transactions with third parties. As a part of that discussion, Bats management presented the Bats board with information and preliminary analyses regarding potential strategic transactions with selected companies in the exchange industry, including CBOE Holdings.

Table of Contents

Mr. Concannon informed the Bats board that Bats management would evaluate potential strategic alternatives as they present themselves and would keep the Bats board updated.

On July 20, 2016, Messrs. Concannon and Tilly met in New York and discussed a potential combination of Bats and CBOE Holdings and the value such a transaction could offer to their respective stockholders. During their conversation, Messrs. Concannon and Tilly discussed the complementary nature of their companies' respective businesses, the enhanced scale and competitive position that would result from a combination of the two companies. Messrs. Concannon and Tilly did not discuss a potential valuation for Bats in such a transaction, but Mr. Tilly did note that any transaction might involve a mix of stock and cash consideration. Mr. Tilly noted that CBOE Holdings did not desire to serve as a stalking horse for Bats. Mr. Tilly further informed Mr. Concannon that, if the Bats board were receptive to exploring such a potential transaction, the CBOE Holdings board planned to meet the following week to engage financial advisors. Following the meeting, Mr. Concannon informed Mr. Joseph Ratterman, Chairman of the Bats board, of the discussion.

On July 22, 2016, the Bats board held a special meeting, with representatives of Davis Polk & Wardwell LLP, counsel to Bats ("*Davis Polk*"), present, to discuss a potential business combination transaction with CBOE Holdings. At the meeting, Mr. Concannon informed the Bats board of his discussions with Mr. Tilly on July 13, 2016 and July 20, 2016, and the representatives of Davis Polk reviewed with the Bats board certain legal matters in the context of considering potential strategic transactions involving Bats. The Bats board, with input from Bats management, then discussed the complementary nature of Bats' and CBOE Holdings' respective businesses and assets (including with regard to Bats' strong technology infrastructure and CBOE Holdings' strong product offerings) and other merits of a potential transaction, including the synergies that would be expected to result from the potential transaction. Members of the Bats board expressed their view that an important element in their evaluation of the potential synergies would be an expectation that certain members of Bats management would hold positions within the combined company's organizational structure. The Bats board, in consultation with representatives of Davis Polk, further discussed the process of exploring a potential transaction with CBOE Holdings, including the timing of such a transaction, engagement of a financial advisor and the benefits and risks of contacting additional parties that might be interested in and capable of effecting a strategic transaction with Bats. Members of the Bats board expressed concern that, if Bats were to contact other companies in the exchange industry regarding a strategic transaction with Bats, those companies might conclude that Bats was in discussions with CBOE Holdings regarding a potential transaction and might determine to pursue a strategic transaction with CBOE Holdings instead of a transaction with Bats, thereby undermining the possibility of a transaction with CBOE Holdings. The Bats board did not make a decision at this meeting as to whether to contact additional potential counterparties, but determined that it was in the best interests of Bats and its stockholders to explore a potential transaction with CBOE Holdings. Accordingly, the Bats board instructed Bats management to engage in high-level exploratory discussions with CBOE Holdings, to begin discussions with potential financial advisors and to update Bats' stand-alone financial plan.

On July 23, 2016, Mr. Concannon informed Mr. Tilly that the Bats board had met the previous day. Mr. Concannon explained that he had discussed with the Bats board a potential business combination transaction between Bats and CBOE Holdings. Mr. Concannon further indicated that the Bats board had authorized Bats management to proceed in exploring a potential transaction with CBOE Holdings.

On July 27, 2016, Bats management contacted representatives of Barclays regarding potentially engaging Barclays as a financial advisor to Bats in connection with a potential transaction with CBOE Holdings. Bats management decided to approach Barclays due to its familiarity with Bats and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as its substantial experience in transactions comparable to the proposed transaction with CBOE Holdings.

Table of Contents

On July 28, 2016, the CBOE Holdings board held a regularly scheduled meeting, at which representatives of BofA Merrill Lynch, Broadhaven and Sidley Austin were present for a portion of the meeting. Mr. Tilly reported on and discussed with the CBOE Holdings board his recent communications with Mr. Concannon with respect to exploration of a potential strategic transaction with Bats. A representative of Sidley Austin then discussed with the CBOE Holdings board its fiduciary duties in the context of a potential strategic transaction with Bats. After discussion and upon the recommendation of the CBOE Holdings F&S Committee, the CBOE Holdings board authorized CBOE Holdings management to execute engagement letters with each of BofA Merrill Lynch and Broadhaven, as co-lead financial advisors. The CBOE Holdings Board also authorized CBOE Holdings management to engage one or more consultants to assist in the evaluation of Bats' business, Bats' information technology or a potential transaction with Bats, if CBOE Holdings management determined that it would be beneficial to do so.

Representatives of BofA Merrill Lynch and Broadhaven later each separately joined the meeting and separately discussed with the CBOE Holdings board BofA Merrill Lynch's and Broadhaven's respective preliminary views regarding strategic alternatives potentially available to CBOE Holdings, financial aspects of a potential strategic transaction with Bats and a preliminary financial analysis of Bats based on publicly available information. Representatives of BofA Merrill Lynch and Broadhaven also discussed with the CBOE Holdings board other financial issues to consider in relation to a potential transaction with Bats, including potential interlopers. In addition, the CBOE Holdings board discussed with each financial advisor price ranges and amounts of consideration payable in CBOE Holdings stock that the CBOE Holdings board might propose to Bats. All of the financial advisors' views with respect to Bats were derived solely from publicly available information.

Following discussion, the CBOE Holdings board authorized CBOE Holdings management to communicate to Mr. Concannon a non-binding indication of interest to acquire all of the outstanding capital stock of Bats for \$31.00 to \$32.50 per share of Bats common stock (30% to 45% of which would be payable in cash, with the remainder being payable in shares of CBOE Holdings common stock), subject to due diligence. In addition, the CBOE Holdings board authorized CBOE Holdings management to negotiate and execute a mutual confidentiality and standstill agreement with Bats and, subject to the execution of such an agreement, to commence reciprocal due diligence.

On July 29, 2016, Mr. Tilly had a call with Mr. Concannon, during which Mr. Tilly communicated CBOE Holdings' non-binding indication of interest, as directed by the CBOE Holdings board at its July 28, 2016 meeting. Mr. Tilly informed Mr. Concannon that CBOE Holdings' proposal was to acquire Bats for a price in the range of \$31.00 to \$32.50 per share of Bats common stock (30% to 45% of which would be payable in cash, with the remainder being payable in shares of CBOE Holdings common stock), subject to due diligence. Following discussion, Messrs. Concannon and Tilly agreed that Bats' and CBOE Holdings' respective legal counsel should begin negotiating a mutual confidentiality and standstill agreement. Later that day, Sidley Austin sent a draft mutual confidentiality and standstill agreement to Davis Polk.

On August 3, 2016, the Bats board held a regularly scheduled meeting, with representatives of Barclays and Davis Polk present for a portion of the meeting. At the meeting, Mr. Concannon discussed with the Bats board the proposal received from CBOE Holdings for a potential transaction. Representatives of Barclays then reviewed with the Bats board Barclays' preliminary financial analysis of Bats and discussed with the Bats board a potential transaction with CBOE Holdings and information regarding certain other potentially interested parties to a transaction with either Bats or CBOE Holdings. The Bats board then discussed whether other parties would be strategically interested and financially capable of effecting a transaction with Bats or CBOE Holdings. The Bats board, with input from Bats management, then proceeded to discuss the potential synergies between Bats and CBOE Holdings and the other benefits of the proposed transaction, including the enhanced scale and competitive positioning of the combined company. The Bats board also discussed the risks and benefits

Table of Contents

of remaining a standalone company and executing on Bats' strategic plan, including the challenges presented by industry trends. During this conversation, the Bats board expressed its strong confidence in Bats management and the Bats board discussed its view that, in order to maximize the likelihood of realizing potential synergies from a potential transaction with CBOE Holdings, it would be critical that certain current members of Bats management hold positions within the combined company's organizational structure that would allow them to execute on those synergies.

In an executive session, the Bats board, in consultation with representatives of Davis Polk, further discussed the potential risks and benefits to Bats of contacting additional potential counterparties to a strategic transaction. Members of the Bats board questioned whether a business combination with any other likely potential counterparty would offer the strategic benefits and synergy opportunities of a business combination with CBOE Holdings. In addition, Bats directors expressed concern that engaging with additional parties would greatly enhance the risk that news of a potential transaction would leak, which would be disruptive to Bats' business and potentially create significant risk to the potential transaction with CBOE Holdings by, among other things, increasing the possibility that other companies in the exchange industry might pursue an alternative strategic transaction involving CBOE Holdings. The Bats board did not make a determination with respect to such potential outreach during this session. During the course of the executive session, representatives of Davis Polk reviewed and discussed with the Bats board its fiduciary duties, including those applicable to its consideration of a potential strategic transaction with CBOE Holdings. Following this discussion, the Bats board instructed Bats management that it should discuss with CBOE Holdings the potential composition of management of the combined company, but should not discuss the terms of any potential post-transaction employment with CBOE Holdings until all material terms of a potential transaction between Bats and CBOE Holdings were resolved.

Also on August 3, 2016, Bats and CBOE Holdings entered into a mutual confidentiality and standstill agreement containing an 18-month standstill provision with respect to the other party, subject to termination under certain circumstances.

On August 8, 2016, senior executives from each of Bats and CBOE Holdings, including Messrs. Concannon and Tilly, met in New York to discuss in detail their companies' respective businesses and potential synergies and revenue opportunities for a combined company.

During the period from August 8, 2016 to September 16, 2016, representatives of the management teams of Bats and CBOE Holdings and representatives of Bats' and CBOE Holdings' respective financial advisors attended several due diligence sessions regarding information technology and various operational and financial aspects of the Bats and CBOE Holdings businesses, and from August 8, 2016 to September 25, 2016 the parties conducted mutual due diligence, including through their respective electronic data rooms.

On August 9, 2016, Bats management contacted representatives of UBS regarding potentially engaging UBS as an additional financial advisor to Bats in order to provide the Bats board with additional perspectives regarding the potential transaction with CBOE Holdings.

On August 17, 2016, the CBOE Holdings board held a special meeting, at which representatives of Sidley Austin were present. During the meeting, Mr. Tilly apprised the CBOE Holdings board of the discussions he had had with Mr. Concannon since the July 28, 2016 CBOE Holdings board meeting, and Mr. Provost reported to the CBOE Holdings board on the due diligence conducted to date with respect to Bats. Mr. Alan Dean, Executive Vice President and Chief Financial Officer of CBOE Holdings, discussed with the CBOE Holdings board financing alternatives, the process of obtaining a corporate credit rating and the potential impact of any acquisition-related debt on CBOE Holdings' use of cash.

Table of Contents

Mr. Dean also reviewed and discussed with the CBOE Holdings board management's financial projections for the remainder of 2016 and for 2017 through 2019, including how the financial projections were derived, various assumptions made by CBOE Holdings management in preparing the projections, how the financial projections compared to analyst projections, the historic growth rate of CBOE Holdings since its initial public offering and how the financial projections would be utilized in connection with a potential acquisition of Bats. Following discussion, the CBOE Holdings board accepted the financial projections as presented by CBOE Holdings management and authorized CBOE Holdings management to share the financial projections with Bats, BofA Merrill Lynch, Broadhaven and potential financing sources.

On August 17, 2016 and August 18, 2016, CBOE Holdings management met with Moody's and Standard & Poor's, respectively.

On August 18, 2016, the Bats board held a special meeting at which representatives of Barclays and Davis Polk were present. At the meeting, Bats management provided the Bats board with an update on the ongoing due diligence and financial analysis processes and provided initial impressions as to CBOE Holdings' operations and financial condition. Bats management then discussed with the Bats board the identified potential synergies between Bats and CBOE Holdings and how such synergies could be realized. The Barclays representatives then reviewed with the Bats board the synergies noted in precedent transactions in the exchange industry.

On August 26, 2016, representatives of Barclays and UBS delivered to the Bats management team and the Bats board a financial and operational overview of CBOE Holdings.

On August 30, 2016, the CBOE Holdings board held a special meeting, at which representatives of BofA Merrill Lynch, Broadhaven and Sidley Austin were present. During the meeting, Mr. Tilly discussed with the CBOE Holdings board management's continued view that, based on the materials received in due diligence to date, the acquisition of Bats would make strategic sense for CBOE Holdings and would create stockholder value. Mr. Tilly discussed the rationale for management's view and the additional information needed to be received and considered, particularly in relation to technology integration. Representatives of BofA Merrill Lynch and Broadhaven updated the CBOE Holdings board on the discussions with Bats to date and the CBOE Holdings board discussed potential synergy considerations with respect to a potential strategic transaction with Bats. Mr. Eugene Sunshine, Chair of the CBOE Holdings N&G Committee briefed the CBOE Holdings board regarding the CBOE Holdings N&G Committee's discussion of one or more potential CBOE Holdings board seats for Bats directors.

Ms. Moffic-Silver and a representative of Sidley Austin discussed with the CBOE Holdings board a summary of the key non-price provisions of a draft merger agreement that might be proposed to Bats and areas of potential negotiation with Bats. A representative of Broadhaven discussed with the CBOE Holdings board the provisions of the draft merger agreement regarding the form of the merger consideration to be received by Bats stockholders.

Following further discussion with and upon the recommendation of management, the CBOE Holdings board approved the continuation of exploration of a potential strategic transaction with Bats and directed CBOE Holdings management to deliver to Bats a draft merger agreement substantially consistent with the summary of key non-price terms presented to the CBOE Holdings board.

Also on August 30, 2016, a representative of a financial advisor to Company A contacted Mr. Concannon via email to suggest a meeting between Mr. Concannon and the Chairman of Company A at some point during September 2016 to facilitate the Chairman of Company A in getting to know Mr. Concannon and Bats' business better. The representative of Company A's financial advisor told Mr. Concannon that this contact should be understood as an ordinary industry meeting. Mr. Concannon proposed a meeting on either September 13, 2016 or September 28, 2016. The following day, the representative of Company A's financial advisor proposed that the meeting be scheduled for September 28, 2016.

Table of Contents

On August 31, 2016 in Chicago, senior executives of each of Bats and CBOE Holdings discussed potential synergies and revenue opportunities for the combined company following the closing of the proposed transaction. The parties also discussed the proposed timeline for completing due diligence and negotiating definitive transaction documentation and agreed to target announcement of a transaction on September 22, 2016 if the parties were to agree on transaction terms and their respective boards of directors were to approve the transaction.

In the evening of August 31, 2016, Sidley Austin sent a draft merger agreement to Davis Polk. Among other provisions, the draft merger agreement provided for: consideration to be paid in cash, CBOE Holdings common stock (at a fixed exchange ratio to Bats common stock) or a mix of both, at the election of Bats stockholders, subject to adjustment and proration; a closing condition to CBOE Holdings' obligation to effect the merger that Bats stockholders holding no more than 5% of the outstanding shares of Bats common stock exercise appraisal rights in connection with the proposed transaction; and a termination fee of 3.75% of the equity value of Bats, payable by either party in certain events of termination. In addition, the draft merger agreement contemplated that the directors and officers of Bats as well as certain Bats stockholders affiliated with Bats directors enter into voting agreements and agreements with CBOE Holdings extending the existing lock-up agreements entered into in connection with Bats' initial public offering to apply to shares of CBOE Holdings common stock received in the proposed transaction ("**lock-up extension agreements**"). The draft merger agreement sent by Sidley Austin did not include any undertaking on the part of CBOE Holdings with respect to post-closing governance of the potential combined company.

On September 1, 2016, the Bats board held a special meeting at which representatives of Barclays, UBS and Davis Polk were present. At the meeting, members of Bats management provided the Bats board with an update on due diligence on CBOE Holdings, the ongoing synergies analysis and the process of other discussions and negotiations with CBOE Holdings. The representatives of Barclays then reviewed Barclays' preliminary financial analysis of CBOE Holdings, based, at the direction of Bats management, on the adjusted projections for CBOE Holdings that had been prepared by Bats management from the projections for CBOE Holdings that had been provided to Bats by CBOE Holdings, as described below under "Certain Unaudited Prospective Financial Information CBOE Holdings Financial Projections" beginning on page 414. In an executive session following the Barclays presentation, the Bats board discussed the expected synergies of the proposed transaction with CBOE Holdings as well as the potential governance structure of the combined company following the closing of the merger, including the importance of ensuring that current members of Bats management would hold positions of authority with the combined company in order to gain greater confidence in the attainability of expected synergies. In addition, Mr. Concannon informed the Bats board of his discussion with Company A's financial advisor, noting that Company A's financial advisor had said that the suggestion to meet with the Chairman of Company A should be understood as an ordinary industry meeting. Mr. Concannon informed the Bats board that he planned to meet with the Chairman of Company A on September 28, 2016. The Bats board noted that Company A or its representatives had chosen the later of the two offered meeting dates and did not appear to be in a rush to meet with Mr. Concannon.

On September 2, 2016, Sidley Austin delivered to Davis Polk a draft voting agreement and a draft lock-up extension agreement.

On September 4, 2016, Davis Polk sent an issues list to Sidley Austin regarding the draft merger agreement provided by Sidley Austin on August 31, 2016.

On September 6, 2016, representatives of Davis Polk and Sidley Austin discussed the issues list regarding the draft merger agreement provided by Sidley Austin on August 31, 2016.

On September 7, 2016, Davis Polk sent a revised draft of the merger agreement to Sidley Austin. The revised draft provided for, among other things: separate termination fees payable (i) by Bats upon

Table of Contents

certain events of termination of 3.5% of the equity value of Bats and (ii) by CBOE Holdings upon certain events of termination of 3.5% of the equity value of CBOE Holdings. In addition, the revised draft did not contain a closing condition with respect to the exercise of appraisal rights by Bats stockholders, rejected CBOE Holdings' request that Bats' directors and officers and certain Bats stockholders affiliated with Bats directors enter into lock-up extension agreements and limited the scope of signatories to CBOE Holdings' requested voting agreements to certain Bats stockholders affiliated with Bats directors. The revised draft did not propose any terms with respect to the post-closing governance of the combined company, but noted that such terms remained under consideration by the Bats board.

On September 8, 2016, the Bats board held a special meeting at which representatives of Barclays, UBS and Davis Polk were present. At the meeting, representatives of Bats management provided an update to the Bats board regarding ongoing discussions with CBOE Holdings and further results of due diligence, in particular the recent updated analyses by Bats management regarding synergies between Bats and CBOE Holdings. Representatives of Barclays then reviewed Barclays' preliminary financial analysis of Bats that had been prepared using the long-term projections provided by Bats management, as described below under "Certain Unaudited Prospective Financial Information Bats Financial Projections" beginning on page 416. The Bats board then proceeded to discuss the terms of the potential transaction with CBOE Holdings, including post-closing governance of the combined company, the structure of the consideration to be offered to Bats stockholders, the value of CBOE Holdings common stock and the per share valuation of Bats common stock to be received by Bats stockholders in the proposed transaction. The Bats board also discussed the non-binding indication of interest that had been communicated by Mr. Tilly to Mr. Concannon on July 29, 2016, including the ratio of stock to cash consideration and the fixed exchange ratio proposed by CBOE Holdings. Following this discussion, the Bats board instructed Bats management to propose to CBOE Holdings a price of \$33.50 per share of Bats common stock and to propose that four Bats directors be appointed to the board of directors of the combined company. The Bats board, in consultation with representatives of Barclays and Davis Polk, then discussed whether to contact other potential parties that might be interested in and financially capable of effecting a strategic transaction with Bats, including Company A. The Bats board determined that it would not be in Bats' interest to conduct a "market check" given the strategic rationale for the potential transaction with CBOE Holdings and the unique synergies that could be realized from such a transaction, which the Bats board believed would provide more value to Bats' stockholders than any transaction that another counterparty would be willing to offer. The Bats board also determined that the risk of a leak of such outreach and the disruptive effect such a leak would have on Bats' business and the potential transaction with CBOE Holdings, including by increasing the possibility that other companies in the exchange industry might pursue a strategic transaction involving CBOE Holdings, outweighed the benefits of a "market check." The representatives of Davis Polk then reviewed and discussed with the Bats board its fiduciary duties, including in the event that Bats were to receive an unsolicited proposal from a third party.

In an executive session, the Bats board reviewed the fees to be paid to Barclays and UBS in connection with the potential transaction and discussed with the representatives of Davis Polk the terms of the financial advisors' respective engagement letters. Bats management and the representatives of Davis Polk then reviewed with the Bats board the financial advisors' respective disclosures regarding conflicts, which did not indicate any material conflicts in connection with the proposed transaction with CBOE Holdings and which, in the case of Barclays, are described below under "The Merger Opinion of Bats' Financial Advisor" beginning on page 142. Following this discussion, the Bats board approved the engagements of Barclays and UBS as Bats' financial advisors.

On September 9, 2016, Mr. Concannon called Mr. Tilly and communicated the proposal determined by the Bats board at its September 8, 2016 meeting.

Table of Contents

On September 12, 2016, Messrs. Concannon, Ratterman, Tilly and Brodsky, and Mr. James R. Boris, the Lead Director of the CBOE Holdings board, met in Chicago to discuss the potential transaction. Among other topics of discussion, Messrs. Concannon, Ratterman, Tilly, Brodsky and Boris held preliminary discussions regarding the corporate governance structure of the potential combined company, including Bats' proposal that four Bats directors (or approximately 30% of the combined company board) would be appointed members of the CBOE Holdings board following the closing of the proposed transaction such that the number of Bats directors and existing CBOE Holdings directors would be proportional to the portion of the common stock of the combined company to be held by their respective stockholders.

On September 13, 2016, Messrs. Concannon and Tilly had a telephone conversation during which Mr. Concannon confirmed the position of the Bats board that four Bats directors (or approximately 30% of the combined company board) should be appointed members of the CBOE Holdings board following the closing of the proposed transaction.

On September 14, 2016, Sidley Austin sent a revised draft of the merger agreement to Davis Polk. The revised draft reflected several of the terms included in the initial draft that Sidley Austin sent to Davis Polk on August 31, 2016, including: a condition to CBOE Holdings' obligation to effect the merger that Bats stockholders holding no more than 5% of the outstanding shares of Bats common stock exercise appraisal rights in connection with the proposed transaction and a termination fee of 3.75% of the equity value of Bats, payable by either party in certain events of termination. In addition, the revised draft reiterated requests by CBOE Holdings that the directors and officers of Bats as well as certain Bats stockholders affiliated with Bats directors enter into voting agreements and lock-up extension agreements with CBOE Holdings. The revised draft did not include any undertaking on the part of CBOE Holdings with respect to post-closing governance of the potential combined company.

On September 15, 2016, Mr. Concannon was informed by the representative of Company A's financial advisor that the meeting scheduled for September 28, 2016 between Mr. Concannon and the Chairman of Company A would also include the Chief Executive Officer and Chief Financial Officer of Company A, in addition to the representative of Company A's financial advisor.

On September 16, 2016, Messrs. Concannon and Tilly had a telephonic discussion regarding, among other topics, the financing for the proposed transaction and the resulting capital structure of the combined company, the corporate governance structure of the potential combined company, CBOE Holdings' requests for lock-up extension agreements and voting agreements from Bats' directors and officers and certain Bats stockholders, and certain other provisions of the draft merger agreement, including the appraisal rights closing condition, the regulatory approval-related provisions and the termination rights and termination fee.

On September 18, 2016, Davis Polk sent a revised draft of the merger agreement to Sidley Austin. Among other provisions, the revised draft rejected CBOE Holdings' request that Bats' directors and officers and certain Bats stockholders enter into lock-up agreements and proposed that the directors and officers of CBOE Holdings enter into voting agreements with Bats with respect to the transaction, in addition to the voting agreements that CBOE Holdings requested with the directors and officers and certain stockholders of Bats. In addition, the revised draft proposed that an unspecified number of Bats directors would become members of the CBOE Holdings board effective at the closing. Consistent with the previous draft sent to Sidley Austin by Davis Polk, the revised draft included: separate termination fees payable (i) by Bats upon certain events of termination of 3.5% of the equity value of Bats and (ii) by CBOE Holdings upon certain events of termination of 3.5% of the equity value of CBOE Holdings. In addition, the revised draft did not contain a closing condition with respect to the exercise of appraisal rights by Bats stockholders.

On September 20, 2016, the CBOE Holdings board held a special meeting, at which representatives of Sidley Austin, BofA Merrill Lynch and Broadhaven were present. Mr. Tilly stated

Table of Contents

that the due diligence conducted with respect to Bats had confirmed management's preliminary views regarding the strategic benefits of a potential strategic transaction with Bats and the continued CBOE Holdings management belief that such a transaction would create stockholder value. In addition, at the meeting, CBOE Holdings management and CBOE Holdings' outside consultants provided renewed due diligence findings with respect to Bats' technology platform. CBOE Holdings management discussed with the CBOE Holdings board the preliminary synergy estimates prepared by management, management's plan for obtaining financing, the status of the credit rating process and the communications strategy with respect to the potential strategic transaction with Bats. Ms. Moffic-Silver described the regulatory approvals that would be required to consummate a transaction with Bats, and representatives of Sidley Austin discussed with the CBOE Holdings board regulatory matters and the status of negotiation of key non-price merger agreement terms. Representatives of BofA Merrill Lynch and Broadhaven discussed with the CBOE Holdings board financial aspects of a potential strategic transaction with Bats. CBOE Holdings management and Mr. Samuel Skinner, Chair of the Compensation Committee of the CBOE Holdings board (the "**CBOE Holdings Compensation Committee**"), discussed with the CBOE Holdings board the retention, severance, outplacement and employee communication plans contemplated by CBOE Holdings management with respect to the potential strategic transaction with Bats, individual meetings to be scheduled with members of the Bats senior management team and recommendations with respect to the management of the combined company. In addition, Mr. Sunshine briefed the CBOE Holdings board regarding the CBOE Holdings N&G Committee's discussions of potential inclusion of Bats representatives on the CBOE Holdings board in connection with a strategic transaction with Bats.

After discussion, upon the recommendation of management, the CBOE Holdings board authorized CBOE Holdings to make a non-binding proposal to acquire all of the outstanding capital stock of Bats for a per share consideration of \$8.50 in cash and 0.3375 shares of CBOE Holdings' common stock (based on the September 20, 2016 close of market price, yielding \$32.00 per share in the aggregate as of that date), subject to continuing due diligence and the negotiation and execution of a definitive merger agreement on terms and conditions approved by the CBOE Holdings board. In addition, the CBOE Holdings board directed CBOE Holdings management to include in the proposal an offer for up to two individuals from the Bats board to join the CBOE Holdings board at the effective time of the proposed merger; a statement that it was an expectation that Messrs. Concannon, Isaacson and Hemsley would continue with the combined company; that the merger agreement termination fee would be \$110,000,000 for each party plus, under certain circumstances, expenses (subject to a reciprocal cap); that CBOE Holdings' obligation to close would be conditioned upon holders of no more than 10% of the outstanding stock of Bats properly exercising appraisal rights; that Bats deliver voting agreements from Bats' directors and officers and certain affiliates of Bats directors covering Bats' outstanding shares of common stock; that lock-up extension agreements from Bats' directors and officers and certain affiliates of Bats directors would be required and that each party would agree orally not to make any outbound calls regarding any potential alternative transaction.

In the evening of September 20, 2016, following the CBOE Holdings board meeting, Mr. Tilly communicated to Mr. Concannon CBOE Holdings' revised proposal to acquire Bats for consideration per share of Bats common stock of \$8.50 in cash and 0.3375 of a share of CBOE Holdings common stock. Mr. Tilly noted that, based on that day's closing price for CBOE Holdings common stock, the value of the offer was \$32.00 per share. In addition, Mr. Tilly proposed that two out of a total of 14 seats on the CBOE Holdings board following the closing of the proposed transaction would be held by Bats directors, subject to the CBOE Holdings board's policies. Mr. Tilly also informed Mr. Concannon that CBOE Holdings intended to make proposals with respect to the continued employment with the combined company following the closing of the potential transaction with Mr. Concannon, Mr. Chris Isaacson, the Chief Information Officer of Bats, and Mr. Mark Hemsley, the Chief Executive Officer of Bats Europe, the terms of which would not be discussed until material terms of a potential transaction between Bats and CBOE Holdings were resolved. Mr. Tilly also proposed a reciprocal termination fee

Table of Contents

of \$110,000,000, which, under certain circumstances would be payable in addition to expenses (subject to a reciprocal cap); that CBOE Holdings' obligation to close would be conditioned on Bats stockholders holding no more than 10% of the outstanding shares of Bats common stock exercising appraisal rights in connection with the proposed transaction; that the Bats' directors and officers and certain Bats stockholders affiliated with Bats directors holding, in the aggregate, 19.9% of Bats' outstanding shares of common stock enter into voting agreements with CBOE Holdings; and that Bats' directors and officers and certain Bats stockholders affiliated with Bats directors enter into lock-up extension agreements with CBOE Holdings. In addition, Mr. Tilly proposed an oral agreement between the parties that neither Bats nor CBOE Holdings would make any outbound calls to third parties potentially interested in a strategic transaction. Mr. Concannon declined to agree to that proposal.

On September 21, 2016, Messrs. Concannon and Tilly had a telephone conversation during which Messrs. Concannon and Tilly discussed the offer communicated by Mr. Tilly to Mr. Concannon the night before, including, among other things, the composition of the CBOE Holdings board following the closing of the proposed transaction and CBOE Holdings' request that certain Bats stockholders enter into lock-up extension agreements. Mr. Concannon informed Mr. Tilly that the Bats board planned to meet the following day to discuss the offer communicated by Mr. Tilly on September 20, 2016.

In the early morning of September 22, 2016, Sidley Austin sent a revised draft of the merger agreement to Davis Polk. The revised draft reflected the proposal communicated by Mr. Tilly to Mr. Concannon on September 20, 2016 and, among other provisions: reiterated CBOE Holdings' request for lock-up extension agreements from certain Bats stockholders; included a closing condition to CBOE Holdings' obligation to effect the merger that Bats stockholders holding no more than 10% of the outstanding shares of Bats common stock exercise appraisal rights in connection with the proposed transaction; and proposed a termination fee payable by either party in certain events of termination of \$110,000,000 (or approximately 3.5% of the equity value of Bats).

On September 22, 2016, the Bats board held a special meeting at which representatives of Barclays, UBS and Davis Polk were present. At the meeting, representatives of Bats management, Barclays and Davis Polk discussed with the Bats board the progress of discussions with CBOE Holdings regarding key terms of the proposed transaction, including the proposed price per share of Bats common stock, the cash/stock mix of the proposed consideration, the proposed governance structure of the surviving company, the termination fee payable in certain circumstances by Bats or CBOE Holdings, the conditions to closing and the proposed voting and lock-up extension agreements. Mr. Concannon also informed the Bats board of CBOE Holdings' intent to enter into offer letters with him, Mr. Isaacson and Mr. Hemsley relating to continued employment with the combined company following the closing of the proposed transaction. Representatives of Bats management and Barclays then reviewed the synergy plan developed by the management teams of Bats and CBOE Holdings, and the representatives of Barclays reviewed Barclays' preliminary *pro forma* financial analyses of the combined company. The Bats board discussed the anticipated \$65 million of expense synergies within five years following closing that was estimated by the Bats and CBOE Holdings management teams pursuant to the synergy plan. The representatives of UBS then presented the Bats board with a preliminary financial analysis of Bats that had been prepared using the long-term projections provided by Bats management. The representatives of each of Barclays and UBS then discussed with the Bats board a preliminary analysis of Company A's ability to pay for Bats that had been prepared given the interest that the Chairman of Company A had expressed in getting to know Bats' business better, which analysis indicated that an acquisition of Bats by Company A for a price per share equal to or in excess of the \$32.00 per share of Bats common stock then being offered by CBOE Holdings would be accretive to Company A's earnings per share. The Bats board, in consultation with representatives of Barclays, UBS and Davis Polk, then re-opened its discussion of whether to contact potential counterparties, including Company A, to determine whether those parties would be interested in a

Table of Contents

potential strategic transaction with Bats. The Bats board discussed the strategic rationale for the potential transaction with CBOE Holdings and the potentially significant synergies that could be realized from such a transaction, as well as the Bats board's belief that no reasonably available transaction with any other counterparty, including Company A, would offer as compelling a strategic rationale, or as many synergies, as the potential transaction with CBOE Holdings. The Bats board also discussed the concerns, discussed at its prior meetings, that actively contacting third parties would be disruptive to Bat's business and would create significant risk to the potential transaction with CBOE Holdings without any assurance that a third party (including Company A) would be interested in pursuing a strategic transaction with Bats. The Bats board also discussed the \$110,000,000 termination fee proposed by CBOE Holdings, which it did not believe, based on the analysis it had reviewed, would preclude Company A from making a competing offer to acquire Bats following entry into a transaction with CBOE Holdings if Company A was in fact interested in pursuing a strategic transaction. Following this discussion, the Bats board re-affirmed its decision not to contact potential counterparties, including Company A. The Bats board then proceeded to discuss a potential response to the positions communicated by Mr. Tilly to Mr. Concannon on September 20, 2016. The Bats board instructed Bats management and Bats' financial advisors to engage further with CBOE Holdings to determine whether the terms of CBOE Holdings' current proposal could be further improved, including with respect to consideration, post-closing governance of the combined company and the requested lock-up extension agreements, although the Bats board noted that it was not proposing any specific terms and that it had not determined whether or not it would be willing to proceed with a transaction on the terms of CBOE Holdings' current proposal. The Bats board also discussed with the representatives of Davis Polk certain remaining open provisions of the draft merger agreement, including financing provisions, the regulatory approval-related provisions and the conditions to closing the potential transaction.

In the afternoon of September 22, 2016, news of the discussions between Bats and CBOE Holdings regarding a potential acquisition of Bats was widely published by various media outlets.

In the morning of September 23, 2016, Messrs. Concannon and Tilly had a telephone conversation during which Mr. Concannon communicated to Mr. Tilly the determinations of the Bats board at its meeting earlier that day, including the Bats board's expectation that the price offered by CBOE Holdings would be increased. Mr. Concannon further suggested to Mr. Tilly that CBOE Holdings increase its offered price to at least \$33.00 per share of Bats common stock and that Bats would prefer an increase in the cash portion of the consideration. Mr. Concannon also informed Mr. Tilly of Bats' request that four out of a total of 14 seats on the CBOE Holdings board following the closing of the proposed transaction would be held by Bats directors.

Later that morning, at the direction of the Bats board, a Barclays representative contacted a Broadhaven representative regarding Bats' request that CBOE Holdings increase the cash portion of the consideration. The Barclays representative clarified to the Broadhaven representative that Bats was seeking a \$1.50 increase of the cash portion of the consideration such that \$10.00 would be payable in cash. In addition, the Barclays representative reiterated the request that four out of a total of 14 seats on the CBOE Holdings Board following the closing of the proposed transaction be held by Bats directors, and the Barclays representative indicated that no lock-up extension agreements from Bats stockholders would be provided to CBOE Holdings.

During the early afternoon of September 23, 2016, the CBOE Holdings board held a special meeting, at which senior members of CBOE Holdings management and representatives of Sidley Austin, BofA Merrill Lynch and Broadhaven were present. At the meeting, CBOE Holdings management updated the CBOE Holdings board on events since the September 20, 2016 CBOE Holdings board meeting, including the media reports regarding the potential transaction and the investment grade indicative credit ratings received by CBOE Holdings from each of Moody's and Standard & Poor's. Mr. Tilly discussed with the CBOE Holdings board CBOE Holdings management's recommendation with respect to a counterproposal to Bats. In addition, Mr. Sunshine briefed the

Table of Contents

CBOE Holdings board regarding the matters discussed by the CBOE Holdings N&G Committee during its meeting earlier in the day and indicated that the CBOE Holdings N&G Committee's current consensus views in this regard were that CBOE Holdings should be open to the addition of three Bats representatives on the CBOE Holdings board and maintain the size of the CBOE Holdings board at 14 directors (including the three Bats representatives) following the closing of a transaction with Bats.

After discussion, the CBOE Holdings board unanimously approved CBOE Holdings management's recommendation that CBOE Holdings make a non-binding counter-proposal to Bats with proposed per share consideration to Bats stockholders of \$10.00 per share in cash and a fraction of a share of CBOE Holdings stock that, together with \$10.00 in cash, equated to total per share consideration of \$32.50 per share based upon the September 23, 2016 close of market price, for three out of a total of 14 seats on the CBOE Holdings board following the closing of the proposed transaction to be held by Bats directors, and for there to be no application of Bats lock-up periods to the CBOE Holdings stock received in the proposed transaction by Bats stockholders, which proposal would be presented as CBOE Holdings' best and final offer and contingent on both parties' reaching agreement on final terms in a time frame that allowed for an announcement of the agreement before the open of the U.S. stock markets on September 26, 2016 and reaching agreement on terms with Messrs. Concannon, Isaacson and Hemsley for employment with CBOE Holdings following the closing of the potential transaction. After discussion, the CBOE Holdings board endorsed proposed compensation packages for purposes of negotiation with Messrs. Concannon, Isaacson and Hemsley, subject to approval by the CBOE Holdings board of the final compensation packages.

Following the CBOE Holdings board meeting, Mr. Tilly communicated to Mr. Concannon CBOE Holdings' revised proposal to acquire Bats for a price of \$32.50 per share of Bats common stock, payable to Bats stockholders who elect mixed cash and stock consideration in the form of 0.3201 of a share of CBOE Holdings common stock and \$10.00 in cash. In addition, Mr. Tilly communicated CBOE Holdings' revised positions that three out of a total of 14 seats on the CBOE Holdings board following the closing of the proposed transaction would be held by Bats directors and that no lock-up extension agreements from Bats stockholders would be required by CBOE Holdings. Mr. Tilly informed Mr. Concannon that this represented CBOE Holdings' best and final offer and that, in light of the disruption to CBOE Holdings' business caused by the public reports of deal discussions, CBOE Holdings' offer was contingent on announcing the signing of the merger agreement before the U.S. markets opened on September 26, 2016. Mr. Tilly also reiterated CBOE Holdings' request that certain stockholders of Bats affiliated with Bats directors enter into voting agreements with CBOE Holdings.

Later that day, at the direction of the Bats board, a Barclays representative communicated to a Broadhaven representative a proposal that Bats be permitted to make a special distribution to Bats stockholders out of retained earnings of \$0.50 per share of Bats common stock prior to the closing of the proposed transaction. Mr. Concannon later delivered the same message to Mr. Tilly and indicated that it would not be possible to obtain voting agreements prior to the execution of the merger agreement. Mr. Tilly indicated to Mr. Concannon that the proposed special distribution would not be acceptable to CBOE Holdings.

Following Mr. Tilly's discussion with Mr. Concannon and internal discussions with each of the Bats directors, each such member expressed his approval of proceeding with negotiations with CBOE Holdings on the terms and timeline proposed by Mr. Tilly. Mr. Concannon then communicated to Mr. Tilly that Bats would engage with CBOE Holdings on the terms and timeline proposed by Mr. Tilly. Following this communication, representatives of Davis Polk confirmed to representatives of Sidley Austin that CBOE Holdings could then engage in discussions with members of Bats management regarding the terms of their proposed employment with the combined company, and, in the evening of September 23, 2016, CBOE Holdings sent offer letters to Messrs. Concannon, Isaacson and Hemsley relating to their continued employment with the surviving company following the closing of the

Table of Contents

potential transaction. That same evening, CBOE Holdings delivered to Bats a draft of the debt commitment letter.

In the early morning of September 24, 2016, Davis Polk sent a revised draft of the merger agreement to Sidley Austin reflecting the proposal communicated by Mr. Tilly to Mr. Concannon on September 23, 2016, but revising the draft, among other changes, to exclude the closing condition related to the exercise of appraisal rights by Bats stockholders.

Later in the morning of September 24, 2016, Messrs. Concannon and Tilly, other representatives of the Bats and CBOE Holdings management teams and representatives of Davis Polk and Sidley Austin held a discussion regarding remaining issues to be resolved in connection with the merger agreement.

Over the course of the day of September 24, 2016, representatives of the Bats and CBOE Holdings management teams as well as representatives of Davis Polk and Sidley Austin negotiated several remaining outstanding issues with respect to the merger agreement, voting agreements and financing documentation.

In the early morning of September 25, 2016, Sidley Austin sent a revised draft of the merger agreement to Davis Polk. The revised draft reflected substantial acceptance of the revisions proposed by Davis Polk in its September 24, 2016 draft, including a closing condition to CBOE Holdings' obligation to effect the merger that Bats stockholders holding no more than 20% of the outstanding shares of Bats common stock exercise appraisal rights in connection with the proposed transaction.

Over the course of the day of September 25, 2016, representatives of the Bats and CBOE Holdings management teams as well as representatives of Davis Polk and Sidley Austin negotiated the remaining outstanding issues with respect to the merger agreement and financing documentation, and representatives of Davis Polk and Bats management negotiated with certain Bats stockholders regarding the voting agreements requested by CBOE Holdings. Messrs. Concannon, Isaacson and Hemsley also negotiated the terms of their offer letters with CBOE Holdings.

In the afternoon of September 25, 2016, Davis Polk sent a revised draft of the merger agreement to Sidley Austin reflecting substantial agreement on all material terms.

In the evening of September 25, 2016, the Bats board held a special meeting at which representatives of Barclays, UBS and Davis Polk were present. At the meeting, Bats management discussed with the Bats board the progress of discussions with CBOE Holdings over the course of the preceding days. Following the Bats board's discussion, the representatives of Barclays reviewed Barclays' financial analyses of the proposed transaction with the Bats board, following which the Bats board discussed the analyses and the offer proposed by CBOE Holdings on September 23, 2016. The Barclays representatives then provided the Bats board with Barclays' oral opinion (which was subsequently confirmed in writing) to the effect that, as of September 25, 2016, and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be offered to the stockholders of Bats in the proposed transaction was fair, from a financial point of view, to such stockholders. The representatives of Davis Polk then reviewed with the Bats board the material terms of the merger agreement and reviewed with the Bats board its fiduciary duties applicable to its consideration of the potential transaction. Following a discussion regarding the merger agreement and the financial terms of the proposed transaction with CBOE Holdings, Mr. Ratterman proposed resolutions approving, among other things, the merger agreement and the transactions contemplated thereby. The Board then approved such resolutions by a unanimous vote of those directors present at the meeting. One director was not present at the meeting due to travel conflicts but indicated to Mr. Ratterman prior to the meeting his support of the merger agreement and the transactions contemplated thereby.

Later in the evening of September 25, 2016, the CBOE Holdings board held a special in-person meeting, at which representatives of Sidley Austin, BofA Merrill Lynch and Broadhaven were present.

Table of Contents

At the meeting, a representative of Sidley Austin reviewed the resolution of key issues since the September 23, 2016 CBOE Holdings board meeting. In addition, a Sidley Austin representative reviewed again with the CBOE Holdings board its fiduciary duties in the context of considering a potential acquisition of Bats, the terms of the merger agreement, noting the remaining open issues, and the terms of the voting and support agreements, noting that voting agreements would not be provided by any Bats stockholders affiliated with Bats directors. After discussion, the CBOE Holdings board determined to proceed with voting agreements only from Bats' directors and officers.

With representatives of BofA Merrill Lynch excused from the meeting, CBOE Holdings management then discussed the terms of the bridge facility commitment letter, the term facility commitment letter and the related fee letters, management's plan with respect to permanent financing and the anticipated cost of the financing relating to the potential strategic transaction with Bats, all of which had been discussed with and recommended to the CBOE Holdings board by the CBOE Holdings F&S Committee during a meeting of such committee earlier on September 25, 2016. With representatives of BofA Merrill Lynch and Broadhaven excused from the meeting, a Sidley representative discussed with the CBOE Holdings board updated information regarding material relationships of BofA Merrill Lynch, which are described below under "The Merger Opinions of CBOE Holdings' Co-Lead Financial Advisors BofA Merrill Lynch Opinion Miscellaneous, " and Broadhaven, which are described below under "The Merger Opinions of CBOE Holdings' Co-Lead Financial Advisors Broadhaven Opinion General," as well as the respective fee arrangements of BofA Merrill Lynch and Broadhaven. After BofA Merrill Lynch and Broadhaven representatives rejoined the meeting, representatives of BofA Merrill Lynch reviewed with the CBOE Holdings board BofA Merrill Lynch's financial analyses of the consideration to be paid and issued by CBOE Holdings in the merger and delivered to CBOE Holdings' board an oral opinion, confirmed by delivery of a written opinion dated September 25, 2016, to the effect that, as of that date and based on and subject to various assumptions and limitations described in the opinion, the consideration to be paid by CBOE Holdings in the merger was fair, from a financial point of view, to CBOE Holdings. In addition, a representative of Broadhaven reviewed with the CBOE Holdings board Broadhaven's financial analyses of the merger consideration to be paid and issued by CBOE Holdings in the merger and rendered an oral opinion, confirmed by delivery of a written opinion dated September 25, 2016, to the CBOE Holdings board to the effect that, as of that date and based on and subject to the various assumptions, limitations and qualifications and other matters set forth in the opinion, the merger consideration to be paid and issued by CBOE Holdings in respect of the merger, taken in the aggregate, was fair to CBOE Holdings, from a financial point of view.

CBOE Holdings management confirmed the acceptance by Messrs. Concannon, Isaacson and Hemsley of employment terms that had been recommended by the CBOE Holdings Compensation Committee and proposed and negotiated with the consent of the Bats board following agreement in principle on price and material non-price terms.

After discussion, the CBOE Holdings board, upon the recommendation of CBOE Holdings management, unanimously approved the bridge facility commitment letter, the term facility commitment letter and the related documents; approved the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement; and resolved to recommend that CBOE Holdings stockholders vote "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal at the CBOE Holdings special meeting.

Following the approvals by the Bats board and the CBOE Holdings board, Bats management and representatives of Davis Polk worked with CBOE Holdings management and representatives of Sidley Austin to finalize the language in the merger agreement on the terms approved by the Bats board and the CBOE Holdings board.

Table of Contents

Messrs. Concannon, Isaacson and Hemsley executed their offer letters with CBOE Holdings, and Bats' directors and executive officers and CBOE Holdings' directors and executive officers executed voting and support agreements with respect to the transaction.

Following the delivery by CBOE Holdings to Bats of a copy of the executed original debt commitment letter, Bats, CBOE Holdings, Merger Sub and Merger LLC each executed the merger agreement in the late hours of September 25, 2016.

In the morning of September 26, 2016, before the open of trading on the U.S. stock markets, Bats and CBOE Holdings issued a joint press release announcing the execution of the merger agreement.

Recommendation of the CBOE Holdings Board and Its Reasons for the Merger

The CBOE Holdings board unanimously recommends that CBOE Holdings stockholders vote "FOR" the share issuance proposal and "FOR" the CBOE Holdings meeting adjournment proposal.

In evaluating the merger agreement and the transactions contemplated by the merger agreement, including the merger, the CBOE Holdings board consulted with CBOE Holdings' senior management team and outside legal and financial advisors and considered and evaluated a variety of factors over the course of more than four months and nine meetings (five of which were in-person) of the CBOE Holdings board. The CBOE Holdings board's evaluation and consideration included the following factors, which the CBOE Holdings board believed supported its unanimous determination to approve the merger agreement and the consummation of the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement:

Strategic Case for the Transaction

Increased Scale and Scope; Diversification. The CBOE Holdings board considered that the combined company would have a broader global reach with greater scale, enhanced efficiencies through streamlined access to multiple global markets and a more diversified mix of revenue, products and geographic scope than CBOE Holdings on a stand-alone basis. In particular, the CBOE Holdings board noted the opportunity to diversify CBOE Holdings' product offerings across new asset classes (e.g., cash equities, exchange-traded products and foreign exchange) and substantially increase CBOE Holdings' non-transaction revenues, including market data fees, port fees and other fee income. The CBOE Holdings board also considered that the increased scale and efficiencies of the combined company should provide both greater opportunity to invest in ongoing innovation and platform enhancements and better position the combined company to pursue additional strategic opportunities that benefit its stockholders and customers.

Proven Technology Platform. The CBOE Holdings board considered Bats' technology platform, the strength of which was confirmed during due diligence and the CBOE Holdings board considered the opportunity for substantial efficiencies for the combined company with planned migration over time to a single technology platform across multiple asset classes and markets.

Benefits to Customers. The CBOE Holdings board considered the potential for customers of the combined company to benefit from a single, proven platform and infrastructure across a broad range of products. In addition, the CBOE Holdings board considered the combined company's potential to offer customers a broader set of competitive products than CBOE Holdings could offer on a standalone basis, and the CBOE Holdings board considered the increased opportunity for product innovation, including enhanced opportunities to use Bats' market data to create new index products and services.

Strategic Alternatives. The CBOE Holdings board considered the trends and competitive developments in the exchange industry and the range of strategic alternatives available to CBOE Holdings, including continuing to grow CBOE Holdings' business organically or through

Table of Contents

acquisitions of smaller companies rather than through a transformative transaction, in addition to the possibility of a third party seeking to acquire CBOE Holdings.

Financial and Other Considerations

Financial Considerations for CBOE Holdings Stockholders and the Combined Company. The CBOE Holdings board considered analyses and *pro forma* and other financial information related to CBOE Holdings, Bats and the combined company. In addition, the CBOE Holdings board considered the expected financial impact of the merger on CBOE Holdings and its earnings per share and that, while there is no guarantee regarding future results of the combined company, the merger is expected to be accretive to the combined company's adjusted earnings in the first year following the completion of the merger.

Cost Synergies. The CBOE Holdings board considered that, although no assurance can be given that any particular level of cost savings and other synergies will be achieved, CBOE Holdings and Bats management had identified \$65 million of annualized expense synergies for the combined company within five years after completion of the merger, with approximately \$50 million of such synergies anticipated to be realized by year three following completion of the merger. It considered how these estimates compared against synergies realized in certain precedent transactions and the fact that these estimates had been developed through a detailed exercise performed by CBOE Holdings and Bats management. The CBOE Holdings board took note of the fact that the synergy numbers were estimates, that they may change and that achieving the synergies is subject to a number of uncertainties. See "Risk Factors Risks Relating to the Merger and the Combined Company *The combined company may not realize all of the anticipated benefits of the transactions contemplated by the merger agreement or such benefits may take longer to realize than expected.*"

Possible Future Revenue Opportunities. The CBOE Holdings board also considered possible future revenue opportunities that might result from additional listings of exchange traded products in the combined company's trading venues, utilizing Bats' relationships to provide index services to an expanded group of customers and the listing of derivatives products in Europe on Bats' existing exchanges. However, the CBOE Holdings board noted that, because both the probability-adjusted financial benefits of the revenue opportunities and the timing of the realization of such benefits are more difficult to estimate than the anticipated near-term benefits of cost synergies, the possible future revenue and other financial impact from these sources were not included in the projections that were utilized in the financial analyses of the merger.

Fairness Opinions. The CBOE Holdings board considered the separate opinions, dated September 25, 2016, of BofA Merrill Lynch and Broadhaven to the CBOE Holdings board as to the fairness, to CBOE Holdings from a financial point of view and as of the date of the opinion, of the consideration to be paid and issued by CBOE Holdings pursuant to the merger agreement, which opinions were based on and subject to the assumptions made, procedures followed, factors considered and limitations on the review undertaken as more fully described in the sections entitled " Opinions of CBOE Holdings' Co-Lead Financial Advisors BofA Merrill Lynch Opinion" and " Opinions of CBOE Holdings' Co-Lead Financial Advisors Broadhaven Opinion." In considering such opinions, the CBOE Holdings board took into account the reports it had received regarding past fees received by BofA Merrill Lynch and Broadhaven for investment and corporate banking services provided to CBOE Holdings or Bats and fees payable to BofA Merrill Lynch and Broadhaven in connection with the transactions contemplated by the merger agreement (including potential financing fees), in addition to the fact that as of September 22, 2016, BofA Merrill Lynch owned approximately 1.11% of the equity securities of Bats.

Table of Contents

Incurrence of Indebtedness. The CBOE Holdings board considered that in order to finance the cash portion of the merger consideration, refinance Bats' existing indebtedness and pay transaction-related expenses, the combined company would incur approximately \$1.65 billion in indebtedness. The CBOE Holdings board considered the terms of the bridge facility, the structure and estimated cost of the proposed permanent financing and the combined company's ability to repay that indebtedness as well as the potential constraints on the combined company due to the leverage created by the acquisition financing. The CBOE Holdings board noted that CBOE Holdings expected to receive an investment grade credit rating from each of Standard & Poor's Rating Service and Moody's Investor Service, but that there is no assurance that CBOE Holdings will be able to maintain such a rating. See "Risk Factors - Risks Relating to the Merger and the Combined Company *Deterioration in CBOE Holdings' credit profile will increase its costs of borrowing money.*"

Information Regarding Bats and CBOE Holdings; Governance

Results of Due Diligence Investigations. The CBOE Holdings board considered the scope of the due diligence investigation conducted by CBOE Holdings' management, legal counsel and outside consultants and the substantive results thereof, including various oral reports provided by functional team leaders to the CBOE Holdings board. The CBOE Holdings board noted that the due diligence investigations set the stage for pre-closing integration and transition planning and post-closing implementation.

Strong Management Team. The CBOE Holdings board considered that the combined company would be led by a strong, experienced management team, including certain members of senior management of CBOE Holdings and Bats. The CBOE Holdings board anticipated that Mr. Tilly would continue as Chief Executive Officer; Mr. Concannon, President and Chief Executive Officer of Bats, would become President and Chief Operating Officer, Mr. Dean would continue as Chief Financial Officer; Mr. Isaacson, Executive Vice President and Global Chief Information Officer of Bats, would become Executive Vice President and Chief Information Officer and Mr. Hemsley, Executive Vice President and Chief Executive Officer of Bats Europe, would become Executive Vice President and President of Europe of Chicago Board Options Exchange, Incorporated. The CBOE Holdings board noted that members of the Bats management team have a track record of successful post-acquisition integrations. In particular, the CBOE Holdings board also noted that Messrs. Concannon, Isaacson and Hemsley had accepted employment terms to join CBOE Holdings, which employment terms had been proposed and negotiated with the consent of the Bats board following agreement in principle between CBOE Holdings and Bats with respect to the consideration to be received by Bats stockholders in the merger and the material non-price terms of the merger agreement.

Changes to the CBOE Holdings Board. The CBOE Holdings Board also took into account the allocation of three of the 14 seats on the CBOE Holdings board to Bats directors, as of the effective time of the merger.

Terms and Conditions of the Transaction

Financial Terms. The CBOE Holdings board considered the mix of cash and stock consideration, the fixed exchange ratio for the stock component of the merger consideration and the fact that because of the fixed exchange ratio (*i.e.*, it will not be adjusted for fluctuations in the market price of CBOE Holdings' common stock or Bats common stock), CBOE Holdings would have certainty as to the number of shares of CBOE Holdings common stock to be issued in connection with the merger. However, the CBOE Holdings board also noted that the value of CBOE Holdings common stock to be paid to Bats stockholders upon completion of the merger could be significantly more or less than its implied value immediately prior to the announcement

Table of Contents

of the execution of the merger agreement as a result of any difference in the market price of CBOE Holdings common stock between the time of announcement and the completion of the merger. The CBOE Holdings board took note of the course of negotiations between the parties in arriving at the amount and mix of consideration to be paid in the merger. The CBOE Holdings board also took note of the historic and current market prices of CBOE Holdings common stock and Bats common stock and that the merger consideration represented an approximately 22.5% premium over the closing price of Bats common stock on September 22, 2016 (the last full trading day prior to media publications regarding the potential transaction).

Pro Forma Ownership. The CBOE Holdings board took note of the fact that upon completion of the merger, current CBOE Holdings stockholders and Bats stockholders are expected to own approximately 72% and 28%, respectively, of the combined company based on the number of outstanding shares of common stock and other equity securities of CBOE Holdings and Bats on the date of the merger agreement.

Terms of the Merger Agreement and Related Documentation. The CBOE Holdings board considered the general terms and conditions of the merger agreement and related documentation, including:

the generally reciprocal nature of the parties' representations, warranties and covenants (including deal protection provisions);

the fact that each of the Bats board and the CBOE Holdings board is, in certain circumstances, permitted to change its recommendation with respect to the adoption of the merger agreement or the share issuance proposal, as applicable, and terminate the merger agreement to enter into an agreement with respect to a superior proposal, subject to the payment of a termination fee of \$110.0 million and up to \$10.0 million of the other party's expenses in connection with the termination of the merger agreement;

the provisions related to regulatory approvals and clearances, including that each party is obligated to use reasonable best efforts to take all action necessary to obtain regulatory approvals except that neither party is obligated to take any action that, individually or in the aggregate, would reasonably be expected to have a "burdensome effect" as defined in the merger agreement (see "The Merger Agreement Covenants" for a description of this term);

the nature and scope of the closing conditions; and

the entry by directors and executive officers of each of CBOE Holdings and Bats into voting and support agreements with Bats and CBOE Holdings, respectively.

Likelihood of Completion of the Merger. The CBOE Holdings board considered the likelihood that the merger and the other transactions contemplated by the merger agreement would be completed on a timely basis, including the likelihood that the merger would receive all necessary regulatory clearances and approvals without the imposition of unacceptable conditions. The CBOE Holdings board took note of the closing condition in the merger agreement that neither CBOE Holdings nor Bats is required to complete the merger if any governmental authority has entered an order imposing a "burdensome effect" in connection with the required statutory clearances and approvals. The CBOE Holdings board also noted the absence of a financing closing condition (but that CBOE Holdings planned to enter into the bridge facility) and the possibility that a third party would make an offer to purchase Bats or CBOE Holdings.

Table of Contents

Recommendation of Management.

The CBOE Holdings board took into account management's recommendation in favor of the transactions contemplated by the merger agreement.

In the course of its deliberations, the CBOE Holdings board also considered certain risks and other potentially negative factors concerning the transactions contemplated by the merger agreement, including:

Cost and Disruption of the Pending Transaction. The CBOE Holdings board noted the significant costs involved in connection with entering into and completing the merger and the substantial time and effort of CBOE Holdings management required to complete the transactions contemplated by the merger agreement, which may disrupt CBOE Holdings' business operations. In addition, the CBOE Holdings board noted the risks and contingencies related to the announcement and pendency of the transactions contemplated by the merger agreement, including the impact on CBOE Holdings' employees and its relationships with its existing customers and other third parties.

Integration. The CBOE Holdings board evaluated the challenges inherent in the combination of Bats and CBOE Holdings, including with respect to the systems migration and length of time involved, and the CBOE Holdings board considered the possibility of not achieving the anticipated cost synergies following the merger or within the anticipated time frames. In particular, the CBOE Holdings board took into account the need to retain and recruit talent in the information technology area, a key strategic benefit and driver of approximately 70% of the anticipated cost synergies through year five following the completion of the merger. The CBOE Holdings board also considered that the cost to achieve the anticipated cost synergies may be greater than expected.

Risks to and Attributes of Bats Business. The CBOE Holdings board considered the risks related to Bats' business, as described in the risk factors discussion in "Risks Relating to Bats" above, Bats' filings with the SEC, and, in particular, the CBOE Holdings board considered the highly competitive and somewhat commoditized nature and regulatory aspects of the equities trading business.

Possible Trading Impact. The CBOE Holdings board considered the transaction's potential impact on CBOE Holdings' trading multiple and the fact that the shares of CBOE Holdings common stock received by Bats stockholders in the merger will be freely tradable unless such stockholders are affiliates of CBOE Holdings.

Appraisal. The CBOE Holdings board considered the rights of Bats' stockholders to demand appraisal of their shares of Bats common stock in connection with the merger and the potential effect of such demands to increase the cash paid by CBOE Holdings and, consequently, the leverage of the combined company. However, the CBOE Holdings board took note of the fact that it is a condition precedent to CBOE Holdings' obligation to close the merger that Bats stockholders holding not more than 20% of the outstanding shares of Bats common stock have demanded appraisal rights.

Regulatory Clearances and Approvals; Stockholder Approvals. The CBOE Holdings board considered the fact that the merger might not be consummated in a timely manner or at all, as a result of the failure to satisfy certain conditions, including the conditions requiring the approval of Bats' and CBOE Holdings' stockholders, the condition requiring SEC approvals pursuant to Section 19(b) of the Exchange Act and Rule 19b-4 thereunder and the condition requiring the expiration or termination of the waiting period (or any extensions thereof) under the HSR Act. The CBOE Holdings board also considered the potential length of the regulatory clearance and approval process and that the provision in the merger agreement it may not be terminated until July 25, 2017, which date may be extended to September 25, 2017 under specified circumstances.

Table of Contents

Restrictions on Interim Operations. The CBOE Holdings board considered the provisions of the merger agreement placing restrictions on the conduct of CBOE Holdings' business prior to the consummation of the merger, which may delay or prevent CBOE Holdings from undertaking business opportunities that may arise or other actions that it might otherwise take with respect to the operations of CBOE Holdings.

Restrictions on Competing Proposals. The CBOE Holdings board took into account that the merger agreement precludes CBOE Holdings from actively soliciting proposals with respect to alternative transactions, and that payment to Bats of a fee of \$110.0 million and up to \$10.0 million of Bats' expenses would be payable under the merger agreement, if among other things, CBOE Holdings enters into an agreement to be acquired by another company and CBOE Holdings terminates the merger agreement.

The CBOE Holdings board understood that there can be no assurance about future results, including results considered or expected as described in the factors listed above, such as assumptions regarding potential synergies. This explanation of the CBOE Holdings board's reasoning and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statements Concerning Forward-Looking Statements."

The foregoing discussion of the information and factors considered by the CBOE Holdings board is not intended to be exhaustive, but includes the material factors considered by the CBOE Holdings board. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the CBOE Holdings board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The CBOE Holdings board did not undertake to make any specific determination as to whether, or to what extent, any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The CBOE Holdings board based its recommendation on the totality of the information presented, including the factors described above.

Recommendation of the Bats Board and Its Reasons for the Merger

The Bats board unanimously recommends that holders of Bats voting common stock vote "FOR" the proposal to adopt the merger agreement, "FOR" the non-binding compensation advisory proposal and "FOR" the Bats meeting adjournment proposal.

In evaluating the merger agreement and the proposed transaction, the Bats board consulted with Bats' senior management and representatives of Barclays, UBS and Davis Polk. In the course of making the determinations (i) that the terms of the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Bats and its stockholders, (ii) to enter into the merger agreement and consummate the transactions contemplated thereby and (iii) to recommend, subject to the provisions of the merger agreement, that the stockholders of Bats approve and adopt the merger agreement, the Bats board considered a number of factors, including the factors listed below, each of which, in the view of the Bats board, supported such determinations, in addition to the factors discussed under "Background of the Merger," above:

Premium to Market Price. The merger consideration to be paid by CBOE Holdings would provide Bats stockholders with the opportunity to receive a significant premium over the market price of their shares of Bats common stock. The Bats board reviewed the historical market prices and trading information with respect to Bats common stock, including the fact that the implied value (as of September 22, 2016, the last full trading day prior to media publications

Table of Contents

regarding the proposed Merger) of the consideration to be paid by CBOE Holdings for each share of Bats common stock represents:

a 22.5% premium over the closing price per share of Bats common stock on BZX on September 22, 2016;

a 30.9% premium over the average closing price per share of Bats common stock on BZX for the 30-trading day period ended September 22, 2016;

a 26.5% premium over the average closing price per share of Bats common stock on BZX for the 90-trading day period ended September 22, 2016; and

a 27.9% premium over the average closing price per share of Bats common stock on BZX for the period beginning April 15, 2016, the first full trading day during which Bats common stock traded on BZX, and ended September 22, 2016.

The Bats board also believed that, as of September 25, 2016, in light of the final offer made by CBOE Holdings on September 23, 2016, the merger consideration represented the highest per share consideration reasonably obtainable from CBOE Holdings.

Merger Consideration.

The Bats board considered that the cash portion of the merger consideration will provide Bats stockholders with immediate value in cash for a portion of their shares, with the balance paid in freely tradable shares of CBOE Holdings common stock. The Bats board also considered that the CBOE Holdings common stock is, and after the merger is expected to continue to be, publicly traded and widely held by a large number of stockholders.

The Bats board considered that a fixed ratio for the stock component of the merger consideration provides Bats stockholders the opportunity to benefit from any increase in the trading price of CBOE Holdings common shares between the announcement of the merger agreement and the completion of the merger.

Participation in Earnings of the Combined Company. The Bats board considered that the stock portion of the merger consideration provides Bats stockholders an opportunity to participate in the future earnings of the combined company, which would be enhanced to the extent that synergies and other operating efficiencies arising from the merger are realized over time. The Bats board also noted that the stock portion of the merger consideration provides Bats stockholders an opportunity to benefit from continued participation in a combined company with an expanded portfolio of products, strengthened capabilities, improved operating efficiencies, a more diversified mix of revenue and earnings and a broader and more diverse client base.

Significant Opportunity for Synergies. The Bats board evaluated the potential for significant synergies based on analyses performed by Bats management as well as on third-party assessments of expense synergies that could potentially be achieved by the combined company through, among other things, incorporating the functionality offered by Bats' and CBOE's technology platforms and consolidating onto Bats' leading proprietary system. The Bats board also considered the significant savings in general and administrative costs that could potentially be achieved by optimizing the operations of the combined company. Within three years of the completion of the transaction, Bats and CBOE Holdings expect to realize \$50 million in annualized expense synergies, increasing to approximately \$65 million of anticipated expense synergies within five years following closing.

Highly Complementary Businesses and Market Segments. The Bats board considered that the merger would combine two businesses with complementary products, which should enable the combined company to benefit from strengthened capabilities and improved market visibility. In

Table of Contents

particular, the Bats board considered the potential for the combined company to utilize Bats' technology and the combined customer reach of CBOE Holdings and Bats to broaden distribution of product offerings and provide customers with greater breadth and depth of products and services. In addition, the Bats board noted that the combined company would benefit from expanded product lines and a diversified business mix.

Strong Position in Key Growth Areas. The Bats board considered that the combined company should be better positioned to capitalize on, and benefit from, key areas of growth in the evolving market, including opportunities to create new index products and services.

Results of Due Diligence Investigations. The Bats board considered the scope of the due diligence investigation conducted by Bats management and the substantive results thereof. The Bats board noted the positive results of such investigations with respect to potential expense synergies that could be available to the combined company following closing.

Opinion of Barclays. The Bats board considered the oral opinion of Barclays rendered to the Bats board, which was subsequently confirmed in writing, that as of September 25, 2016, and based upon and subject to the various assumptions, matters considered and limitations and qualifications described in such written opinion, the merger consideration was fair, from a financial point of view, to Bats stockholders. For a discussion of Barclays' opinion rendered to the Bats board and the financial analyses presented by Barclays to the Bats board in connection with the delivery of this opinion, see "The Merger Opinion of Bats' Financial Advisor Barclays Opinion."

Strategic Alternatives. The Bats board reviewed and considered, with the assistance of Bats management and Bats' financial and legal advisors, possible alternatives to the merger (including continuing with Bats' current stand-alone business plan and pursuing other potential strategic transactions) and the perceived risks and benefits of any such alternatives, including the timing and likelihood of consummating any such alternatives. Based on the foregoing, the Bats board determined that such alternatives were likely to be less favorable than the proposed transaction with CBOE Holdings and that a merger with CBOE Holdings would yield greater benefits for Bats and its stockholders. Moreover, the Bats board believed that attempting to solicit interest from other third parties while continuing discussions with CBOE Holdings would not likely lead to a better offer and could result in disruption to Bats' business or the loss of CBOE Holdings' proposed offer, including as a result of other companies pursuing an alternative strategic transaction involving CBOE Holdings. The Bats board also considered the fact that, on September 22, 2016, reports regarding the proposed merger with CBOE Holdings were widely publicized in the media and that, following such publicity, prior to entry into the merger agreement; no other party had indicated to Bats an interest in discussing a strategic transaction with Bats.

Bats' Financial Condition and Prospects. The Bats board also considered the historical and prospective operating environment and financial performance of Bats, including the need for and potential availability of funding necessary to execute the business plan and to pursue growth opportunities. The Bats board discussed and deliberated with respect to both the expected benefits from continuing to execute Bats' stand-alone business plan and strategy, as reflected in the Bats management's projections, as well as the potential risks and uncertainties of achieving the target assumptions set forth in Bats' stand-alone plan. In evaluating potential risks associated with executing Bats' stand-alone plan, the Bats board considered the current market conditions for Bats in the competitive exchange industry, Bats' ability to successfully identify, execute upon and integrate acquisitions and the potential that regulatory developments and other key trends affecting the exchange industry in general could adversely impact Bats' business, in addition to other factors described in "Risk Factors Risks Relating to Bats." The Bats board also

Table of Contents

considered the financial condition of the global economy in general and the impact that such macroeconomic trends have had and could potentially continue to have on Bats' results and operations. Based on its consideration and evaluation of the benefits, risks and uncertainties associated with Bats' stand-alone plan and other strategic alternatives, the Bats board believed that the strategic combination with CBOE Holdings represented the best opportunity for long-term value creation for Bats stockholders that was reasonably available.

Financing. The Bats board considered that CBOE Holdings has secured fully committed debt financing for the cash portion of the proposed transaction, subject to the terms and conditions set forth in the debt commitment letter. Accordingly, the Bats board considered the likelihood that the merger would be completed based on, among other things, (i) the absence of a financing condition in the merger agreement and (ii) the financial strength of CBOE Holdings and its affiliates.

Pro Forma Leverage and Financial Profile. The Bats board considered the *pro forma* financial position of the combined company, including the *pro forma* leverage ratios after giving effect to the financing incurred to pay the cash portion of the merger consideration. The Bats board believed that the level of leverage would not likely impede the ability of the combined company to attract and retain customers or to finance additional expansion opportunities.

Governance. The Bats board considered the fact that the merger agreement provides for three members of Bats board, designated by Bats and who comply with the policies of the CBOE Holdings N&G Committee disclosed to Bats, to be appointed to the CBOE Holdings board as of the effective time of the merger, as well as the fact that certain members of Bats' management would assume management roles at CBOE Holdings upon completion of the merger and that, in such capacities, such individuals would play a role in the ongoing governance and management of the combined company. The Bats board believed that participation of certain members of Bats' management in the CBOE management team upon completion of the Merger would increase the likelihood that the combined company would be able to achieve the synergies expected to be realized from the Merger.

Timing of Completion. The Bats board considered the fact that the merger is expected to be completed in the first half of 2017, subject to satisfaction or waiver of the conditions to closing set forth in the merger agreement, and that all Bats stockholders will receive the merger consideration promptly upon completion of the merger.

Merger Agreement. The Bats board considered the terms and conditions of the merger agreement, including the respective representations, warranties, covenants, conditions and termination rights of the parties. In particular:

No Financing Condition. The Bats board considered the representations and covenants of CBOE Holdings with respect to obtaining the necessary financing for the cash portion of the merger consideration, including that CBOE Holdings will have available sufficient cash and other financial resources to satisfy its obligations under the merger agreement and pay the merger consideration pursuant to the merger, and the fact that the merger is not subject to a financing condition.

Ability to Respond to Certain Unsolicited Takeover Proposals. The Bats board considered the fact that on the terms and subject to the conditions set forth in the merger agreement, at any time prior to the approval of the proposal to adopt the merger agreement by Bats stockholders, if Bats receives an unsolicited takeover proposal that constitutes a superior proposal, the Bats board may withdraw or modify its recommendation and cause Bats to terminate the merger agreement to concurrently enter into an agreement with respect to such superior proposal, subject to paying the termination fee of \$110.0 million.

Table of Contents

Regulatory Undertaking by CBOE Holdings. The Bats board considered that the Merger is subject to a waiting period and certain regulatory clearances and that CBOE Holdings is obligated, subject to certain limitations, to use its reasonable best efforts to obtain necessary regulatory approvals.

Termination Fee. The Bats board considered the fact that in connection with the termination of the merger agreement under specified circumstances, including a termination by Bats to accept and enter into a definitive agreement with respect to an alternative acquisition transaction, Bats would be obligated to pay CBOE Holdings a termination fee of \$110.0 million. The Bats board was of the view that this termination fee was reasonable in light of the negotiation process that led to the execution of the merger agreement, as well as of the terms of the merger agreement itself. The Bats board believed that the termination fee would not preclude competing bids for Bats and would likely only be required to be paid in the event that the Bats board entered into or intended to enter into a transaction more favorable to Bats stockholders than the merger.

Conditions to the Completion of the Proposed Transaction. The Bats board considered the reasonable likelihood of the completion of the merger in light of the limited conditions to CBOE Holdings' obligations to effect the merger.

The Bats board also considered a variety of risks and other potentially negative factors relating to the merger, including the following:

No "Market Check" and No "Go Shop." The Bats board took into consideration the fact that Bats entered into the merger agreement with CBOE Holdings before actively seeking offers from other potential purchasers. The Bats board also considered the fact that the merger agreement did not contain any "go shop" or similar provision that permitted Bats to actively seek an alternative transaction for a period of time following the execution of the merger agreement.

Inability to Solicit Other Takeover Proposals. The Bats board considered the covenant in the merger agreement prohibiting Bats from further soliciting other potential acquisition proposals, and restricting its ability to entertain other potential acquisition proposals unless certain conditions are satisfied.

Termination Fee. The Bats board reviewed and discussed the termination fee that could become payable by Bats pursuant to the merger agreement under certain circumstances. The Bats board considered the potential effect of such termination fee in deterring third parties from proposing alternative transactions, including that the merger agreement requires Bats to pay a termination fee of \$110.0 million if Bats terminates the merger agreement to enter into an agreement with respect to a superior proposal (as described above). The Bats board believes that the termination fee structure is customary and reasonable and will not deter to any significant extent any interested third party from making a superior proposal or inhibit the Bats board from approving a superior proposal if a superior proposal were available. For further discussion, see "The Merger Agreement Reimbursement of Fees and Expenses."

Appraisal Rights Closing Condition. The Bats board considered that the merger agreement contains a condition to CBOE Holdings' obligation to effect the merger that there not has been an exercise of appraisal rights by Bats stockholders holding more than 20% of the outstanding shares of Bats common stock, which condition could potentially increase the risk that the merger will not close if a sufficient number of Bats stockholders do not approve of the merger.

Termination by CBOE Holdings. The Bats board considered the risk that CBOE Holdings may terminate the merger agreement and not complete the merger in certain limited circumstances,

Table of Contents

including the risk that CBOE Holdings may terminate the merger agreement to enter into a superior proposal in accordance with the terms of the merger agreement.

Pre-Closing Covenants. The Bats board considered that, under the terms of the merger agreement, Bats has agreed that, subject to certain exceptions, it will use reasonable best efforts to conduct its business in the ordinary course in substantially the same manner as it conducted its business prior to entering into the merger agreement and, subject to specified exceptions, that Bats will not take a number of actions related to the conduct of its business without the prior written consent of CBOE Holdings. The Bats board further considered that these terms may limit the ability of Bats to pursue or undertake business opportunities that could arise prior to the completion of the Merger.

Equity Participation; Exchange Ratio. The Bats board considered the fact that Bats stockholders will have a significantly smaller ongoing equity participation in the combined company (and, as a result, a smaller opportunity to participate in any future earnings or growth of the combined company and future appreciation in the value of shares of the combined company's common stock following the merger) than they currently have in Bats. The Bats board considered the fact that, since the stock component of the merger consideration is based on a fixed exchange ratio, the market value of the merger consideration received by the Bats stockholders would be adversely affected by a decrease in the trading price of CBOE Holdings common stock between the announcement of the merger agreement and the completion of the Merger.

Impact of Announcement and the Pending Transaction on Bats. The Bats board considered the impact on Bats' business of the public announcement of the merger agreement, including the potentially negative effects that such announcement might have on Bats' commercial relationships and its ability to attract and retain management and other key employees. In addition, the Bats board noted the significant costs involved in connection with entering into and completing the merger and the substantial time and effort of Bats management required to complete the transactions contemplated by the merger agreement, which may disrupt Bats' business operations.

Regulatory Approval. The Bats board considered the regulatory approvals that may be required to complete the merger and the prospects for receiving any such approvals. The Bats board also considered the risk that Bats and CBOE Holdings may incur significant costs and unexpected delays resulting from seeking governmental consents and approvals necessary for completion of the merger.

Interests of Bats' Directors and Executive Officers in the Merger. The Bats board considered the fact that certain of Bats' directors and executive officers have interests in the merger which may differ from those of Bats stockholders generally. For further discussion, see " Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers."

Risks to and Attributes of CBOE Holdings' Business. The Bats board considered the risks related to CBOE Holdings' business, as described in the risk factors discussions in CBOE Holdings' annual and quarterly reports filed with the SEC.

Risks Relating to Business Integration. The Bats board considered the costs, risks and uncertainties of combining the businesses, policies, processes, systems, operations and workforces of CBOE Holdings and Bats and realizing the anticipated cost savings and operating synergies following the merger.

This discussion of the information and factors considered by the Bats board includes the material positive and negative factors considered by the Bats board, but is not intended to be exhaustive and may not include all of the factors considered by the Bats board . The Bats board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular

Table of Contents

factor, was favorable or unfavorable to its ultimate determination, and did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination that the terms of the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Bats and its stockholders. Rather, the Bats board conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, Bats management and Bats' outside advisors, and considered the factors overall to be favorable to, and to support, its determination. In addition, individual members of the Bats board may have given different weight to different factors. This explanation of the reasoning of the Bats board, and certain information presented in this section, is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Cautionary Statement Concerning Forward-Looking Statements."

Opinions of CBOE Holdings' Co-Lead Financial Advisors

BofA Merrill Lynch Opinion

CBOE Holdings retained BofA Merrill Lynch to act as a financial advisor to CBOE Holdings in connection with the merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. CBOE Holdings selected BofA Merrill Lynch to act as CBOE Holdings' financial advisor in connection with the merger on the basis of BofA Merrill Lynch's experience in transactions similar to the merger, its reputation in the investment community and its familiarity with CBOE Holdings and its business.

On September 25, 2016, at a meeting of the CBOE Holdings board held to evaluate the merger, BofA Merrill Lynch delivered to the CBOE Holdings board an oral opinion, confirmed by delivery of a written opinion dated September 25, 2016, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in the opinion, the consideration to be paid by CBOE Holdings in the merger was fair, from a financial point of view, to CBOE Holdings.

The full text of BofA Merrill Lynch's written opinion, dated September 25, 2016, to the CBOE Holdings board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as *Annex B* to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. **BofA Merrill Lynch delivered its opinion to the CBOE Holdings board for the benefit and use of the CBOE Holdings board (in its capacity as such) in connection with and for purposes of its evaluation of the consideration to be paid by CBOE Holdings in the merger, from a financial point of view, to CBOE Holdings. BofA Merrill Lynch's opinion did not address any other aspect of the merger, and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to CBOE Holdings or in which CBOE Holdings might engage or as to the underlying business decision of CBOE Holdings to proceed with or effect the merger. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the proposed merger or any related matter.**

In connection with its opinion, BofA Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to Bats and CBOE Holdings;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Bats furnished to or discussed with BofA Merrill Lynch by Bats' management, including certain financial forecasts relating to Bats prepared by Bats' management, included below under "Certain Unaudited Prospective Financial Information Bats

Table of Contents

Scenario One Financial Projections" and referred to in this section as the "*Bats financial projections*;"

reviewed certain financial forecasts relating to Bats, described below under "Certain Unaudited Prospective Financial Information" and referred to as the "*adjusted Bats financial projections*" and discussed with CBOE Holdings' management its assessments as to the relative likelihood of achieving the future financial results reflected in the Bats financial projections and the adjusted Bats financial projections;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of CBOE Holdings furnished to or discussed with BofA Merrill Lynch by CBOE Holdings' management, including certain financial forecasts relating to CBOE Holdings prepared by CBOE Holdings' management, described below under "Certain Unaudited Prospective Financial Information" and referred to as the "*CBOE Holdings financial projections*;"

reviewed certain estimates as to the amount and timing of cost savings, referred to as the "*potential cost savings*," anticipated by CBOE Holdings' management to result from the merger;

discussed the past and current business, operations, financial condition and prospects of Bats with members of senior managements of Bats and CBOE Holdings, and discussed the past and current business, operations, financial condition and prospects of CBOE Holdings with members of CBOE Holdings' senior management;

discussed with CBOE Holdings' management its assessments as to the technology of Bats, including the validity of, risks associated with and the integration by CBOE Holdings of, such technology;

reviewed the potential pro forma financial impact of the merger on the future financial performance of CBOE Holdings, including the potential effect on CBOE Holdings' estimated earnings per share;

reviewed the trading histories for Bats voting common stock and CBOE Holdings common stock and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of Bats and CBOE Holdings with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Bats and CBOE Holdings to the future financial performance of the combined company on a pro forma basis;

reviewed a draft, dated September 25, 2016, of the merger agreement (the "*Draft Merger Agreement*"); and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and relied upon the assurances of the managements of CBOE Holdings and Bats that they were not aware of any facts or circumstances that

Edgar Filing: CBOE Holdings, Inc. - Form S-4

would make such information or data inaccurate or misleading in any material respect. With respect to the Bats financial projections, BofA Merrill Lynch was advised by Bats, and assumed, that they were reasonably prepared on bases reflecting the best currently available

Table of Contents

estimates and good faith judgments of Bats' management as to the future financial performance of Bats. With respect to the adjusted Bats financial projections, the CBOE Holdings financial projections and the potential cost savings, BofA Merrill Lynch assumed, at the direction of CBOE Holdings, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of CBOE Holdings' management as to the future financial performance of Bats and CBOE Holdings and the other matters covered thereby and, based on the assessments of CBOE Holdings' management as to the relative likelihood of achieving the future financial results reflected in the Bats financial projections and the adjusted Bats financial projections, BofA Merrill Lynch relied, at the direction of CBOE Holdings, on the adjusted Bats financial projections for purposes of its opinion. BofA Merrill Lynch also relied, at the direction of CBOE Holdings, on the assessments of CBOE Holdings' management as to CBOE Holdings' ability to achieve the potential cost savings and was advised by CBOE Holdings that CBOE Holdings expects, and BofA Merrill Lynch assumed, that the potential cost savings would be realized in the amounts and at the times projected thereby. BofA Merrill Lynch also relied, at the direction of CBOE Holdings, upon the assessments of CBOE Holdings' management as to the technology of Bats, including the validity of, risks associated with, and the integration by CBOE Holdings of, such technology. BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Bats or CBOE Holdings, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of Bats or CBOE Holdings and BofA Merrill Lynch assumed, with the consent of CBOE Holdings, that there were no material undisclosed liabilities of or relating to Bats for which appropriate reserves, indemnification arrangements or other provisions had not been made. BofA Merrill Lynch did not evaluate the solvency or fair value of Bats or CBOE Holdings under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of CBOE Holdings, that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Bats, CBOE Holdings or the contemplated benefits of the merger. BofA Merrill Lynch also assumed, at the direction of CBOE Holdings, that the merger would qualify for federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Code. BofA Merrill Lynch also assumed, at the direction of CBOE Holdings, that the final executed merger agreement would not differ in any material respect from the Draft Merger Agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the merger (other than the consideration to the extent expressly specified in its opinion), including, without limitation, the form or structure of the merger, the form or structure of, or any adjustments to, the consideration, any election, proration or allocation procedures set forth in the merger agreement, or any terms, aspects or implications of any other arrangements, agreements or understandings entered into in connection with the merger or otherwise. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, to CBOE Holdings of the consideration to be paid in the merger and no opinion or view was expressed with respect to any consideration received in connection with the merger by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the consideration or otherwise. BofA Merrill Lynch also expressed no view or opinion with respect to, and relied, with CBOE Holdings' consent, upon the assessments of CBOE Holdings' representatives regarding, legal, regulatory, accounting, tax and similar matters relating to CBOE Holdings, Bats and the merger (including the contemplated benefits thereof) as to which BofA Merrill Lynch understood that CBOE Holdings

Table of Contents

obtained such advice as it deemed necessary from qualified professionals. BofA Merrill Lynch further did not express any opinion as to what the value of CBOE Holdings common stock actually would be when issued or the prices at which CBOE Holdings common stock or Bats voting common stock would trade at any time, including following announcement or consummation of the merger.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect BofA Merrill Lynch's opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch.

The discussion set forth below in the sections entitled "Bats Financial Analyses" and "CBOE Holdings Financial Analyses" represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to the CBOE Holdings board in connection with BofA Merrill Lynch's opinion, dated September 25, 2016. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.**

Bats Financial Analyses

Selected Publicly Traded Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information for Bats and the following five selected publicly traded companies, which companies generally were selected because, as is the case with Bats, they are companies that operate securities exchanges:

CME Group Inc.

Intercontinental Exchange, Inc.

Nasdaq, Inc.

CBOE Holdings, Inc.

TMX Group Limited

BofA Merrill Lynch reviewed, among other things, enterprise values ("*EVs*") of the selected publicly traded companies, calculated as equity values based on closing stock prices on September 23, 2016, plus short-term debt, long-term debt, preferred equity and minority interests less cash and marketable securities, as a multiple of calendar years 2016 and 2017 estimated adjusted earnings before interest, taxes, depreciation and amortization ("*EBITDA*"). BofA Merrill Lynch also reviewed per share equity values, based on closing stock prices of the selected publicly traded companies as of September 23, 2016 as a multiple of 2016 and 2017 estimated adjusted earnings per share ("*EPS*"). The overall low to high calendar year 2016 and calendar year 2017 EV / estimated adjusted EBITDA multiples observed for the selected publicly traded companies were 11.0x to 15.8x (with a mean of 13.8x and a median of 14.6x) and 10.4x to 14.3x (with a mean of 12.6x and a median of 13.4x), respectively, and the overall low to high calendar year 2016 and calendar year 2017 price / estimated adjusted EPS multiples observed for the selected publicly traded companies were 14.0x to 29.2x (with a mean of 21.0x and a median of 20.0x) and 12.9x to 26.5x (with a mean of 19.1x and a median of 17.9x), respectively. Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected publicly traded companies and for Bats, BofA Merrill Lynch

Table of Contents

then applied (i) EV/2017 estimated EBITDA multiples of 11.0x to 13.5x, derived from the selected publicly traded companies to 2017 estimated adjusted EBITDA for Bats, and (ii) price / 2017 estimated EPS multiples of 17.0x to 21.0x, derived from the selected publicly traded companies to 2017 estimated adjusted EPS for Bats. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates and estimated financial data for Bats were based on the adjusted Bats financial projections. The estimated adjusted EBITDA used for Bats reflect adjustments provided by CBOE Holdings to reflect estimated stock-based compensation expenses and to eliminate the effect of one-time expenses to be consistent with the estimated adjusted EBITDA amounts used for the selected publicly traded companies. The estimated adjusted EPS used for Bats reflect adjustments provided by CBOE Holdings to reflect estimated stock-based compensation expenses and to eliminate the effect of one-time expenses and amortization of acquisition-related intangible assets to be consistent with the estimated adjusted EPS amounts used for the selected publicly traded companies. This analysis indicated the following approximate implied per share equity value reference range for Bats (rounded to the nearest \$0.25 per share), as compared to the consideration with an approximate value of \$32.50 reflecting (i) cash consideration of \$10.00 per share and (ii) stock consideration with an implied value of \$22.50 per share based on a 0.3201 exchange ratio and CBOE Holdings September 23, 2016 closing stock price of \$70.30 per share.

	Implied Per Share Equity Value	
	Reference Range	Consideration
EV / 2017E Adj. EBITDA	\$26.75 - \$34.50	\$ 32.50
Price / 2017E Adj. EPS	\$28.25 - \$34.75	

No company used in this analysis is identical or directly comparable to Bats. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Bats was compared.

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Table of Contents

Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following 17 selected transactions involving companies that are securities exchanges:

Announcement Date	Acquirer	Target
March 9, 2016	Nasdaq, Inc.	U.S. Exchange Holdings, Inc.
February 22, 2016	Deutsche Börse AG	London Stock Exchange Group plc
November 16, 2015	Intercontinental Exchange, Inc.	Trayport
January 28, 2015	Bats Global Markets, Inc.	Hotspot FX Holdings, LLC
March 7, 2013	London Stock Exchange Group plc	LCH.Clearnet Group Limited
December 20, 2012	Intercontinental Exchange, Inc.	NYSE Euronext
July 6, 2012	Thomson Reuters Corporation	FX Alliance Inc.
March 17, 2008	CME Group Inc.	NYMEX Holdings, Inc.
December 10, 2007	TSX Group Inc.	Montreal Exchange Inc.
November 7, 2007	The Nasdaq Stock Market, Inc.	Philadelphia Stock Exchange, Inc.
September 26, 2007	The Nasdaq Stock Market, Inc. / Borse Dubai Limited	OMX AB (publ)
July 6, 2007	Chicago Mercantile Exchange Holdings Inc.	CBOT Holdings, Inc.
June 23, 2007	London Stock Exchange	Borsa Italiana SpA
April 30, 2007	Eurex Frankfurt AG	International Securities Exchange Holdings, Inc.
September 14, 2006	Intercontinental Exchange, Inc.	Board of Trade of the City of New York, Inc.
May 22, 2006	NYSE Group, Inc.	Euronext N.V.
March 27, 2006	Australian Stock Exchange Limited	SFE Corporation Limited

BofA Merrill Lynch reviewed the transaction values ("*TVs*"), calculated as the EV implied for the target company based on the consideration payable in the selected transaction, as a multiple of the target company's last twelve months ("*LTM*") EBITDA prior to the announcement of the relevant transaction. BofA Merrill Lynch also reviewed the price per share for each of the target companies based on the consideration payable in the selected transaction, as a multiple, to the extent publicly available, of the target company's LTM EPS prior to the announcement of the relevant transaction. The overall low to high TV / LTM EBITDA multiples observed for the selected transactions were 9.9x to 31.9x (with a mean of 19.1x and a median of 17.1x) and the overall low to high Price / LTM EPS multiples observed for the selected transactions were 11.9x to 70.9x (with a mean of 33.9x and a median of 27.7x). Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected precedent transactions, BofA Merrill Lynch then applied (i) a selected range of TV/LTM EBITDA multiples of 12.0x to 17.0x, derived from the selected transactions to adjusted EBITDA for Bats for the 12 months ended June 30, 2016, and (ii) a selected range of Price/LTM EPS multiples of 21.0x to 27.0x, derived from the selected transactions to adjusted EPS for Bats for the 12 months ended June 30, 2016. The financial data for the selected transactions and Bats were based on publicly available information at the time of announcement of the relevant transaction. The adjusted EBITDA amount used for Bats reflected adjustments provided by CBOE Holdings to reflect estimated stock-based compensation expenses and to eliminate the effect of one-time expenses. The estimated adjusted EPS used for Bats reflect adjustments provided by CBOE Holdings to reflect estimated stock-based compensation expenses and to eliminate the effect of one-time expenses and amortization of acquisition-related intangible assets.

Table of Contents

This analysis indicated the following approximate implied per share equity value reference range for Bats (rounded to the nearest \$0.25 per share), as compared to the consideration:

	Implied Per Share Equity Value	
	Reference Range	Consideration
EV/LTM Adj. EBITDA	\$27.25 - \$41.50	
Price / LTM Adj. EPS	\$28.00 - \$36.25	\$ 32.50

No company, business or transaction used in this analysis is identical to Bats or the merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Bats and the merger were compared.

Discounted Cash Flow Analysis. BofA Merrill Lynch performed a discounted cash flow analysis of Bats on a stand-alone basis to calculate the estimated present value of the unlevered, after-tax free cash flows that Bats was forecasted to generate during third and fourth quarters of 2016 and during 2017 through 2019, based on the adjusted Bats financial projections. BofA Merrill Lynch calculated terminal values for Bats on a stand-alone basis as of the end of 2019 by applying perpetuity growth rates ranging from 2.25% to 2.50% to Bats' normalized estimated stand-alone unlevered, after-tax free cash flows based on Bats' 2019 estimated stand-alone unlevered, after-tax free cash flows reflected in the adjusted Bats financial projections. The cash flows and terminal values were then discounted to present value as of June 30, 2016, assuming mid-year convention and using weighted cost of capital discount rates ranging from 6.75% to 8.25%, which were based on an estimate of Bats' weighted average cost of capital. This analysis indicated the following approximate implied per share equity value reference range for Bats (rounded to the nearest \$0.25 per share), as compared to the consideration:

	Implied Per Share Equity Value	
	Reference Range	Consideration
	\$26.75 - \$40.50	\$ 32.50

BofA Merrill Lynch also performed a discounted cash flow analysis to calculate the present value of the after-tax potential cost savings (less the costs to achieve such savings) that were forecasted by CBOE Holdings management to be generated during fiscal years 2017 through 2021. BofA Merrill Lynch calculated terminal values for the potential cost savings by applying perpetuity growth rates of 0.0% to 2.50% to the forecasted 2021 after-tax potential cost savings. The after-tax potential cost savings (less the costs to achieve such savings) and terminal values were then discounted to present value as of June 30, 2016, assuming mid-year convention and using weighted cost of capital discount rates ranging from 6.75% to 8.25%, which were based on an estimate of Bats' weighted average cost of capital, and provided a range of cost savings for Bats (rounded to the nearest \$0.25 per share) ranging from \$5.00 to \$9.75 per Bats share.

CBOE Holdings Financial Analyses

Selected Publicly Traded Companies Analysis. BofA Merrill Lynch reviewed publicly available and stock market information for CBOE Holdings and the following five selected publicly traded companies, which companies generally were selected because, as is the case with CBOE Holdings, they are companies that operate securities exchanges:

CME Group Inc.

Intercontinental Exchange, Inc.

Nasdaq, Inc.

Table of Contents

Bats Global Markets, Inc.

TMX Group Limited

BofA Merrill Lynch reviewed, among other things, EVs of the selected publicly traded companies, calculated as equity values based on closing stock prices as of September 23, 2016 (other than Bats, which was as of September 22, 2016, the last completed trading day prior to media publications regarding the potential transaction) plus short-term debt, long-term debt, preferred equity and minority interests less cash and marketable securities, as a multiple of 2016 and 2017 estimated adjusted EBITDA. BofA Merrill Lynch also reviewed, among other things, the per share equity values, based on closing stock prices of the selected publicly traded companies as of September 23, 2016 (other than Bats, which was as of September 22, 2016) as a multiple of 2016 and 2017 estimated adjusted EPS.

BofA Merrill Lynch then compared the 2016 and 2017 estimated EPS multiples and estimated EBITDA multiples derived for the selected companies to corresponding data for CBOE Holdings based on the closing price of CBOE Holdings common stock on September 23, 2016. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data for CBOE Holdings were based on publicly available research analysts' estimates and the CBOE Holdings financial projections. This analysis indicated the following implied median multiples for the selected companies, as compared to corresponding multiples implied for CBOE Holdings, based on the closing price of CBOE Holdings common stock on September 23, 2016:

Enterprise Value as a Multiple of Estimated Adjusted EBITDA:	Implied Multiples for Selected Companies				Implied Multiples for CBOE Holdings Based on Closing Stock Price on September 23, 2016	
	High	Low	Mean	Median	CBOE Holdings Financial Projections	Publicly Available Research Analysts' Estimates
Calendar Year 2016	14.6x	11.0x	12.9x	12.9x	15.9x	15.8x
Calendar Year 2017	13.6x	10.4x	11.9x	11.5x	14.6x	14.3x
Price as a Multiple of Estimated Adjusted EPS:						
Calendar Year 2016	23.1x	14.0x	19.1x	19.7x	28.9x	29.2x
Calendar Year 2017	21.6x	12.9x	17.3x	17.7x	26.1x	26.5

No company used in this analysis is identical or directly comparable to CBOE Holdings. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which CBOE Holdings was compared.

Discounted Cash Flow Analysis. BofA Merrill Lynch performed a discounted cash flow analysis of CBOE Holdings on a stand-alone basis to calculate the estimated present value of the unlevered, after-tax free cash flows that CBOE Holdings was forecasted to generate during the third and fourth quarters of 2016 and during 2017 through 2019, based on the CBOE Holdings financial projections. BofA Merrill Lynch calculated terminal values for CBOE Holdings on a stand-alone basis as of the end of 2019 by applying perpetuity growth rates ranging from 2.50% to 3.00% to CBOE Holdings' normalized estimated standalone unlevered, after-tax free cash flows based on CBOE Holdings' 2019 estimated stand-alone unlevered, after-tax free cash flows reflected in the CBOE Holdings financial projections. The cash flows and terminal values were then discounted to present value as of June 30, 2016, assuming mid-year convention and using weighted cost of capital discount rates ranging from 6.50% to 8.00%, which were based on an estimate of CBOE Holdings' weighted average cost of capital. This analysis indicated the following approximate implied per share equity value reference range for

Table of Contents

CBOE Holdings (rounded to the nearest \$0.25 per share), as compared to the closing price of CBOE Holdings common stock on September 23, 2016:

Implied Per Share Equity Value Reference Range for CBOE Holdings	Closing Trading Price of CBOE Holdings Common Stock on September 23, 2016
\$54.50 - \$84.00	\$ 70.30

Pro Forma Accretion/Dilution Analysis. BofA Merrill Lynch reviewed the potential pro forma financial effect of the merger on CBOE Holdings' fiscal year 2017 through 2019 estimated adjusted EPS, taking into account the potential cost savings. Estimated financial data of Bats was based on the adjusted Bats financial projections, and estimated financial data of CBOE Holdings was based on the CBOE Holdings financial projections. Based on the consideration, this analysis indicated that the merger could be accretive to CBOE Holdings' estimated adjusted EPS for fiscal years 2017 through 2019, with adjusted EPS accretion of 24.6%, 30.6%, and 32.5% for the full fiscal years 2017, 2018 and 2019, respectively. The actual results achieved by the combined company may vary from projected results, and the variations may be material.

Analysis of Intrinsic Value Accretion to CBOE Holdings Stockholders. Using the range of implied equity values calculated by BofA Merrill Lynch for CBOE Holdings on a standalone basis based on the discounted cash flow analysis described above under "CBOE Holdings Financial Analyses Discounted Cash Flow Analysis" and for Bats on a standalone basis and for the potential cost savings (less the costs to achieve such savings) forecast to result from the proposed merger based on the discounted cash flow analysis described above under "Bats Financial Analyses Discounted Cash Flow Analysis" and taking into account the increased net debt expected to result from the proposed merger and the additional shares of common stock of CBOE Holdings to be issued in the merger, BofA Merrill Lynch calculated the illustrative intrinsic value accretion to CBOE Holdings stockholders as a result of the proposed merger. This analysis indicated illustrative accretion to CBOE Holdings' estimated per share equity value ranging from 4.9% to 12.3% (with the implied value of the potential cost savings determined applying a perpetuity growth rate of 0.0% to 2.50%), or between 4.9% and 8.8% (with the value of the potential cost savings determined applying a perpetuity growth rate of 0.0%). The actual results achieved by the combined company may vary from projected results, and the variations may be material.

Other Factors

BofA Merrill Lynch also noted certain additional factors that were not considered part of BofA Merrill Lynch's material financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

historical trading prices of Bats common stock during the 52-week period ended September 22, 2016, noting that the low and high closing prices per share during such period were \$22.85 and \$28.04, respectively;

analyst share price targets for Bats common stock in recently published, publicly available research analysts' reports, noting that the mean price target was \$26.95;

historical trading performance of CBOE Holdings common stock and Bats voting common stock relative to each other and to the Standard & Poor's 500 index and the NASDAQ Composite index from September 23, 2011 to September 23, 2016, the last trading day prior to the execution of the merger agreement (except that Bats' historical trading performance was measured from April 14, 2016, the date of its initial public offering, through September 22, 2016 the last completed trading day prior to media publications regarding the potential transaction), which indicated that, during such period, the stock price of CBOE Holdings' common stock increased by approximately 164.3%, the stock price of Bats increased by approximately 39.6%,

Table of Contents

the Standard & Poor's 500 index increased by approximately 90.5%, and the NASDAQ Composite index increased by approximately 113.7%; and

premiums offered for selected mixed cash and stock consideration transactions in the United States announced since January 1, 2015 with transaction values over \$1.0 billion. For each of these transactions, BofA Merrill Lynch calculated the premium represented by the offer price over the target company's unaffected share price, meaning the closing share price one trading day prior to the earliest of (i) the announcement of the transaction, (ii) the target company's announcement of a potential transaction or that it is exploring strategic alternatives, (iii) the first reported rumor regarding the transaction, and (iv) any other public indication that a sale transaction would likely take place (which earliest date we refer to as the "*unaffected date*"). BofA Merrill Lynch then applied the premium range of 12.1% to 49.2% derived from the median of lower quartile premiums and median of top quartile premiums to the unaffected share prices for the transactions above to Bats' closing price per share on September 22, 2016, which indicated an implied per share equity value reference range for Bats (rounded to the nearest \$0.25) of \$29.75 to \$39.50.

Miscellaneous

As noted above, the discussion set forth above in the sections entitled "Bats Financial Analyses" and "CBOE Holdings Financial Analyses" is a summary of the financial analyses presented by BofA Merrill Lynch to the CBOE Holdings board in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of CBOE Holdings and Bats. The estimates of the future performance of CBOE Holdings and Bats in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, to CBOE Holdings of the consideration to be paid by CBOE Holdings in the merger and were provided to the CBOE Holdings board in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of CBOE Holdings or Bats.

The type and amount of consideration payable in the merger was determined through negotiations between CBOE Holdings and Bats, rather than by any financial advisor, and was approved by the CBOE Holdings board. The decision to enter into the merger agreement was solely that of the CBOE

Table of Contents

Holdings board. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the CBOE Holdings board in its evaluation of the merger and should not be viewed as determinative of the views of the CBOE Holdings board, management or any other party with respect to the merger or the consideration payable in the merger.

In connection with BofA Merrill Lynch's services as CBOE Holdings' financial advisor, CBOE Holdings has agreed to pay BofA Merrill Lynch an aggregate fee of up to \$12 million, of which \$2 million was payable upon delivery of its opinion, \$6 million is contingent upon consummation of the merger, and up to \$4 million may be payable at the discretion of CBOE Holdings. BofA Merrill Lynch and certain of its affiliates are participating in the financing for the merger, including acting as arranger, bookrunner and administrative agent for, and as a lender under, a senior credit facility for the merger, for which services BofA Merrill Lynch and such affiliates expect to receive an aggregate fee currently estimated to be approximately \$7 million. In addition, CBOE Holdings also has agreed to reimburse BofA Merrill Lynch for its expenses, including fees and expenses of BofA Merrill Lynch's legal counsel, incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch and related persons against liabilities, including liabilities under the federal securities laws, arising out of BofA Merrill Lynch's engagement.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in the equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of CBOE Holdings, Bats and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to CBOE Holdings and certain of its affiliates, and have received or in the future may receive compensation for the rendering of these services, including (i) having provided or providing certain derivatives and other trading services to CBOE Holdings and/or certain of its affiliates, (ii) having acted or acting as an agent for a share repurchase program of CBOE Holdings and (iii) having provided or providing certain treasury management products and services to CBOE Holdings and/or certain of its affiliates. In addition, BofA Merrill Lynch and/or certain of its affiliates have maintained, currently are maintaining, and in the future may maintain, significant commercial (including vendor and/or customer) relationships with CBOE Holdings and/or certain of its affiliates. A managing director of BofA Merrill Lynch who is assisting the deal team acting as financial advisor to CBOE Holdings in connection with the merger also is a member of CBOE Holdings' advisory committee and a former member of the CBOE Holdings board. From September 1, 2014 through August 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from CBOE Holdings and its affiliates of approximately \$1 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Bats and certain of its affiliates, and have received or in the future may receive compensation for the rendering of these services, including (i) having acted as financial advisor to Direct Edge, a current affiliate of Bats, in connection with Bats' acquisition of Direct Edge, (ii) having acted or acting as a bookrunner and underwriter for an equity offering of Bats, (iii) having acted or acting as an administrative agent, bookrunner and arranger for, and/or as a lender under, certain credit facilities and other credit arrangements of Bats and/or certain of its affiliates and (iv) having provided

Table of Contents

or providing certain derivatives, foreign exchange and other trading services to Bats and/or certain of its affiliates. In addition, BofA Merrill Lynch and/or certain of its affiliates have maintained, currently are maintaining, and in the future may maintain, significant commercial (including vendor and/or customer) relationships with Bats and/or certain of its affiliates. A managing director of BofA Merrill Lynch who is assisting the deal team acting as financial advisor to CBOE Holdings in connection with the merger also is a member of an advisory board of Bats, and another employee of BofA Merrill Lynch is a board observer with respect to an affiliate of Bats. From September 1, 2014 through August 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from Bats and its affiliates of approximately \$8 million for investment and corporate banking services.

Broadhaven Opinion

Broadhaven was retained by CBOE Holdings to act as its financial advisor and provide an opinion in connection with the proposed transaction. The CBOE Holdings board selected Broadhaven to act as one of CBOE Holdings' financial advisors based on Broadhaven's qualifications, experience and reputation and its knowledge of the business and affairs of CBOE Holdings. On September 25, 2016, Broadhaven rendered its oral opinion, which was subsequently confirmed in writing by delivery of the opinion, to the CBOE Holdings board to the effect that, as of that date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Broadhaven as set forth in its opinion, the consideration to be paid and issued by CBOE Holdings pursuant to the merger agreement, taken in the aggregate, was fair to CBOE Holdings from a financial point of view.

The full text of Broadhaven's opinion to the CBOE Holdings board dated September 25, 2016, is attached as Annex C to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference in its entirety. Holders of shares of CBOE Holdings common stock should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Broadhaven in rendering the opinion. This summary is qualified in its entirety by reference to the full text of such opinion. Broadhaven's opinion was directed to the CBOE Holdings board and addressed only the fairness from a financial point of view to CBOE Holdings of the aggregate amount of the consideration to be paid and issued by CBOE Holdings pursuant to the merger agreement as of the date of the opinion and did not address any other aspect of the transaction. In addition, the opinion did not in any manner address (i) the prices at which shares of CBOE Holdings common stock would trade after the announcement or consummation of the transaction or at any other time, (ii) the underlying business decision by CBOE Holdings to proceed with or effect the transaction or the likelihood of consummation of the transaction, (iii) the relative merits of the transaction as compared to any other transaction or business strategy in which CBOE Holdings might engage or (iv) the fairness (financial or otherwise) of the amount, nature or any other aspect of the compensation to any of the officers, directors or employees of any party to the transaction, or any class of such persons, relative to the merger consideration. The opinion is addressed to the CBOE Holdings board only and does not constitute a recommendation as to how any CBOE Holdings or Bats stockholder should vote with respect to the transaction or any other matter.

In arriving at its opinion, Broadhaven, among other things:

reviewed certain business and audited and unaudited financial information, and other operating data, regarding CBOE Holdings and Bats;

reviewed the Bats financial projections and discussed with the management of Bats its assessment as to the relative likelihood of achieving the Bats financial projections;

reviewed the Bats financial projections as adjusted by the management of CBOE Holdings based on its judgment, referred to as the "*adjusted Bats financial projections*," and discussed with the

Table of Contents

management of CBOE Holdings its assessment as to the relative likelihood of achieving the adjusted Bats financial projections;

reviewed the CBOE Holdings financial projections and discussed with the management of CBOE Holdings its assessment as to the relative likelihood of achieving the CBOE Holdings financial projections;

reviewed certain estimates of the cost savings, referred to in this section of the joint proxy statement/prospectus as the "*cost synergies*," expected to be realized after Bats is acquired and is integrated with certain operations of CBOE Holdings and discussed with the management of CBOE Holdings and Bats their respective assessments as to the relative likelihood of achieving the cost synergies. Broadhaven also reviewed a copy of the report prepared by Oliver Wyman with respect to the cost synergies;

discussed the past and current business, operations, financial condition and prospects of Bats with members of senior management of Bats, and discussed the past and current business, operations, financial condition and prospects of CBOE Holdings, including after giving effect to the transaction and the strategic benefits anticipated by the management of CBOE Holdings to result from the transaction, with members of senior management of CBOE Holdings;

reviewed the recent stock price performance of CBOE Holdings common stock and Bats voting common stock and a comparison of such stock price performance with each other and with the stock price performance of certain other comparable companies, the securities of which are publicly traded;

reviewed the anticipated pro forma impact of the transaction on CBOE Holdings' earnings per share, capitalization and financial ratios;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

compared the financial performance of CBOE Holdings and Bats and the prices and trading activity of CBOE Holdings common stock and Bats voting common stock with that of certain other publicly traded companies comparable with CBOE Holdings and Bats, respectively, and their securities;

reviewed a draft of the merger agreement dated September 25, 2016 and certain related documents; and

performed such other analyses and considered such other factors as Broadhaven deemed appropriate.

In reaching its opinion, Broadhaven assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Broadhaven by CBOE Holdings and Bats, and formed a substantial basis for its opinion. Broadhaven further relied upon assurances of the management of CBOE Holdings and management of Bats that they were not aware of any facts or circumstances that would make such information inaccurate or misleading and that there had not occurred any material change in the assets, financial condition, results of operations, business or prospects of CBOE Holdings or Bats since the respective dates of the most recent financial statements and other information, financial or otherwise, relating to CBOE Holdings or Bats, respectively, made available to Broadhaven.

Broadhaven assumed, in all cases at the direction of the CBOE Holdings board and with its consent, that:

the final executed merger agreement would not differ in any respect material to its analysis or its opinion from the draft merger agreement it reviewed;

Table of Contents

the Bats financial projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Bats of the future financial performance of Bats on a standalone basis, and the adjusted Bats financial projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CBOE Holdings of the future financial performance of Bats on a standalone basis;

the CBOE Holdings financial projections and the cost synergies have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of CBOE Holdings of the future financial performance of CBOE Holdings, on a standalone basis and following the acquisition of Bats, respectively;

the transaction would be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions in any manner that would be material to its opinion;

the revenues and earnings projected in the CBOE Holdings financial projections (and, following the acquisition by CBOE Holdings, the revenues and earnings projected in the adjusted Bats financial projections) and the cost synergies will be realized in the amounts and at the times projected in all respects material to Broadhaven's analysis;

the transaction will not result in the assumption or other acquisition of any tax, regulatory or other liabilities (including liabilities of Bats and its subsidiaries) beyond those provided for in the merger agreement, the realization of which liabilities provided for in the merger agreement the CBOE Holdings board has advised Broadhaven to assume would not have a material impact on the value of Bats, and the rate of taxation applied to certain earnings of Bats included in the Bats financial projections will be experienced as projected following consummation of the transaction;

in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the transaction, no delays, limitations, conditions (including any required divestitures) or restrictions would be imposed that would have a material adverse effect on the contemplated benefits (including the cost synergies) expected to be derived in the transaction;

the terms of the financing for the transaction would not differ in any respect material to Broadhaven's analysis from the projected terms of such financing provided to Broadhaven;

the representations and warranties contained in the merger agreement were accurate and complete in all respects material to Broadhaven's analysis; and

the transaction would qualify for federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Code.

Broadhaven is not a legal, tax or regulatory advisor. Broadhaven is a financial advisor only and relied upon, without independent verification, the assessments of CBOE Holdings and its legal, tax and regulatory advisors with respect to legal, tax and regulatory matters.

Broadhaven did not make any independent valuation or appraisal of CBOE Holdings or Bats or their respective assets or liabilities, nor did it rely upon any such valuations or appraisals furnished to it. In arriving at its opinion, Broadhaven did not conduct a physical inspection of CBOE Holdings, Bats or their respective assets. Broadhaven based its opinion on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion (which included the assumption with the CBOE Holdings board's consent that the last day of the applicable period contemplated by the definition of Closing Volume-Weighted Average Price in the merger agreement was the second full trading day prior to the date of its opinion). Events occurring after the

Table of Contents

date of Broadhaven's opinion may affect its opinion and the assumptions used in preparing it, and Broadhaven did not assume any obligation to update, revise or reaffirm its opinion. Without limiting the generality of the foregoing, Broadhaven's opinion does not in any manner address the prices at which the CBOE Holdings common stock will trade after the announcement or consummation of the transaction or at any other time.

Broadhaven's opinion did not constitute a recommendation as to how any CBOE Holdings or Bats stockholder should vote with respect to the transaction or any other matter. Broadhaven was not requested to opine as to, and its opinion did not in any manner address, the underlying business decision by CBOE Holdings to proceed with or effect the transaction or the likelihood of consummation of the transaction. Broadhaven's opinion did not address the relative merits of the transaction as compared to any other transaction or business strategy in which CBOE Holdings might engage. Broadhaven's opinion did not address the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the transaction, or any such class of persons, relative to the merger consideration.

The following is a summary of the material financial analyses performed by Broadhaven in connection with the preparation of its opinion to the CBOE Holdings board. **The financial analyses summarized below include information presented in tabular format. In order to understand fully the financial analyses used by Broadhaven, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole. Assessing any portion of such analyses and of the factors reviewed, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Broadhaven's opinion.**

Historical Stock Price and Trading Analysis. Broadhaven reviewed the historical trading ranges of CBOE Holdings common stock since January 1, 2015 and Bats common stock since Bats' initial public offering on April 15, 2016. Broadhaven noted that, as of September 22, 2016 (the last completed trading day prior to media publications regarding the potential transaction), the closing prices of CBOE Holdings common stock and Bats common stock were \$69.41 and \$26.53 per share, respectively.

	CBOE Holdings Stock Price	Bats Stock Price
5 Day Average:	\$ 69.42	\$ 26.18
30 Day Average:	\$ 68.54	\$ 24.83
60 Day Average:	\$ 68.26	\$ 25.24
90 Day Average:	\$ 66.73	\$ 25.69
52 Week High:	\$ 72.53	\$ 29.01
52 Week Low:	\$ 58.43	\$ 22.40

Analyst Estimates and Stock Price Targets. Broadhaven also reviewed the stock price targets for CBOE Holdings common stock and Bats common stock prepared and published by certain equity research analysts whose reports were available to it as of September 23, 2016. These targets reflected each analyst's estimate of the future public market trading price of CBOE Holdings common stock and Bats common stock. While the public market trading price targets published by securities research analysts do not necessarily reflect current market trading prices for CBOE Holdings common stock and Bats common stock, and these estimates are subject to uncertainties (including the future financial

Table of Contents

performance of CBOE Holdings and Bats and future financial market conditions), the results of this analysis can be summarized as follows:

Company	Median	Mean	High	Low	Analysts' Consensus
CBOE Holdings	65.50	65.60	78.00	52.00	65.00
Bats	26.53	26.86	30.50	23.00	26.70

Implied Transaction Multiples and Premiums. Based on the adjusted Bats financial projections and a per share purchase price of \$32.50 for Bats common stock, Broadhaven calculated the following purchase price premiums and implied transaction multiples:

	CBOE Holdings Purchase Price
Premium to 9/23/16 Price of \$31.80	2.2%
Premium to Unaffected Price (9/22/16) ⁽¹⁾	22.5%
Premium to 5-Day Average (%) ⁽²⁾	24.2%
Premium to 30-Day Average (%) ⁽²⁾	30.9%
Premium to 52-Week High (%) ⁽²⁾	12.0%
Premium to Initial Public Offering Price (%) ⁽²⁾	71.1%
Enterprise Value / Adjusted EBITDA:⁽³⁾	
LTM 6/30/16	13.6x
2016E	13.7x
2017E	12.6x
2018E	11.5x
Price / Adjusted EPS:⁽⁴⁾	
LTM 6/30/16	24.3x
2016E	24.1x
2017E	19.6x
2018E	17.4x

(1) Last completed trading day prior to media publications regarding the potential transaction.

(2) Based on 5-day average price of \$26.18, 30-day average price of \$24.83, 52-week high of \$29.01 and Bats initial public offering price of \$19.00. Averages calculated through September 22, 2016.

(3) EBITDA adjusted for the Bats initial public offering, acquisition and other one-time costs.

(4) EPS adjusted for the initial public offering in April 2016 (the "*IPO*"), acquisition, other one-time costs and amortization.

Comparable Public Companies Analysis. Broadhaven further reviewed and compared, using publicly available information, certain historic and projected future financial information for CBOE Holdings and Bats corresponding to certain historic and projected future financial information, ratios and market multiples of each of CBOE Holdings and Bats and certain other publicly traded corporations. For purposes of this analysis and comparison, Broadhaven, based on its professional judgment and experience, identified publicly traded companies that it viewed as reasonably comparable or relevant in certain respects for purposes of this analysis, within each of the following two

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Table of Contents

categories: (a) companies that operate major cash focused equities exchanges and (b) companies that operate other global exchanges:

Type of Company/Exchange

Company Names

Major Cash Focused Equities Exchanges

Deutsche Börse

London Stock Exchange Group

Nasdaq

Euronext

Other Global Exchanges

TMX Group

CME Group

Intercontinental Exchange

Hong Kong Exchanges & Clearing

BM&F Bovespa

Japan Exchange Group

ASX

Singapore Exchange

Dubai Financial Market

Bolsas & Mercados Espanoles

Bursa Malaysia

No company utilized in the comparable company analysis is directly comparable to CBOE Holdings or Bats. In evaluating the selected companies, Broadhaven made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CBOE Holdings and Bats, such as the impact of competition on the businesses of CBOE Holdings and Bats and on the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of CBOE Holdings, Bats or the industry or in the financial markets in general, which could affect the public trading value of the companies selected for comparison. Additionally, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using selected company data.

When conducting its comparable company trading analysis for these purposes, Broadhaven analyzed the data for the above companies based on publicly reported information as compared to historic and projected data for CBOE Holdings and Bats.

Specifically, based on publicly available information, Broadhaven reviewed for comparative purposes the ratio of the aggregate value, defined as market capitalization plus total debt, preferred stock and minority interest less cash and financial investments, to June 30, 2016 trailing 12-months

Table of Contents

EBITDA, calendar year 2016 estimated EBITDA and calendar year 2017 estimated EBITDA as set forth in the chart below:

	Aggregate Value / EBITDA		
	Q2-16 LTM (x)	CY 2016E (x)	CY 2017E (x)
Major Cash Focused Equities Exchanges			
Mean	12.2	11.9	10.8
Median	11.6	11.0	10.4
Other Global Exchanges			
Mean	16.6	16.9	15.2
Median	14.5	14.9	13.7
All Global Exchanges Mean	15.1	15.2	13.7
All Global Exchanges Median	14.4	14.4	13.2

Broadhaven noted that the per share purchase price of \$32.50 for Bats common stock implied a ratio of enterprise value to adjusted EBITDA multiple for the June 30, 2016 trailing 12 months of 13.6x, a ratio of enterprise value to adjusted EBITDA multiple for calendar year 2016 of 13.7x and a ratio of enterprise value to adjusted EBITDA multiple for calendar year 2017 of 12.6x.

Based on publicly available information, the overall mean and median ratio of price to earnings multiples observed for the selected companies for the June 30, 2016 trailing 12 months, calendar year 2016 estimates and calendar year 2017 estimates were as set forth below:

	Price / Earnings		
	Q2-16 LTM (x)	CY 2016E (x)	CY 2017E (x)
Major Cash Focused Equities Exchanges			
Mean	18.3	17.8	15.8
Median	16.7	16.6	15.0
Other Global Exchanges			
Mean	25.3	24.3	22.1
Median	22.5	22.1	21.0
All Global Exchanges Mean	22.9	22.1	20.0
All Global Exchanges Median	20.4	20.8	20.4

Broadhaven noted that the per share purchase price of \$32.50 for Bats common stock implied a ratio of price to earnings multiple for the June 30, 2016 trailing 12 months of 24.3x, a ratio of price to earnings multiple for calendar year 2016 of 24.1x and a ratio of price to earnings multiple for calendar year 2017 of 19.6x.

Table of Contents

Selected Precedent Transactions Analysis. Broadhaven also reviewed the purchase prices paid in the following 16 publicly announced selected exchange transactions based on publicly available information:

Transaction Announcement Date	Acquirer	Target
03/09/16	Nasdaq	International Securities Exchange
2/23/16	Deutsche Börse	London Stock Exchange Group
12/20/12	Intercontinental Exchange	NYSE Euronext
11/22/11	Tokyo Stock Exchange Group	Osaka Securities Exchange
10/30/11	Maple Group Acquisition Corp.	TMX Group
02/18/11	BATS Global Markets	Chi-X Europe
03/17/08	Chicago Mercantile Exchange	NYMEX
12/10/07	TSX Group	Montréal Exchange
11/07/07	Nasdaq Stock Market	Philadelphia Stock Exchange
09/26/07	Nasdaq Stock Market	OMX AB
07/06/07	Chicago Mercantile Exchange	CBOT Holdings
06/23/07	London Stock Exchange	Borsa Italiana
04/30/07	Deutsche Börse	International Securities Exchange
09/14/06	Intercontinental Exchange	The New York Board of Trade
05/22/06	NYSE Group	Euronext
03/27/06	Australian Stock Exchange	SFE Corporation

No company or transaction utilized in the precedent transaction analysis is identical to CBOE Holdings or Bats or directly comparable to the proposed transaction involving CBOE Holdings and Bats. In evaluating the selected precedent transactions, Broadhaven made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CBOE Holdings and Bats, such as the impact of competition on the business of CBOE Holdings and/or Bats or the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of CBOE Holdings and/or Bats or the industry or in the financial markets in general, which could affect the public trading value of the companies and the value of the transactions selected for comparison. Additionally, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using selected transaction data.

Broadhaven reviewed for comparative purposes the ratio of the aggregate value, defined as market capitalization plus total debt, preferred stock and minority interest less cash and financial investments, to EBITDA for the trailing 12 months and for the next 12 months as set forth in the chart below:

	Aggregate Value / EBITDA	
	LTM (x)	NTM (x)
Selected Exchange Transactions:		
Mean	19.5	16.2
Median	20.5	15.9
High	31.8	27.4
Low	9.1	7.5

Broadhaven noted that the per share purchase price of \$32.50 for Bats common stock implied a trailing 12-month EBITDA multiple of 13.6x and a next 12-month EBITDA multiple of 12.9x.

Table of Contents

Broadhaven reviewed for comparative purposes the ratio of price to earnings of these same companies for the trailing twelve months and for the next 12 months as set forth in the chart below:

	Price / Earnings	
	LTM (x)	NTM (x)
Selected Exchange Transactions:		
Mean	34.4	26.2
Median	28.4	25.6
High	70.8	40.4
Low	16.9	13.0

Broadhaven noted that the per share purchase price of \$32.50 for Bats common stock implied a trailing 12-month earnings multiple of 24.3x and a next 12-month earnings multiple of 20.7x.

Premiums Paid in Selected Precedent Transactions. Broadhaven further reviewed the premiums paid (or proposed to be paid) to the target companies' unaffected stock prices for selected precedent transactions listed below. For purposes of this section, Broadhaven reviewed the selected precedent transactions listed below and, based on publicly available information, observed the following 1-day premiums paid in such transactions, 5-day average premiums and 30-day average premiums as follows:

Announcement Date	Acquirer	Target
2/23/16	Deutsche Börse	London Stock Exchange Group
12/20/12	Intercontinental Exchange	NYSE Euronext
11/22/11	Tokyo Stock Exchange Group	Osaka Securities Exchange
10/30/11	Maple Group Acquisition Corp.	TMX Group
03/17/08	Chicago Mercantile Exchange	NYMEX
12/10/07	TSX Group	Montréal Exchange
09/26/07	Nasdaq Stock Market	OMX AB
07/06/07	Chicago Mercantile Exchange	CBOT Holdings
04/30/07	Deutsche Börse	International Securities Exchange
05/22/06	NYSE Group	Euronext
03/27/06	Australian Stock Exchange	SFE Corporation

	Premium to Market (Days Before Announcement)		
	1-Day	5-Day Avg.	30-Day Avg.
Mean	29%	31%	33%
Median	19%	20%	31%

Broadhaven calculated that the purchase price of \$32.50 for each share of Bats common stock represented a premium of 23% to Bats' closing stock price on September 22, 2016 (the last completed trading day prior to media publications regarding the potential transaction), a 24% premium to Bats' 5-day average price, a 31% premium to Bats' 30-day average price and a 33% premium to the volume weighted average price of Bats common stock since its initial public offering through September 22, 2016, the last completed trading day prior to media publications regarding the potential transaction.

Discounted Cash Flow Analysis. Broadhaven performed a discounted cash flow analysis of each of CBOE Holdings and Bats, which is designed to illustrate an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of the company using a relevant discount rate. Broadhaven calculated a range of implied equity values per share for CBOE Holdings

Table of Contents

common stock and Bats common stock based on estimates of future cash flows for a portion of calendar year 2016 through 2019. For purposes of these analyses, Broadhaven defined free cash flow as tax-affected earnings before interest and taxes plus depreciation and amortization less change in net working capital and capital expenditures.

Bats Discounted Cash Flow Analysis. In performing a discounted cash flow analysis of Bats, Broadhaven first calculated Bats' estimated unlevered free cash flows, based on tax-affected earnings before interest and taxes plus depreciation and amortization less change in net working capital and capital expenditures, and then calculated a terminal value for Bats by applying to Bats' terminal year estimated EBITDA a selected range of EBITDA terminal value multiples of 11.0x to 14.0x. These values were then discounted to present value as of September 30, 2016 utilizing a range of discount rates of 8.0% to 11.0%. Broadhaven determined these discount rates in the exercise of its professional judgment. This analysis utilized adjusted Bats financial projections and indicated approximate implied equity value per share reference ranges for Bats common stock as follows:

without including the cost synergies, from

\$26.83 to \$37.98

including the cost synergies, from:

\$31.48 to 44.50.

CBOE Holdings Discounted Cash Flow Analysis. In performing a discounted cash flow analysis of CBOE Holdings, Broadhaven first calculated CBOE Holdings' estimated unlevered free cash flows, based on tax-affected earnings before interest and taxes plus depreciation and amortization less change in net working capital and capital expenditures, and then calculated a terminal value for CBOE Holdings by applying to CBOE Holdings' terminal year estimated EBITDA a selected range of EBITDA terminal value multiples of 13.5x to 15.0x. These values were then discounted to present value as of September 30, 2016 utilizing a range of discount rates of 8.0% to 11.0%. Broadhaven determined these discount rates in the exercise of its professional judgment. This analysis utilized the CBOE Holdings financial projections and indicated approximate implied equity value per share reference ranges for CBOE Holdings common stock as follows:

\$63.51 to \$75.71

Pro Forma Accretion / Dilution Analysis. Broadhaven analyzed the pro forma impact of the merger on estimated earnings per share for CBOE Holdings for calendar years ending December 31, 2017 and 2018. The pro forma results were calculated as if the merger closed on December 31, 2016 and were based on the CBOE Holdings financial projections and the adjusted Bats financial projections. The cost synergy estimates were provided by CBOE Holdings management. The accretion / dilution on CBOE Holdings' earnings per share for the calendar year ending December 31, 2017 was 3.3% excluding synergies, 20.1% including synergies and excluding transaction intangible amortization, 6.3% including synergies, and 23.1% including synergies and excluding transaction intangible amortization. The accretion / dilution on CBOE Holdings' earnings per share for the calendar year ending December 31, 2018 was 5.5% excluding synergies, 20.9% including synergies and excluding transaction intangible amortization, 11.9% including synergies, and 27.3% including synergies and excluding transaction intangible amortization.

General

Broadhaven performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Broadhaven considered the results of all of its analyses as a whole and did not attribute any particular weight to any

Table of Contents

analysis or factor it considered. Broadhaven believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Broadhaven may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Broadhaven's view of the actual value of CBOE Holdings or Bats. In performing its analyses, Broadhaven made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters. Many of these assumptions are beyond the control of CBOE Holdings and Bats. Any estimates contained in Broadhaven's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Broadhaven conducted the analyses described above in connection with rendering its opinion to the CBOE Holdings board as to whether the merger consideration to be paid and issued by CBOE Holdings in the transaction, taken in the aggregate, was fair to CBOE Holdings from a financial point of view. These analyses do not purport to be appraisals or to reflect prices at which the CBOE Holdings common stock or Bats common stock might actually trade.

The consideration to be paid and issued by CBOE Holdings in the merger was determined through negotiations between CBOE Holdings and Bats and was approved by the CBOE Holdings board. Broadhaven acted as a financial advisor to CBOE Holdings during these negotiations. Broadhaven did not, however, recommend any specific consideration to CBOE Holdings or that any specific consideration constituted the only appropriate consideration for the transaction.

Broadhaven's opinion and its presentation to the CBOE Holdings board were one of many factors taken into consideration by the CBOE Holdings board in its evaluation of the transaction. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the CBOE Holdings board with respect to the consideration to be paid by CBOE Holdings in the merger or whether the CBOE Holdings board would have been willing to recommend a different merger consideration.

Broadhaven acted as financial advisor to CBOE Holdings in connection with the merger and has received or will receive the following fees for serving in this capacity: (a) \$2 million upon delivery of Broadhaven's opinion, which will be credited against the (b) \$8 million payable upon the closing of the transaction, with the potential for an additional (c) discretionary fee of up to \$4 million upon the closing of the transaction. In addition, if the merger agreement is terminated and CBOE Holdings receives a payment from Bats, other than expense reimbursement, in connection with such termination, then Broadhaven will be entitled to a termination fee equal to 10% of any such payment, subject to certain conditions.

In addition to the fees described above, CBOE Holdings also has agreed to reimburse Broadhaven for its reasonable and documented out-of-pocket expenses incurred in performing its services, including fees, disbursements and other charges of external legal counsel. In addition, CBOE Holdings has agreed to indemnify Broadhaven against certain liabilities and expenses related to or arising out of Broadhaven's engagement.

In the two years prior to the date of its opinion, Broadhaven has not provided services to CBOE Holdings or Bats for which compensation was received; however, Broadhaven acted as financial advisor to Bats in connection with Bats' acquisition of Direct Edge in January 2014. Broadhaven may seek to provide financial advisory and other services to CBOE Holdings or Bats in the future and would expect to receive fees for rendering those services.

Broadhaven is an internationally recognized investment banking firm whose principals and other professionals have substantial experience in similar transactions both while at Broadhaven and, before

Table of Contents

that time, while having worked at other internationally recognized investment banking firms. Broadhaven, as part of its investment banking services, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, strategic transactions, corporate restructurings, and valuations for corporate and other purposes.

Opinion of Bats' Financial Advisor

Barclays Opinion

Bats engaged Barclays to act as its financial advisor with respect to pursuing strategic alternatives for Bats, including a possible sale of Bats. On September 25, 2016, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Bats board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be offered to the stockholders of Bats in the merger is fair, from a financial point of view, to such stockholders.

The full text of Barclays' written opinion, dated as of September 25, 2016, is attached as *Annex D* to this joint proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the Bats board, addresses only the fairness, from a financial point of view, of the merger consideration to be offered to the stockholders of Bats in the merger and does not constitute a recommendation to any stockholder of Bats as to how such stockholder should vote with respect to the merger or any other matter. The terms of the merger were determined through arm's-length negotiations between Bats and CBOE Holdings and were approved by the Bats board. Barclays did not recommend any specific form of consideration to Bats or that any specific form of consideration constituted the only appropriate consideration for the merger. Barclays was not requested to address, and its opinion does not in any manner address, Bats' underlying business decision to proceed with or effect the merger. In addition, Barclays expressed no opinion on, and it does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the merger consideration to be offered to the stockholders of Bats in the merger. No limitations were imposed by the Bats board upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things:

reviewed and analyzed a draft of the merger agreement, dated as of September 25, 2016, and the specific terms of the merger;

reviewed and analyzed publicly available information concerning Bats that Barclays believed to be relevant to its analysis, including Bats' Registration Statement on Form S-1, including the preliminary prospectus contained therein dated April 14, 2016, and Bats' Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2016 and June 30, 2016;

reviewed and analyzed publicly available information concerning CBOE Holdings that Barclays believed to be relevant, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2016 and June 30, 2016;

Table of Contents

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Bats furnished to Barclays by Bats, including financial projections prepared by Bats' management (the "***Bats scenario two financial projections, as extrapolated***");

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of CBOE Holdings furnished to Barclays by Bats, including the CBOE Holdings financial projections;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of CBOE Holdings furnished to Barclays by Bats, including certain adjustments to the CBOE Holdings financial projections prepared by Bats management (the "***adjusted CBOE Holdings financial projections, as extrapolated***");

reviewed and analyzed the pro forma impact of the merger on the future financial performance of the combined company, including cost savings, operating synergies and other strategic benefits expected by the management of Bats and CBOE Holdings to result from a combination of the businesses (the "***estimated synergies***");

reviewed and analyzed a trading history of Bats common stock from April 15, 2016 through September 23, 2016 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a trading history of CBOE Holdings common stock from June 15, 2010 through September 23, 2016 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the historical financial results and present financial condition of Bats and CBOE Holdings with each other and with those of other companies that Barclays deemed relevant;

reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance and price targets of Bats and CBOE Holdings;

reviewed and analyzed a comparison of the financial terms of the merger with the financial terms of certain other transactions that Barclays deemed relevant;

had discussions with the managements of Bats and CBOE Holdings concerning CBOE Holdings' business, operations, assets, liabilities, financial condition and prospects;

had discussions with the management of Bats concerning Bats' business, operations, assets, liabilities, financial condition and prospects; and

undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information. Barclays also relied upon the assurances of management of Bats that management of Bats was not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the Bats scenario two financial projections, as extrapolated, upon the advice of Bats, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Bats as to Bats' future financial performance and that Bats would perform in accordance with such projections. With respect to the CBOE Holdings financial projections, upon the advice of Bats, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates

Edgar Filing: CBOE Holdings, Inc. - Form S-4

and judgments of the management of CBOE Holdings as to CBOE Holdings' future financial performance. With respect to the adjusted CBOE Holdings financial projections, as extrapolated, upon the advice of Bats, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently

Table of Contents

available estimates and judgments of the management of Bats as to CBOE Holdings' future financial performance and, based upon the assessments of the management of Bats as to the relative likelihood of CBOE Holdings achieving the future financial results reflected in the CBOE Holdings financial projections and the adjusted CBOE Holdings financial projections, as extrapolated, Barclays relied, at the direction of Bats, on the adjusted CBOE Holdings financial projections, as extrapolated, for purposes of its analysis and opinion. Furthermore, upon the advice of Bats, Barclays assumed that the amounts and timing of the estimated synergies were reasonable and that the estimated synergies would be realized in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or the assumptions on which they were based. Barclays also assumed, upon the advice of Bats, that the merger would qualify for U.S. federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Code. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Bats or CBOE Holdings and did not make or obtain any evaluations or appraisals of the assets or liabilities of Bats or CBOE Holdings. In addition, Barclays did not solicit any indications of interest from any third party with respect to the purchase of all or a part of Bats' business. Barclays' opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, September 25, 2016. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after September 25, 2016. Barclays expressed no opinion as to the prices at which shares of Bats common stock or CBOE Holdings common stock would trade following the announcement or consummation of the merger. Barclays opinion should not be viewed as providing any assurance that the market value of the shares of CBOE Holdings common stock to be held by the stockholders of Bats after the consummation of the merger will be in excess of the market value of the shares of Bats common stock owned by such stockholders at any time prior to the announcement or consummation of the merger.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Bats common stock but rather made its determination as to the fairness, from a financial point of view, to Bats' stockholders of the merger consideration to be offered to such stockholders in the merger on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the Bats board. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Bats or any other parties to the merger. None of Bats, CBOE Holdings, Merger Sub, Merger LLC, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not

Table of Contents

necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

Selected Comparable Company Analysis Bats

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Bats with selected companies that Barclays, based on its experience in the publicly-traded exchange and financial marketplace industry, deemed comparable to Bats. The selected comparable companies were:

Primary Comparable Companies

Intercontinental Exchange Inc.

Nasdaq, Inc.

Secondary Comparable Companies

London Stock Exchange Group plc

Deutsche Börse AG

Barclays calculated and compared various financial multiples and ratios of Bats and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company's ratio of its current stock price to its projected earnings per share for calendar years 2016 and 2017, respectively (commonly referred to as a price earnings ratio, or P/E ratio). All of these calculations were performed, and based on publicly available financial data (including FactSet) and closing prices, as of September 22, 2016, the last full trading day prior to media publications regarding the potential transaction. The results of this selected comparable company analysis are summarized below:

Selected Comparable Companies (Bats)	2016E P/E Ratio	2017E P/E Ratio
Low	16.8x	15.1x
High	23.9x	20.3x
Bats (Consensus Estimates)	19.4x	17.5x
Bats scenario two financial projections, as extrapolated	19.3x	15.4x

Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of Bats. However, because of the inherent differences between the business, operations and prospects of Bats and those of the selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Bats and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Bats and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 16.0x to 21.0x multiples of 2016 estimated adjusted earnings per share, and 15.0x to 18.0x multiples of 2017 estimated adjusted earnings per share for Bats, respectively, and applied such range to the Bats scenario two financial projections, as extrapolated, for 2016 and 2017 estimated adjusted earnings per share, respectively, on a standalone basis and including a 25% control premium to calculate an illustrative range of implied prices per share

Table of Contents

of Bats. Barclays selected a control premium of 25% after taking into consideration premiums paid in selected precedent transactions. The following summarizes the result of these calculations:

Bats scenario two financial projections, as extrapolated	Metric	P/E Multiple Range	Illustrative Price per Share	Illustrative Price per Share w/ 25% Control Premium
2016E Adjusted EPS	\$ 1.37	16.0x - 21.0x	\$21.97 - \$28.84	\$27.47 - \$36.05
2017E Adjusted EPS	\$ 1.72	15.0x - 18.0x	\$25.80 - \$30.96	\$32.25 - \$38.70

Barclays noted that on the basis of the selected comparable company analysis, the implied merger consideration of \$32.50 per share was above the illustrative range of implied values per share calculated for 2016E and 2017E Adjusted EPS, respectively, on a standalone basis, and within the illustrative range of implied values per share calculated using the 25% control premium.

Selected Comparable Company Analysis CBOE Holdings

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to CBOE Holdings with selected companies that Barclays, based on its experience in the publicly-traded exchange and financial marketplace industry, deemed comparable to CBOE Holdings. The selected comparable companies were:

Primary Comparable Companies

CME Group Inc.

Secondary Comparable Companies

MarketAxess Holdings Inc.

Intercontinental Exchange Inc.

Nasdaq, Inc.

London Stock Exchange Group plc

Deutsche Börse AG

Barclays calculated and compared various financial multiples and ratios of CBOE Holdings and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company's ratio of its current stock price to its projected earnings per share for calendar years 2016 and 2017, respectively (commonly referred to as a price earnings ratio, or P/E ratio). All of these calculations were performed, and based on publicly available financial data (including FactSet) and closing prices, as of September 22, 2016, the last full trading day prior to media publications regarding the potential transaction. The results of this selected comparable company analysis are summarized below:

Selected Comparable Companies (CBOE Holdings)	2016E P/E Ratio	2017E P/E Ratio
Low	16.8x	15.1x
Median	22.1x	19.2x
High	53.7x	44.3x

Edgar Filing: CBOE Holdings, Inc. - Form S-4

CBOE Holdings (Consensus Estimates)

29.0x

26.3x

146

Table of Contents

Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of CBOE Holdings. However, because of the inherent differences between the business, operations and prospects of CBOE Holdings and those of the selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of CBOE Holdings and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between CBOE Holdings and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 23.0x to 27.0x multiples of 2016 estimated earnings per share, and 21.0x to 25.0x multiples of 2017 estimated earnings per share for CBOE Holdings, respectively, and applied such range to the adjusted CBOE Holdings financial projections, as extrapolated, for 2016 and 2017 estimated earnings per share, respectively, on a standalone basis to calculate an illustrative range of implied prices per share of CBOE Holdings. The following summarizes the result of these calculations:

Adjusted CBOE Holdings financial projections, as extrapolated	Metric	P/E Multiple Range	Illustrative Price per Share
2016E EPS	\$ 2.45	23.0x - 27.0x	\$56.35 - \$66.15
2017E EPS	\$ 2.65	21.0x - 25.0x	\$55.65 - \$66.25

Selected Precedent Transaction Analysis

Barclays reviewed and compared the purchase prices and financial multiples paid in selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the timing and the similarity of the applicable target companies in the transactions to Bats with respect to the asset class mix, size, margins and other characteristics of their businesses.

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse, and there are inherent differences in the business, operations, financial conditions and prospects of Bats and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the merger. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the merger which would affect the acquisition values of the selected target companies and Bats. Based upon these judgments, Barclays selected a range of 18.0x to 25.0x multiples of next twelve months' adjusted earnings per share and applied such range to the Bats scenario two financial projections, as extrapolated, to calculate an illustrative range of implied prices per share of

Table of Contents

Bats of \$27.84 to \$38.67. The following table sets forth the transactions analyzed based on such characteristics and the results of such analysis:

Date	Acquiror	Target
12/20/12	Intercontinental Exchange	NYSE Euronext
07/09/12	Thomson Reuters	FX Alliance
04/01/11	Nasdaq OMX-ICE	NYSE Euronext
10/25/10	Singapore Exchange Ltd.	ASX Ltd.
04/30/10	Intercontinental Exchange	Climate Exchange
03/17/08	CME Group Inc.	NYMEX Holdings, Inc.
12/10/07	TSX Group Inc.	Montreal Exchange Inc.
08/17/07	Borse Dubai	OMX
05/25/07	Nasdaq Stock Market Inc.	OMX AB
04/30/07	Eurex	International Securities Exchange
10/17/06	CME	CBOT
03/27/06	Australian Stock Exchange	Sydney Futures Exchange
04/20/05	NYSE	Archipelago

Selected Precedent Transactions	Price / NTM Earnings
	Multiple
Low	14.8x
Mean	30.3x
Median	24.4x
High	62.8x

Bats scenario two financial projections, as extrapolated	Metric	Price / NTM Earnings	Illustrative
		Multiple Range	Price per Share
NTM Adjusted Earnings	\$ 1.55	18.0x - 25.0x	\$27.84 - \$38.67

Barclays noted that on the basis of the selected precedent transaction analysis, the implied merger consideration of \$32.50 per share was within the illustrative range of implied values per share calculated using the Bats scenario two financial projections, as extrapolated.

Discounted Cash Flow Analysis Bats

In order to estimate the present value of Bats common stock, Barclays performed a discounted cash flow analysis of Bats as a standalone company excluding the estimated synergies in the merger. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows of the asset. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated enterprise value of Bats as a standalone company using the discounted cash flow method, Barclays added (i) Bats' projected after-tax unlevered free cash flows for fiscal years 2017 through 2021 based on the Bats scenario two financial projections, as extrapolated, to (ii) the "terminal value" of Bats as of December 31, 2021, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense, depreciation and amortization (excluding amortization of purchased intangibles) and subtracting capital expenditures and adjusting for changes in working capital and adjustments for one-time cash tax payments and a one-time contingent consideration payment related to a prior transaction. The residual value of Bats at the end of the forecast period, or "terminal value," was estimated by selecting a range of terminal value multiples of

Table of Contents

10.0x to 12.0x EBITDA, which was derived by analyzing the results from the selected comparable company analysis and the current trading multiple of Bats, and applying such range to the Bats scenario two financial projections, as extrapolated, for estimated EBITDA in calendar year 2021. The range of after-tax discount rates of 8.0% to 9.0% was selected based on an analysis of the weighted average cost of capital of Bats and the comparable companies. Barclays then calculated an illustrative range of implied prices per share of Bats by subtracting estimated net debt (per Bats management) as of December 31, 2016 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Bats common stock. The following summarizes the result of these calculations:

Discounted Cash Flow Analysis (Bats Standalone)	Illustrative Discount Rate Range	Illustrative Terminal EBITDA Multiple Range	Illustrative Range of Implied Prices Per Share
Bats scenario two financial projections, as extrapolated	8.0% - 9.0%	10.0x - 12.0x	\$29.63 - \$36.82

Barclays noted that on the basis of the discounted cash flow analysis, the implied merger consideration of \$32.50 per share was within the illustrative range of implied values per share calculated using the Bats scenario two financial projections, as extrapolated.

Discounted Cash Flow Analysis CBOE Holdings

In order to estimate the present value of CBOE Holdings common stock, Barclays performed a discounted cash flow analysis of CBOE Holdings as a standalone company excluding the estimated synergies in the merger. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows of the asset. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated enterprise value of CBOE Holdings as a standalone company using the discounted cash flow method, Barclays added (i) CBOE Holdings' projected after-tax unlevered free cash flows for fiscal years 2017 through 2021 based on the adjusted CBOE Holdings financial projections, as extrapolated, to (ii) the "terminal value" of CBOE Holdings as of December 31, 2021, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense, depreciation and amortization and subtracting capital expenditures and adjusting for changes in working capital. The residual value of CBOE Holdings at the end of the forecast period, or "terminal value," was estimated by selecting a range of terminal value multiples of 13.0x to 15.0x EBITDA, which was derived by analyzing the results from the selected comparable company analysis and the current trading multiple of CBOE Holdings, and applying such range to the adjusted CBOE Holdings financial projections, as extrapolated, for estimated EBITDA in calendar year 2021. The range of after-tax discount rates of 8.0% to 9.5% was selected based on an analysis of the weighted average cost of capital of CBOE Holdings and the comparable companies. Barclays then calculated an illustrative range of implied prices per share of CBOE Holdings by subtracting estimated net debt (per Bats management) as of December 31, 2016 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of CBOE Holdings common stock. The following summarizes the result of these calculations:

Discounted Cash Flow Analysis (CBOE Holdings Standalone)	Illustrative Discount Rate Range	Illustrative Terminal EBITDA Multiple Range	Illustrative Range of Implied Prices Per Share
Adjusted CBOE Holdings financial projections, as extrapolated	8.0% - 9.5%	13.0x - 15.0x	\$66.66 - \$79.85

Table of Contents*Other Factors*Historical Share Price Analysis

To illustrate the trend in the historical trading prices of Bats common stock, Barclays considered historical data with regard to the trading prices of Bats common stock for the period from April 15, 2016 to September 22, 2016. Barclays noted that during the period from April 15, 2016 to September 22, 2016 (the last full trading day prior to media publications regarding the potential transaction), the closing price of Bats common stock ranged from \$22.40 to \$29.01 per share.

Transaction Premium Analysis

In order to assess the premium offered to the stockholders of Bats in the merger relative to the premiums offered to stockholders in other transactions, Barclays reviewed the premium paid in all cash transactions of 202 companies valued between \$1.0 billion and \$5.0 billion from January 1, 2011 to September 22, 2016, and the premium paid in stock and cash/stock mix transactions of 92 companies valued between \$1.0 billion and \$5.0 billion from January 1, 2011 to September 22, 2016. For each transaction, Barclays calculated the premium per share paid by the acquirer by comparing the announced transaction value per share to the target company's historical share price during the following periods: (i) one trading day prior to announcement, (ii) one week prior to announcement and (iii) four weeks prior to announcement. The results of this transaction premium analysis are summarized below:

Selected Transactions	Median Transaction Premium (1-day)	Median Transaction Premium (1-week)	Median Transaction Premium (4-week)
Stock and cash/stock consideration	18.7%	20.2%	22.9%
All cash consideration	24.3%	27.7%	31.0%

The reasons for and the circumstances surrounding each of the transactions analyzed in the transaction premium analysis were diverse, and there are inherent differences in the business, operations, financial conditions and prospects of Bats and the companies included in the transaction premium analysis. Accordingly, Barclays believed that a purely quantitative transaction premium analysis would not be particularly meaningful in the context of considering the merger. Barclays therefore made qualitative judgments concerning the differences between the characteristics of the selected transactions and the merger which would affect the acquisition values of the target companies and Bats. Based upon these judgments, Barclays selected a range of 20% to 25% to the closing price of Bats common stock on September 22, 2016 to calculate an illustrative range of implied prices per share of Bats. The following summarizes the result of these calculations:

Bats common stock share price	Price Per Share	Implied Premium of 20%	Implied Premium of 25%
As of Sept. 22, 2016	\$ 26.53	\$ 31.84	\$ 33.16
1-week prior	\$ 24.86	\$ 29.83	\$ 31.08
4-weeks prior	\$ 23.77	\$ 28.52	\$ 29.71

Barclays noted that on the basis of the transaction premium analysis, the implied merger consideration of \$32.50 per share was within the illustrative range of implied values per share of \$28.52 to \$33.16 calculated using the historical closing prices of Bats common stock and the implied premiums of 20% and 25%, respectively.

Illustrative Discounted Cash Flow Analysis Bats scenario one financial projections, as extrapolated

For reference purposes only, Barclays performed a discounted cash flow analysis of Bats as a standalone company excluding the estimated synergies in the merger, based on the Bats scenario one

Table of Contents

financial projections, as extrapolated. This analysis was presented to the Bats board for informational purposes, but was not used by Barclays in connection with its final financial analysis of Bats or the preparation of Barclays' opinion. To calculate the estimated enterprise value of Bats as a standalone company using the discounted cash flow method, Barclays added (i) Bats' projected after-tax unlevered free cash flows for fiscal years 2017 through 2021 based on the Bats scenario one financial projections, as extrapolated, to (ii) the "terminal value" of Bats as of December 31, 2021, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense, depreciation and amortization (excluding amortization of purchased intangibles) and subtracting capital expenditures and adjusting for changes in working capital and adjustments for one-time cash tax payments and a one-time contingent consideration payment related to a prior transaction. The residual value of Bats at the end of the forecast period, or "terminal value," was estimated by selecting a range of terminal value multiples of 10.0x to 12.0x EBITDA, which was derived by analyzing the results from the selected comparable company analysis and the current trading multiple of Bats, and applying such range to the Bats scenario one financial projections, as extrapolated, for estimated EBITDA in calendar year 2021. The range of after-tax discount rates of 8.0% to 9.0% was selected based on an analysis of the weighted average cost of capital of Bats and the comparable companies. Barclays then calculated an illustrative range of implied prices per share of Bats by subtracting estimated net debt (per Bats' management) as of December 31, 2016 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Bats common stock. The following summarizes the result of these calculations:

Discounted Cash Flow Analysis (Bats Standalone)	Illustrative Discount Rate Range	Illustrative Terminal EBITDA Multiple Range	Illustrative Range of Implied Prices Per Share
Bats scenario one financial projections, as extrapolated	8.0% - 9.0%	10.0x - 12.0x	\$31.58 - \$39.20

Barclays noted that on the basis of the illustrative discounted cash flow analysis, the implied merger consideration of \$32.50 per share was within the illustrative range of implied values per share calculated using the Bats scenario one financial projections, as extrapolated.

Accretion / Dilution Analysis

Barclays reviewed and analyzed the pro forma impact of the merger on CBOE Holdings' projected adjusted EPS for each of calendar years 2017, 2018 and 2019 using (i) the Bats scenario two financial projections, as extrapolated, (ii) the adjusted CBOE Holdings financial projections, as extrapolated, and (iii) the estimated synergies (assuming the year three estimated GAAP synergies of \$50.0 million would be realized beginning in calendar year 2017). With respect to the pro forma adjusted EPS of CBOE Holdings (excluding the amortization of acquisition related intangibles), Barclays noted that pro forma adjusted EPS would be accretive to CBOE Holdings' standalone adjusted EPS for each of calendar years 2017, 2018 and 2019, respectively. An alternative analysis was also performed assuming that the actual GAAP synergies would be \$15.0 million in 2017, \$35.0 million in 2018 and \$50.0 million in 2019, per Bats and CBOE Holdings management. Barclays noted that in this alternative analysis the pro forma adjusted EPS would be accretive to CBOE Holdings' standalone adjusted EPS for each of the 2017, 2018 and 2019 calendar years.

Has / Gets Analysis

Barclays also reviewed and compared the value of Bats common stock on a stand-alone basis prior to the announcement of the merger with the value of what each Bats stockholder will be receiving as merger consideration in the merger for various pro forma P/E multiples of the pro forma combined company. For purposes of this analysis, Barclays used (i) the Bats scenario two financial projections, as extrapolated, (ii) the adjusted CBOE Holdings financial projections, as extrapolated, and (iii) the

Table of Contents

estimated synergies (assuming the year three estimated GAAP synergies of \$50.0 million would be realized beginning in calendar year 2017), as well as estimated earnings figures from consensus estimates of Wall Street research analysts (excluding in each case the amortization of acquisition related intangibles from the pro forma estimated earnings per share of the combined company). For reference purposes, Barclays also used the closing price per share of Bats common stock of \$26.53 on September 22, 2016, the last full trading day prior to media publications regarding the potential transaction, and the implied merger consideration of \$32.50 per share.

Barclays calculated the implied value of the merger consideration to be received by each Bats stockholder in the merger by (i) applying various pro forma P/E multiples to the pro forma estimated earnings per share of the combined company for the calendar year 2017 to determine the implied share price of the pro forma combined company; (ii) multiplying the implied share price of the pro forma combined company by the exchange ratio provided for in the merger of 0.3201 shares of CBOE Holdings common stock for each share of Bats common stock to determine the value of the stock component of the merger consideration; and (iii) adding the cash component of the merger consideration of \$10.00 per share to the value of the stock component of the merger consideration to determine the total implied value of the merger consideration in the merger for each share of Bats common stock.

Barclays calculated an illustrative range of the implied value per share of the merger consideration by applying CBOE Holdings' P/E multiple as of September 22, 2016 to the pro forma estimated earnings per share of the pro forma combined company for the calendar year 2017, as well as a blended P/E multiple based on analysts' consensus earnings per share estimates for both Bats and CBOE Holdings and weighted by the relative contribution of the estimated net income for the calendar year 2017 of each of Bats and CBOE Holdings to the pro forma combined company. The illustrative range derived above indicated that the total value of the implied merger consideration to be received by each Bats stockholder, assuming the pro forma combined company traded at a P/E multiple between the blended P/E multiple and CBOE Holdings' current P/E multiple, would be (i) \$35.66 to \$39.73, based on the Bats scenario two financial projections, as extrapolated, the adjusted CBOE Holdings financial projections, as extrapolated, and the estimated synergies, and (ii) \$34.31 to \$38.17, based on the consensus earnings per share estimates of Wall Street research analysts. Barclays noted that the closing share price of Bats common stock on September 22, 2016 of \$26.53 and the implied value of the merger consideration of \$32.50 were both below the illustrative range calculated based on the Bats management and CBOE Holdings management projections and the consensus earnings per share estimates of Wall Street research analysts.

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Bats board selected Barclays because of its familiarity with Bats and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as substantial experience in transactions comparable to the merger.

Barclays is acting as financial advisor to Bats in connection with the merger. As compensation for its services in connection with the merger, Bats will pay Barclays a fee of approximately \$20.0 million, \$2.0 million of which was payable upon the delivery of Barclays' opinion and the remainder of which is contingent upon the consummation of the merger. In addition, Bats has agreed to reimburse Barclays for a portion of its reasonable out-of-pocket expenses incurred in connection with the merger and to indemnify Barclays for certain liabilities that may arise out of its engagement by Bats and the rendering

Table of Contents

of Barclays' opinion. Barclays has performed various investment banking and financial services for Bats in the past, and may perform such services in the future, and has received, and may receive, customary fees for such services. Specifically, in the past two years, Barclays has acted as: (i) joint bookrunner and joint lead arranger on Bats' refinancing of its \$750 million credit facility in June 2016, and as a lender under the credit facility; and (ii) co-manager on Bats' initial public offering of 13,300,000 shares in April 2016. During the two-year period preceding the delivery of its opinion, the aggregate fees received by Barclays from Bats for such services were approximately \$3.7 million. Barclays and its affiliates hold, on a proprietary basis, less than 1.0% of the outstanding stock of Bats. During the two-year period preceding delivery of its opinion, Barclays has not performed investment banking or financial services for CBOE Holdings. Barclays and its affiliates hold, on a proprietary basis, less than 1.0% of the outstanding stock of CBOE Holdings.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and affiliates may actively trade and effective transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Bats and CBOE Holdings and their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

CBOE Holdings' Dividend Policy

Each share of CBOE Holdings common stock (including each share of CBOE Holdings restricted stock) is entitled to receive a dividend if, as and when declared by the CBOE Holdings board. CBOE Holdings has paid quarterly dividends since its initial public offering in 2010 and intends to continue paying regular quarterly dividends to its stockholders. However, any decision to pay dividends on its common stock will be at the discretion of its board of directors, which may determine not to declare dividends at all or at a reduced amount. The CBOE Holdings board's determination to declare dividends will depend upon CBOE Holdings' profitability and financial condition, contractual restrictions, restrictions imposed by applicable law and the SEC and other factors that the CBOE Holdings board deems relevant. As a holding company with no significant business operations of its own, CBOE Holdings depends entirely on distributions, if any, it may receive from its subsidiaries to meet its obligations and pay dividends to its stockholders. If these subsidiaries are not profitable, or even if they are and they determine to retain their profits for use in their businesses, CBOE Holdings will be unable to pay dividends to its stockholders.

Regulatory Approvals

U.S. Antitrust Clearance

Under the HSR Act, and the rules promulgated thereunder by the Federal Trade Commission ("*FTC*"), the merger may not be completed until notification and report forms have been filed with the FTC and the U.S. Department of Justice ("*DOJ*") and the applicable waiting periods have expired. On October 19, 2016, CBOE Holdings and Bats each filed a notification and report form under the HSR Act with the FTC and the DOJ.

The parties believe that the merger can be effected in compliance with all applicable antitrust laws. However, there can be no assurance that the governmental reviewing authorities will approve or clear the merger at all or without restrictions or conditions. There also can be no assurance that a challenge to the completion of the merger on antitrust grounds will not be made or that, if such a challenge were made, the parties would prevail or would not be required to accept certain conditions, possibly including certain divestitures, in order to complete the merger. However, if any such conditions impose a "burdensome effect" as defined in the merger agreement, the parties may not be obligated to

Table of Contents

complete the merger, and either Bats or CBOE Holdings may have the right to terminate the merger agreement.

SEC Approvals

Certain of Bats' subsidiaries, BZX, BYX, EDGX and EDGA, are self-regulatory organizations registered as national securities exchanges pursuant to Section 6 of the Exchange Act, and, as such, they must comply with certain obligations under the Exchange Act. Pursuant to Section 19 of the Exchange Act and the related rules of the SEC, all changes in the rules of self-regulatory organizations must be submitted to the SEC for approval under Section 19(b)(2), unless immediately effective upon filing with the SEC under Section 19(b)(3)(A). For this purpose, rule changes include, in addition to rules regulating listings and market conduct, certain proposed amendments to the certificate of incorporation, bylaws, or related documents of the self-regulatory organizations as well as those of their direct and indirect parent companies including CBOE Holdings and Bats. No proposed rule change can take effect unless approved by the SEC or otherwise permitted by Section 19 of the Exchange Act.

Under Section 19 of the Exchange Act, the text of the proposed rule change, together with a concise general statement of the statutory basis and the purpose of the change, must be submitted to the SEC. The SEC must give interested parties the opportunity to comment by publishing the proposal in the Federal Register. Comment letters typically are forwarded by the SEC to the self-regulatory organization for response and are posted on the SEC's website. Within a period of 45 days of the publication of the proposed rule change (or a longer period of up to 90 days, if the SEC considers it appropriate or the self-regulatory organization consents), the SEC must either approve the proposal or institute proceedings to determine whether the proposed rule change should be disapproved. Such proceedings should be concluded within 180 days of the date of the publication of the proposed rule change, although the SEC may extend the deadline by no more than an additional 60 days if it determines this is necessary or the self-regulatory organization consents to the longer period. The SEC will approve a proposed rule change if it finds that the change is consistent with the requirements of the Exchange Act and the rules and regulations under it. Exchanges will occasionally consent to a longer period of time, which extension may be initiated by the SEC. However, an exchange cannot consent to an extension beyond 240 days, meaning that the SEC must approve or disapprove within 240 days.

Other Approvals

It is currently expected that a number of other U.S. and European regulatory approvals will be solicited or are required and a number of filings will be made in connection with the merger, including:

United States

Approval of FINRA under NASD Rule 1017 for a change in control of Bats Trading.

United Kingdom

Approval by the FCA of the acquisition of control by CBOE Holdings and Merger LLC, respectively, of Bats Trading Limited (a U.K. RIE) and its wholly-owned subsidiary, Chi-X Europe (a UK MiFID investment firm).

Netherlands

Provision by the Dutch Central Bank of a "Declaration of No Objection" in respect of the acquisition of a qualifying holding in European Central Counterparty N.V. by CBOE Holdings and Merger LLC, respectively.

Table of Contents

The consummation of the merger would involve CBOE Holdings and Merger LLC becoming new controlling entities of Bats and its regulated and licensed subsidiaries. Approvals, consents and declarations of non-objection from the relevant regulatory authorities in respect of such entities will have to be obtained prior to the consummation of the merger.

Commitment to Obtain Approvals

CBOE Holdings and Bats have agreed to use reasonable best efforts to obtain as promptly as practicable all consents and approvals of any governmental authority, self-regulatory organization or any other third party necessary or advisable in connection with the merger, subject to limitations as set forth in the merger agreement. While CBOE Holdings and Bats believe that they will receive the requisite regulatory approvals for the merger, there can be no assurances regarding the timing of the approvals, their ability to obtain the approvals on satisfactory terms or the absence of litigation challenging these approvals. There can likewise be no assurances that U.S. federal, state or non-U.S. regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if a challenge is made, as to the results of the challenge. CBOE Holdings' and Bats' obligation to complete the merger is conditioned upon the receipt of the necessary approvals from regulators and other governmental authorities. However, if any such conditions impose a "burdensome effect" as defined in the merger agreement, the parties may not be obligated to complete the merger, and either Bats or CBOE Holdings may have the right to terminate the merger agreement. See "The Merger Agreement Conditions to Completion of the Merger."

Material U.S. Federal Income Tax Consequences

The following is a discussion of material U.S. federal income tax consequences of the merger and subsequent merger to U.S. holders (as defined below) of Bats common stock. This discussion is based on the Code, applicable Treasury regulations promulgated thereunder, administrative rulings and judicial authorities, each as in effect as of the date of this joint proxy statement/prospectus and all of which are subject to change at any time, possibly with retroactive effect. In addition, this discussion does not address any state, local or foreign tax consequences of the merger and subsequent merger.

This discussion addresses only U.S. holders of Bats common stock who hold their Bats common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). It does not address all aspects of U.S. federal income taxation that might be relevant to a particular U.S. holder of Bats common stock in light of such U.S. holder's individual circumstances or to a U.S. holder of Bats common stock that is subject to special treatment under U.S. federal income tax law, including, without limitation:

a bank, insurance company or other financial institution;

a tax-exempt organization;

a mutual fund;

a U.S. expatriate;

an entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes or an investor in such an entity;

a dealer in securities;

a person who holds Bats common stock as part of a hedge, straddle, constructive sale or conversion transaction;

a person who acquired its shares of Bats common stock pursuant to the exercise of employee stock options or otherwise in connection with the performance of services;

Table of Contents

a person who has a functional currency other than the United States dollar;

a person liable for the alternative minimum tax;

a person who exercised dissenters' rights; and

a trader in securities who elects to apply a mark-to-market method of accounting.

For purposes of this discussion, a "**U.S. holder**" is a beneficial holder of Bats common stock that, for U.S. federal income tax purposes, is: (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary jurisdiction over administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable U.S. Treasury regulations.

This discussion does not address other U.S. federal tax consequences (such as gift or estate taxes or alternative minimum taxes), or consequences under state, local or foreign tax laws, nor does it address certain tax reporting requirements that may be applicable with respect to the proposed transaction.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Bats common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding Bats common stock should consult its own tax advisors with respect to the consequences of the merger and subsequent merger.

U.S. holders should consult their tax advisors as to the specific tax consequences to them of the merger and subsequent merger in light of their particular circumstances, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws.

Tax Consequences of the Transactions Generally

Based on certain facts, representations, covenants and assumptions set forth in the opinions as described below, all of which must be consistent with the state of facts existing as of the effective time, it is the opinion of each of Sidley Austin LLP, counsel to CBOE Holdings, and Davis Polk & Wardwell LLP, counsel to Bats, that (i) the merger and subsequent merger, taken together, will constitute a reorganization within the meaning of Section 368(a) of the Code and (ii) Bats and CBOE Holdings will each be a party to that reorganization within the meaning of Section 368(b) of the Code. It is a condition to the obligation of each of CBOE Holdings and Bats to complete the merger that the relevant tax counsel confirms its opinion as of the effective time of the merger. Neither CBOE Holdings nor Bats intends to waive this condition.

The opinions of tax counsel have relied, and the confirmation opinions as of the effective time of the merger will each rely, on (i) representations and covenants made by CBOE Holdings and Bats, including those contained in certificates of officers of CBOE Holdings and Bats and (ii) specified assumptions, including an assumption regarding the completion of the merger and subsequent merger in the manner contemplated by the merger Agreement. In addition, the opinions of tax counsel have assumed, and tax counsel's ability to provide the opinions will depend on, the absence of changes in existing facts or in law between the date of this joint proxy statement/prospectus and the effective time of the merger. If any of those representations, covenants or assumptions is inaccurate, tax counsel may not be able to provide the required opinions or the tax consequences of the merger and subsequent merger, taken together, could differ from those described in the opinions that tax counsel have

Table of Contents

delivered. An opinion of tax counsel neither binds the Internal Revenue Service ("**IRS**") nor precludes the IRS or the courts from adopting a contrary position. Neither CBOE Holdings nor Bats intends to obtain a ruling from the IRS on the tax consequences of the merger and subsequent merger.

Neither Bats nor CBOE Holdings will recognize gain or loss for United States federal income tax purposes as a result of the merger and the subsequent merger.

The United States federal income tax consequences to a particular U.S. holder of Bats common stock of the merger and subsequent merger, taken together, will depend on whether such holder of Bats common stock receives cash, shares of CBOE Holdings common stock or a combination of cash and shares of CBOE Holdings common stock in exchange for such holder's shares of Bats common stock. The terms of the merger agreement permit a holder of Bats common stock to make an election to receive cash, CBOE Holdings common stock or a combination of cash and CBOE Holdings common stock. However, at the time the election is made, the holder will not know whether, and to what extent, proration or adjustment will alter the mix of consideration such holder of Bats common stock will receive. As a result, the tax consequences to such holder of Bats common stock will not be ascertainable with certainty until the precise amount of cash and shares of CBOE Holdings common stock the holder will receive in the merger is determined.

Exchange of Bats Common Stock Solely for CBOE Holdings Common Stock

A holder of Bats common stock who receives solely shares of CBOE Holdings common stock in the merger will not recognize gain or loss as a result of the merger, except as described below with respect to the receipt of cash in lieu of a fractional share of CBOE Holdings common stock.

A holder of Bats common stock's aggregate tax basis in shares of CBOE Holdings common stock received in the merger, including any tax basis allocated to any fractional share deemed received and exchanged as described below, will equal the aggregate tax basis of the stockholder's shares of Bats common stock surrendered in the merger.

Such holder's holding period for shares of CBOE Holdings common stock received in the merger will include the holder's holding period for the shares of Bats common stock surrendered in the merger.

A holder of Bats common stock who receives cash in lieu of a fractional share of CBOE Holdings common stock in the merger will be treated as having received a fractional share in the merger and then as having exchanged such fractional share for cash. As a result, such a holder generally will recognize capital gain or loss equal to the difference between the amount of the cash received in lieu of the fractional share and the holder's tax basis allocable to such fractional share. Any such capital gain or loss will be long-term capital gain or loss if the holding period of Bats common stock exchanged for the fractional share of CBOE Holdings common stock is more than one year at the effective time of the merger.

Exchange of Bats Common Stock Solely for Cash

A holder of Bats common stock who receives solely cash in exchange for all of the holder's shares of Bats common stock in the merger generally will recognize capital gain or loss equal to the difference between the amount of cash received by such holder and such holder's tax basis in the shares of Bats common stock exchanged therefor.

Any capital gain or loss generally will be long-term capital gain or loss if the holder of Bats common stock held the shares of Bats common stock for more than one year at the effective time of the merger. Long-term capital gain of an individual generally is subject to reduced maximum tax rates. The deductibility of capital losses is subject to limitations under the Code.

Table of Contents

Exchange of Bats Common Stock for a Combination of CBOE Common Stock and Cash

Except as described below with respect to the receipt of cash in lieu of a fractional share of CBOE Holdings common stock, a holder of Bats common stock who exchanges shares of Bats common stock for a combination of CBOE Holdings common stock and cash will recognize gain (but not loss) equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value at the effective time of the merger of CBOE Holdings common stock received in the merger, over such holder's tax basis in the shares of Bats common stock surrendered by such holder in the merger and (ii) the amount of cash received by such holder of Bats common stock in the merger.

Generally, such holder's aggregate tax basis in the CBOE Holdings common stock received by such holder in the merger, including the basis allocable to any fractional share of CBOE Holdings common stock for which cash is received, will equal such holder's aggregate tax basis in the Bats common stock surrendered in the merger, increased by the amount of taxable gain, if any, recognized by such holder of Bats common stock in the merger, and decreased by the amount of cash received by such holder of Bats common stock in the merger.

The holding period for shares of CBOE Holdings common stock received in the merger generally will include the holding period for the shares of Bats common stock exchanged therefor.

Any gain recognized with respect to Bats common stock will generally be capital gain, and any capital gain generally will be long-term capital gain if the holder of Bats common stock held the shares of Bats common stock for more than one year at the effective time of the merger. Long-term capital gain of an individual generally is subject to reduced maximum tax rates.

A holder of Bats common stock who receives cash in lieu of a fractional share of CBOE Holdings common stock in the merger will be treated as having received a fractional share in the merger and then as having sold such fractional share for cash. As a result, such a holder of Bats common stock generally will recognize capital gain or loss equal to the difference between the amount of the cash received in lieu of the fractional share and the stockholder's tax basis allocable to such fractional share. Any such capital gain or loss will be long-term capital gain or loss if the holding period of the Bats common stock exchanged for the fractional share of CBOE Holdings common stock is more than one year at the effective time of the merger.

A holder of Bats common stock who acquired different blocks of Bats common stock at different times and at different prices generally must apply the preceding rules separately to each identifiable block of shares of Bats common stock. A holder of Bats common stock who holds Bats common stock with differing bases or holding periods should consult its tax advisor with regard to identifying the bases or holding periods of the particular shares of CBOE Holdings common stock received in the merger.

Recharacterization of Gain as a Dividend

Notwithstanding the foregoing, in some cases if a U.S. holder of Bats common stock actually or constructively owns CBOE Holdings common stock immediately before the merger, and holds such stock after the merger, cash received in the merger could be treated as having the effect of the distribution of a dividend under the provisions of the Code, in which case, notwithstanding the foregoing, any gain recognized will be treated as a dividend to the extent of such U.S. holder's ratable share of the undistributed earnings and profits of Bats. Since the possibility of dividend treatment depends primarily upon the particular circumstances of a holder of Bats common stock, including the application of certain constructive ownership rules, holders of Bats common stock should consult their tax advisors as to the possibility that all or a portion of any cash received in the exchange for their shares of Bats common stock will be treated as a dividend.

Table of Contents

Information Reporting and Backup Withholding

A non-corporate U.S. holder of Bats common stock may be subject to information reporting and backup withholding at a rate of 28% on any cash payment received (including any cash received in lieu of a fractional share of CBOE Holdings common stock), unless such U.S. holder properly establishes an exemption or provides a correct taxpayer identification number and otherwise complies with backup withholding rules. Any amounts withheld under the backup withholding rules are not an additional tax and may be allowed as a refund or credit against such U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. A U.S. holder of Bats common stock who receives CBOE Holdings common stock as a result of the merger generally will be required to retain records pertaining to the merger, and certain U.S. holders will be required to file a statement setting forth certain facts relating to the merger with the U.S. holder's U.S. federal income tax return for the year in which the merger takes place.

Accounting Treatment

ASC 805 requires the use of the acquisition method of accounting for business combinations. In applying the acquisition method, it is necessary to identify the acquirer and the acquiree for accounting purposes. In a business combination effected through an exchange of equity interests, the entity that issues the equity interests is generally considered the acquirer, but there are other factors in ASC 805 that must also be considered. CBOE Holdings management considered these other factors and determined that CBOE Holdings will be considered the acquirer of Bats for accounting purposes. The total purchase price will be allocated to the identifiable assets acquired and liabilities assumed from Bats based on their fair values as of the date of the completion of the proposed transactions, with any excess allocated to goodwill. Reports of financial condition and results of operations of CBOE Holdings issued after completion of the merger will reflect Bats' balances and results after completion of the merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Bats. Following the completion of the merger, the earnings of the combined company will reflect acquisition accounting adjustments (e.g., additional depreciation of property, plant and equipment, amortization of identified intangible assets or other impacts from the purchase price allocation).

In accordance with the FASB Accounting Standards Codification 350, *Intangibles Goodwill and Other*, which we refer to as "**ASC 350**," goodwill resulting from the purchase business combination will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). If CBOE Holdings management determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

Listing of CBOE Holdings Common Stock

It is a condition to the completion of the merger that the shares of CBOE Holdings common stock to be issued in connection with the merger be approved for listing on NASDAQ, subject to official notice of issuance. CBOE Holdings intends to list on BZX following the merger, but there can be no assurance regarding the timing of such listing.

Bats Stockholder Appraisal Rights

In connection with the merger, record holders of Bats common stock who comply with the requirements of Section 262 of the DGCL, which we refer to as "**Section 262**," which is summarized below, will be entitled to appraisal rights if the merger is completed. Under Section 262 of the DGCL, holders of shares of Bats common stock with respect to which appraisal rights are properly demanded and perfected and not withdrawn or lost are entitled, in lieu of receiving the merger consideration, to

Table of Contents

have the "fair value" of their shares at the effective time of the merger (exclusive of any element of value arising from the accomplishment or expectation of the merger) judicially determined and paid to them in cash together with a fair rate of interest, if any, upon the amount determined to be the fair value (or, in certain circumstances described below, on the difference between the amount determined to be the fair value and the amount paid by the surviving corporation in the merger to each stockholder entitled to appraisal prior to the entry of judgment in the appraisal proceeding). Bats is required to send a notice to that effect to each stockholder as of the record date for notice of the special meeting not less than 20 days prior to the special meeting. This joint proxy statement/prospectus constitutes that notice to you.

The following is a brief summary of Section 262, which sets forth the procedures for demanding statutory appraisal rights. This summary is qualified in its entirety by reference to Section 262, the text of which is attached to this joint proxy statement/prospectus as Annex E.

Stockholders of record who desire to exercise their appraisal rights must satisfy all of the following conditions:

A stockholder who desires to exercise appraisal rights must (1) not vote in favor of the merger and (2) deliver a written demand for appraisal of the stockholder's shares to Bats before the vote on the proposal to adopt the merger agreement at the special meeting. An executed proxy card that does not contain voting instructions will, unless revoked, be voted in favor of the proposal to adopt the merger agreement. Therefore, a Bats stockholder who submits a proxy and who wishes to exercise appraisal rights must mark "**AGAINST**" or "**ABSTAIN**" with respect to the proposal to adopt the merger agreement. Bats stockholders who wish to exercise their appraisal rights and hold shares in the name of a bank, broker, trust or other nominee must instruct their nominees to take the steps necessary to enable them to demand appraisal for their shares.

A demand for appraisal must be executed by or for the stockholder of record and reasonably inform Bats of the identity of the stockholder making the demand and that such stockholder intends thereby to demand the appraisal of such stockholder's shares of common stock. If shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, such demand must be executed by the fiduciary. If shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be executed by all joint owners. An authorized agent, including an agent of two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose that, in exercising the demand, the agent is acting as agent for the record owner. In addition, the stockholder must continuously hold the shares of record from the date of making the demand through the effective time of the merger, and a stockholder will not be entitled to appraisal rights for any shares that such stockholder transfers prior to the effective time of the merger. Neither voting against the adoption of the merger agreement, nor abstaining from voting or failing to vote on the proposal to adopt the merger agreement, will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote on the adoption of the merger agreement.

A record owner, such as a bank, broker, trust or other nominee, who holds shares as a nominee for others may exercise appraisal rights with respect to the shares held for all or less than all beneficial owners of shares as to which the holder is the record owner. In that case, the written demand must set forth the number of shares covered by the demand. Where the number of shares is not expressly stated, the demand will be presumed to cover all shares outstanding in the name of the record owner.

Beneficial owners who are not record owners and who intend to exercise appraisal rights should instruct the record owner to comply strictly with the statutory requirements with respect to the exercise of appraisal rights before the vote on the proposal to adopt the merger agreement at the special meeting. A beneficial owner of shares held in "street name" who desires appraisal rights with respect

Table of Contents

to those shares should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record owner of the shares. Shares held through brokerage firms, banks and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security depository, such as Cede & Co., The Depository Trust Company's nominee. Any beneficial owner of shares desiring appraisal rights with respect to such shares should instruct such firm, bank or institution that the demand for appraisal must be made by the record holder of the shares, which might be the nominee of a central security depository if the shares have been so deposited.

As required by Section 262, a demand for appraisal must be in writing and must reasonably inform Bats of the identity of the record holder (which might be a nominee as described above) and of such holder's intention to seek appraisal of such shares.

Stockholders of record who elect to demand appraisal of their shares must mail or deliver their written demand to Bats. Such demands may be mailed or delivered to: Bats Global Markets, Inc., 8050 Marshall Drive, Suite 120, Lenexa, Kansas 66214, Attention: Corporate Secretary or by email to legal@bats.com. The written demand for appraisal should specify the stockholder's name and mailing address, the number of shares owned, and that the stockholder is demanding appraisal of such stockholder's shares. The written demand must be received by Bats prior to the special meeting. Neither voting (in person or by proxy) against, abstaining from voting on or failing to vote on the proposal to adopt the merger agreement will alone suffice to constitute a written demand for appraisal within the meaning of Section 262.

In addition, a stockholder demanding appraisal for shares of Bats voting common stock must not vote such shares of common stock in favor of the proposal to adopt the merger agreement. An executed proxy card that does not contain voting instructions will, unless revoked, be voted in favor of the proposal to adopt the merger agreement. Therefore, a Bats stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the merger agreement or abstain from voting on the merger agreement.

Within 120 days after the effective time of the merger, either the surviving corporation in the merger or any stockholder who has timely and properly demanded appraisal of such stockholder's shares and who has complied with the required conditions of Section 262 and is otherwise entitled to appraisal rights may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of all such stockholders. Within 120 days after the effective time of the merger, any stockholder who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the proposal to adopt the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within ten days after a written request therefor has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later. Notwithstanding the foregoing, a person who is the beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the surviving corporation the statement described in this paragraph.

If a petition for an appraisal is timely filed by a stockholder and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days after such service to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice of a hearing on the petition is provided to the surviving corporation and the stockholders on the duly verified list as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those

Table of Contents

stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded appraisal for their shares to submit their stock certificates, if any, to the Register in Chancery for notation thereon of the pendency of the appraisal proceeding; and if any stockholder fails to comply with the direction, the Delaware Court of Chancery may dismiss the proceedings as to the stockholder.

If a petition for appraisal is timely filed, after a hearing on such petition, the Delaware Court of Chancery will determine which stockholders are entitled to appraisal rights and thereafter will appraise the shares owned by those stockholders, determining the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest to be paid, if any, upon the amount determined to be the fair value (or, in certain circumstances described in the next paragraph, on the difference between the amount determined to be the fair value and the amount paid by the surviving corporation in the merger to each stockholder entitled to appraisal prior to the entry of judgment in the appraisal proceeding). In determining fair value, the Delaware Court of Chancery is to take into account all relevant factors. In *Weinberger v. UOP, Inc., et al.*, the Delaware Supreme Court discussed the considerations that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that in making this determination of fair value, the court must consider "market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts which were known or which could be ascertained as of the date of merger which throw any light on future prospects of the merged corporation." The Delaware Supreme Court construed Section 262 to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered." However, Section 262 provides that fair value is to be determined "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Supreme Court of Delaware also stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, and except as provided in this paragraph, interest from the effective time of the merger through the date of payment of the judgment is compounded quarterly and accrues at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment. At any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided in this paragraph only upon the sum of (i) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery and (ii) interest theretofore accrued, unless paid at that time.

Stockholders considering seeking appraisal should bear in mind that the fair value of their shares determined under Section 262 could be more than, the same as, or less than the merger consideration they are entitled to receive pursuant to the merger agreement if they do not seek appraisal of their shares, and that opinions of investment banking firms as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262.

The cost of the appraisal proceeding may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable in the circumstances. Upon

Table of Contents

application of a stockholder seeking appraisal rights, the Delaware Court of Chancery may order that all or a portion of the expenses incurred by such stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged *pro rata* against the value of all shares entitled to appraisal. In the absence of such a determination of assessment, each party bears its own expenses.

From and after the effective time of the merger, no stockholder who has demanded appraisal rights will be entitled to vote any shares subject thereto for any purpose or receive dividends or other distributions thereon (except dividends or other distributions payable to the stockholders of record at a date prior to the effective time of the merger).

At any time within 60 days after the effective time of the merger, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party and has demanded appraisal will have the right to withdraw such stockholder's demand for appraisal and to accept the cash and shares of CBOE Holdings common stock to which the stockholder is entitled pursuant to the merger agreement by delivering to the surviving corporation a written withdrawal of the demand for appraisal. After this period, the stockholder may withdraw such stockholder's demand for appraisal only with the written consent of the surviving corporation in the merger. If no petition for appraisal is filed with the Delaware Court of Chancery within 120 days after the effective time of the merger, stockholders' rights to appraisal will cease and all stockholders will be entitled only to receive the cash and shares of CBOE Holdings common stock as provided for in the merger agreement. Inasmuch as the parties to the merger agreement have no obligation to file such a petition, and have no present intention to do so, any stockholder who desires that such petition be filed is advised to file it on a timely basis. No petition timely filed in the Delaware Court of Chancery demanding appraisal will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and that approval may be conditioned upon such terms as the Delaware Court of Chancery deems just. However, the foregoing does not affect the right of any stockholder who had not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the cash and shares of CBOE Holdings common stock as provided for in the merger agreement within 60 days after the effective date of the merger as provided in the first sentence of this paragraph. If a stockholder requests to withdraw a demand for appraisal later than 60 days after the effective date of the merger, if either the surviving corporation in the merger or, following the filing of a petition, the Delaware Court of Chancery does not approve the dismissal as to that stockholder, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the consideration being offered pursuant to the merger agreement.

The foregoing is a brief summary of Section 262 that sets forth the procedures for demanding statutory appraisal rights. This summary is qualified in its entirety by reference to Section 262, the text of which is attached hereto as Annex E. Failure to comply with all the procedures set forth in Section 262 will result in the loss of a stockholder's statutory appraisal rights.

Delisting and Deregistration of Bats Common Stock

If the merger is completed, Bats common stock will be delisted from BZX and deregistered under the Exchange Act, and Bats will no longer file periodic reports with the SEC.

Restrictions on Sales of Shares of CBOE Holdings Common Stock Received in the Merger

The shares of CBOE Holdings common stock to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for shares issued to any stockholder who may be deemed to be an "affiliate" of CBOE Holdings for purposes of Rule 144 under the Securities Act. Persons who may be deemed to be affiliates of CBOE Holdings include

Table of Contents

individuals or entities that control, are controlled by or are under common control with CBOE Holdings and may include the executive officers, directors and significant stockholders of CBOE Holdings.

Interests of Directors and Executive Officers in the Merger

Bats Directors and Executive Officers

Bats' directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Bats stockholders generally. These interests may include, but are not limited to:

the treatment in the merger of stock options and restricted shares held by Bats' directors and executive officers (including accelerated vesting upon a qualifying termination of employment during the 24-month period immediately following the closing of the merger, and in the case of certain outstanding stock options and restricted share awards, accelerated vesting immediately upon the closing of the merger);

employment agreements that provide for enhanced severance upon a qualifying termination of employment during the 24-month period immediately following the closing of the merger;

continued positions of three Bats directors as directors on the board of directors of the combined company; and

offer letters entered into between certain Bats executive officers with CBOE Holdings pursuant to which each such executive officer has indicated his intent to enter into employment with CBOE following the completion of the merger in exchange for the compensation specified in his respective offer letter.

In addition, Bats retains the discretion to establish a retention bonus pool in an aggregate amount of \$3 million prior to closing of the merger for the benefit of select Bats employees, as determined in the discretion of Bats, of which \$1 million in the aggregate may be granted to employees who are currently party to an employment agreement with Bats (including Bats executive officers). However, (i) Chris Concannon, Mark Hemsley and Chris Isaacson, each of whom have entered into offer letters with CBOE Holdings (as described in more detail under the heading " Offers of Employment with CBOE Holdings" below) are not eligible to receive a retention bonus from this bonus pool and (ii) receipt of payments under the retention bonus pool by any employee who is party to an employment agreement is conditioned on such employee agreeing to amend the "good reason" definition in his or her existing employment agreement in a manner consistent with the definition of "good reason" as amended by the offer letters entered into by each of Messrs. Concannon, Hemsley and Isaacson with CBOE Holdings (as described below). The terms and conditions (including vesting schedules) and allocation of the retention bonus pool amongst eligible employees will be determined in the discretion of Bats, determinations which have not been made as of the date of this joint proxy statement/prospectus.

These interests are described in more detail below, and certain of them are quantified in the narrative and tabular disclosure included under the heading " Golden Parachute Compensation" below.

The Bats board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and approving the merger and in determining to recommend to Bats stockholders that they adopt the merger agreement. Bats stockholders should take these interests into account in deciding whether to adopt the merger agreement.

Table of Contents

Treatment of Bats Equity Awards

Stock Options

Pursuant to the merger agreement, at the effective time of the merger, each outstanding and unexercised Bats Stock Option, whether vested or unvested, will be converted into a CBOE Holdings Stock Option, with the same terms and conditions (including vesting schedules) as were applicable to such Bats Stock Option (but taking into account any changes, including any acceleration of vesting of such Bats Stock Option, occurring by reason of the transactions contemplated by the merger agreement). The number of shares of CBOE Holdings common stock subject to each such CBOE Holdings Stock Option will be equal to the number of shares of Bats common stock subject to the corresponding Bats Stock Option immediately prior to the effective time of the merger multiplied by the exchange ratio (subject to certain adjustments and rounding), and the exercise price of such CBOE Holdings Stock Option will be equal to the per share exercise price under the corresponding Bats Stock Option divided by the exchange ratio (subject to certain adjustments and rounding).

Restricted Shares

Pursuant to the merger agreement, at the effective time of the merger, each award of Bats Restricted Shares will be assumed by CBOE Holdings and will be converted into an award of CBOE Holdings Restricted Shares, subject to the same terms and conditions (including vesting schedules) that applied to the applicable Bats Restricted Shares immediately prior to the effective time of the merger (but taking into account any changes, including any acceleration of vesting of such Bats Restricted Shares, occurring by reason provided for in the merger agreement). The number of shares of CBOE Holdings common stock subject to each such award of CBOE Holdings Restricted Shares will be equal to the number of shares of Bats common stock subject to the corresponding Bats Restricted Share award multiplied by the exchange ratio.

Vesting of Bats Equity Awards

Pursuant to the terms of the applicable Bats Stock Option and Bats Restricted Share award agreements held by Bats employees (including Bats executive officers), such awards will vest on a "double-trigger" basis in connection with the merger *i.e.*, the awards will fully vest in the event of a termination of such executive's employment without "cause" or for "good reason" (as defined in such individual's applicable employment agreement) during the 12-month period immediately following the consummation of the merger (or such longer period as set forth in such executive's employment agreement with Bats). However, 137,335 Bats Stock Options granted to Mr. Concannon under a previous Bats equity incentive plan (which would have vested on April 14, 2017 independent of the merger) will fully vest pursuant to their terms on a "single-trigger" basis *i.e.*, such awards will vest immediately upon the closing of the merger.

Pursuant to the terms of the Bats Restricted Share awards granted to Bats directors for their service on the Bats board, such awards will fully vest on a single-trigger basis immediately upon the closing of the merger.

Assuming the closing of the merger will occur on March 31, 2017, the table below sets forth the number of unvested Bats Stock Options and unvested Bats Restricted Shares held by each Bats named executive officer and Bats non-employee directors and an estimate of the intrinsic (*i.e.*, in the money) value of such awards (on a pre-tax basis) based on a price per share of \$30.16 (the average closing market price of Bats common stock over the first five business days following the first public announcement of the merger). Depending on the date upon which the closing of the merger actually occurs, certain Bats Stock Options and Bats Restricted Shares that are unvested as of the date of this joint proxy statement/prospectus and that are included in the table below may vest pursuant to their terms, without regard to the merger. For additional information regarding shares of Bats common stock

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Table of Contents

and Bats equity incentive awards held by Bats executive officers and Bats non-employee directors, see the section entitled "Security Ownership of Certain Beneficial Owners and Management of Bats."

Person	Vested Bats (#)	Stock Options (\$)	Unvested Bats (#)	Stock Options (\$)	Unvested Bats (#)	Restricted Shares (\$)
Named Executive Officers						
Chris Concannon	319,424	5,634,639	319,431 ⁽¹⁾	5,634,763 ⁽¹⁾	205,301	6,191,878
Brian Schell					102,166	3,081,327
Mark Hemsley	31,535	641,107			140,647	4,241,914
Chris Isaacson	157,680	3,338,397			105,502	3,181,940
Bryan Harkins					118,388	3,570,582
Non-Employee Directors						
Joseph Ratterman					7,058	212,869
Robert W. Jones					3,529	106,435
Jamil Nazarali					3,529	106,435
Frank Reardon					3,529	106,435
Michael Richter					3,529	106,435

(1)

This amount includes Bats Stock Options with respect to 137,335 shares of Bats common stock granted under a previous Bats equity incentive plan (that would have otherwise vested on April 14, 2017 without regard to the merger), with an estimated aggregate value of \$2,422,589 (based on the assumptions set forth above), that will fully vest pursuant to their terms on a "single-trigger" basis immediately upon the closing of the merger.

Based on the same assumptions used for purposes of estimating the intrinsic value of equity awards held by Bats named executive officers and Bats non-employee directors, as set forth in the table above, the estimated intrinsic value of vested Bats Stock Options and unvested Bats Restricted Shares held by Bats executive officers (other than the Bats named executive officers set forth in the table above) in the aggregate is \$4,244,971 and \$4,902,757, respectively; these Bats executive officers do not hold any unvested Bats Stock Options.

Change in Control Severance

Bats previously entered into executive employment agreements with each of the Bats executive officers, effective as of January 1, 2016 (collectively, the "***Executive Employment Agreements***"). Pursuant to the terms of the Executive Employment Agreements, in the event of (a) an involuntary termination of the executive's employment other than for "cause" or (b) a resignation for "good reason" (as such terms are defined in the applicable Executive Employment Agreement and described below), in each case, during the 24-month period immediately following a change in control of Bats, the Bats executive officers will be entitled to receive, subject to the execution and non-revocation of a release of claims in favor of Bats, the following payments and benefits:

a lump sum cash severance payment equal to 200% of such executive's (i) annual base salary in effect as of the date of termination and (ii) "target bonus" (calculated as the sum of (x) such executive's target annual performance bonus and (y) 15% of such executive's annual base salary in effect as of the date of termination (which is intended to be an approximation of the bonus payments to which the executive would have otherwise been entitled under the Bats Milestone Bonus Plan));

a pro-rated target annual performance bonus for the year during which the termination of employment occurs, payable in a lump sum;

accelerated vesting of all outstanding Bats equity awards held by the executive; and

Table of Contents

a lump sum cash payment equal to the good faith determination of the costs of COBRA premiums for the executive and his or her eligible dependents (on an after-tax basis) for the 12-month period immediately following the date of termination.

Under the Executive Employment Agreements, "cause" is generally defined to mean:

deliberate or intentional failure by the executive to perform the executive's material duties, including the executive's intentional refusal to act upon a reasonable instruction of the Bats board;

intentional act of fraud, embezzlement or theft or other material act of dishonesty;

purposeful and intentional wrongful damage to material assets of Bats;

being indicted for or formally charged with, or convicted of, including any plea of nolo contendere or guilty, or a confession to a felony, an act of fraud, misappropriation or embezzlement, a misdemeanor involving moral turpitude, or any violation that would be a disqualification under Article III, Section 4 of the By-Laws of FINRA (or of any successor provision);

purposeful and intentional wrongful disclosure of confidential information of Bats;

breach of the executive's duty of loyalty;

intentional breach of any material employment policy of Bats;

failure to maintain any material registration, license or other authorization required to perform the executive's duties under the Executive Employment Agreement; or

violation of any material securities-related law, rule or regulation of any governmental authority, securities exchange or association or other regulatory or self-regulatory body.

Under the Executive Employment Agreements, "good reason" is generally defined to mean the occurrence of any of the following events or conditions, without the executive's express written consent:

a material reduction in the executive's authority, responsibility or duties;

a material reduction in the executive's base salary or target annual performance bonus (including both cash and equity awards); or

a requirement that the executive be based more than 50 miles from the executive's current office location.

"Good reason" will exist only if the executive provides Bats with timely notice of the circumstances constituting "good reason" within 60 days after the event's occurrence, Bats fails to cure such circumstances in a timely manner within 30 days after receiving such notice and the executive thereafter terminates employment within 120 days after the end of the cure period.

Edgar Filing: CBOE Holdings, Inc. - Form S-4

Based on compensation levels as of the date of this joint proxy statement/prospectus, the table below sets forth the estimated value of cash severance payments (excluding the value attributable to accelerated vesting of outstanding Bats Stock Options and Bats Restricted Share awards and COBRA premium payments, in each case, as described above) to which the Bats named executive officers would be entitled under their respective Executive Employment Agreements upon an involuntary termination of his or her employment other than for "cause" or a resignation for "good reason" within the 24-month period immediately following the consummation of the merger (other than Mr. Ratterman who is not party to such an agreement). The amounts set forth below are only estimates of the amounts that would be paid out to each such named executive officer in the event of such a termination of employment following the completion of the merger. The actual amounts that may

Table of Contents

become payable can only be determined at the time of such named executive officer's actual termination of employment.

Named Executive Officer	Estimated Cash Severance (\$)	Estimated Pro-Rata Target Bonus (\$)	Estimated Total Cash (\$)
Mr. Concannon	8,040,000	650,959	8,690,959
Mr. Schell	2,400,000	154,110	2,554,110
Mr. Hemsley	3,081,437	211,869	3,293,306
Mr. Isaacson	2,750,000	197,260	2,947,260
Mr. Harkins	2,750,000	197,260	2,947,260

The amount of estimated cash severance payable to Bats executive officers (other than the Bats named executive officers set forth in the table above) pursuant to their Executive Employment Agreements with Bats is \$5,680,548 in the aggregate.

Offers of Employment with CBOE Holdings

Each of Messrs. Concannon, Hemsley and Isaacson has entered into an offer letter with CBOE Holdings, pursuant to which each such executive has indicated his intent to enter into employment with the combined company following the completion of the merger in exchange for the compensation specified in his respective offer letter (as described below). The offer letters provide that, following the consummation of the merger, each of these executives is expected to serve in the following roles at the combined company: Mr. Concannon will serve as President and Chief Operating Officer; Mr. Hemsley will serve as Executive Vice President and President of Bats Europe; and Mr. Isaacson will serve as Executive Vice President and Chief Information Officer. Pursuant to Mr. Concannon's offer letter, CBOE Holdings and Mr. Concannon have agreed to negotiate in good faith to enter into a definitive employment agreement prior to the completion of the merger. However, if Mr. Concannon commences employment with the combined company without an agreed-upon definitive employment agreement, the terms of his offer letter will constitute the legally binding terms with respect to Mr. Concannon's employment.

The offer letters provide for the payment of an initial annual base salary, target annual bonus compensation and target equity incentive compensation, as set forth in the table below.

Executive Officer	Initial Base Salary (\$)	Target Annual Cash Bonus (\$)	Target Equity Incentive Compensation (\$)
Mr. Concannon	1,000,000	1,500,000	2,000,000
Mr. Hemsley ⁽¹⁾	590,346	569,829	596,000
Mr. Isaacson	500,000	700,000	500,000

(1)

Under his offer letter with CBOE Holdings, Mr. Hemsley will receive his initial base salary and target annual cash bonus in British pounds. The amounts of initial base salary and target annual cash bonus reported in this table for Mr. Hemsley were converted to U.S. dollars using a rate of £1.00 to \$1.22, which was the exchange rate as of October 20, 2016.

The offer letters with each of Messrs. Concannon, Hemsley and Isaacson also provide for a one-time, sign-on grant of time-vested restricted stock units with respect to shares of CBOE Holdings common stock pursuant to the Second Amended and Restated CBOE Holdings, Inc. Long-Term Incentive Plan, with a grant date value of \$2.0 million, \$596,000 and \$500,000, respectively. The sign-on restricted stock unit awards will vest in full on the third anniversary of the closing of the merger, subject to the executive remaining in continuous employment with the combined company through such

Table of Contents

date. In the case of Messrs. Concannon and Isaacson, in the event such executive's employment is terminated without "cause" or for "good reason" (as such terms are defined in the executive's existing Executive Employment Agreement with Bats (as described above), as modified by his offer letter with CBOE Holdings (as described below) or, with respect to Mr. Concannon, his new employment agreement with CBOE Holdings, if applicable), the sign-on restricted stock unit awards will fully vest upon such termination of employment. In addition, Mr. Isaacson is eligible to receive a Trading Platform Incentive Bonus of up to \$1.5 million upon achievement of certain performance milestones relating to the successful implementation of the Bats trading platform on CBOE exchanges during the three-year period following the closing of the merger.

Each of Messrs. Concannon, Hemsley and Isaacson has agreed in his offer letter with CBOE Holdings not to assert that the transition from his current position with Bats to his proposed position with the combined company, in connection with the merger and as set forth in his offer letter, will constitute "good reason" for him to resign under his existing Executive Employment Agreement with Bats. After the closing of the merger (and in the case of Mr. Concannon, until the execution of a definitive employment agreement, as described above), the executives will continue to be eligible for severance and other change in control benefits as provided under their existing respective Executive Employment Agreements with Bats, including the accelerated vesting of their Bats equity awards assumed in the merger. New equity awards granted after the closing with respect to shares of CBOE Holdings common stock will not be subject to the terms of the existing Executive Employment Agreements.

Pursuant to the offer letters, following the closing of the merger, the definition of "good reason" under the executive's existing Executive Employment Agreement with Bats will be amended and will be defined to mean the occurrence of any of the following events within the 24-month period immediately following the closing:

a material reduction in the title, role or aggregate compensation from that set forth in such executive's respective offer letter with CBOE Holdings (as described above);

relocation of such executive's principal office location (as set forth in his respective offer letter with CBOE Holdings) by more than 50 miles; or

the failure of CBOE Holdings to grant the sign-on restricted stock unit award (described above) to the executive.

"Good reason" will not be deemed to exist under the offer letters unless the executive complies with the procedural requirements set forth in his existing Executive Employment Agreement with Bats, as described above.

Upon the expiration of each executive's eligibility to receive change in control benefits under their existing respective Executive Employment Agreements with Bats (and, in the case of Mr. Concannon, absent a definitive employment agreement as described above), the executives will become eligible for coverage under the CBOE Holdings' executive level severance policy in lieu of any right to receive severance or other termination-related benefits under their existing Executive Employment Agreements with Bats.

Golden Parachute Compensation

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation of each of Bats' named executive officers that is based on or otherwise relates to the merger and that will or may become payable to the named executive officers at the closing of the merger or on a qualifying termination of employment upon or following the consummation of the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules, and in this section we use such term to describe the merger-related compensation

Table of Contents

payable to the Bats named executive officers. Bats stockholders are being asked to approve, by a non-binding advisory vote, the "golden parachute" compensation payable to these individuals.

Pursuant to the terms of the applicable Bats Stock Option and Bats Restricted Share award agreements granted to Bats named executive officers, such awards will vest on a double-trigger basis upon a qualifying termination of the named executive officer's employment in connection with the merger. However, 137,335 Bats Stock Options granted to Mr. Concannon under a previous Bats equity incentive plan (which would have vested on April 14, 2017 independent of the merger) will fully vest pursuant to their terms on a "single-trigger" basis (*i.e.*, such awards will vest immediately upon the closing of the merger). For details on the treatment of outstanding Bats Stock Options and Bats Restricted Shares held by Bats named executive officers, see the sections entitled " Treatment of Bats Equity Awards" and " Change in Control Severance" above .

Each of Bats' named executive officers is also entitled to certain change in control severance payments and benefits pursuant to his existing Executive Employment Agreement with Bats in the event of a qualifying termination of such named executive officer's employment in connection with the merger, as described in more detail under the heading " Change in Control Severance" above.

The amounts set forth in the table below assume the following:

the closing of the merger occurs on March 31, 2017, the latest practicable date determined pursuant to Item 402(t) of Regulation S-K;

the Bats named executive officers were terminated without "cause" or resigned for "good reason" immediately following the closing of the merger on March 31, 2017; and

the Bats trading price is \$30.16 per share, which is the average closing market price of Bats common stock over the first five business days following the first public announcement of the merger.

The amounts reported in the table below for Messrs. Concannon, Hemsley and Isaacson do not reflect the terms of their respective offer letters with CBOE Holdings, as described in more detail under the heading " Offers of Employment with CBOE Holdings" above. The amounts reported in the table below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this joint proxy statement/prospectus, and do not reflect compensation actions that may occur following the filing of this joint proxy statement/prospectus. As a result, the actual amounts, if any, to be received by a Bats named executive officer may differ materially from the amounts set forth below. In addition, all amounts (except amounts with respect to the acceleration of vesting of certain outstanding Bats Stock Options held by Mr. Concannon and Bats Restricted Shares held by Mr. Ratterman granted to him for his service on the Bats board) reflected in the table below are attributable to double-trigger arrangements (*i.e.*, the amounts are payable in the

Table of Contents

event of a qualifying termination of the named executive officer's employment during the 24-month period immediately following the consummation of the merger).

Name	Cash (\$) ⁽¹⁾	Equity (\$) ⁽²⁾	Perquisites/ Benefits (\$) ⁽⁴⁾	Total (\$)
Chris Concannon <i>President and Chief Executive Officer</i>	8,690,959	11,826,641 ⁽³⁾	21,037	20,538,637
Brian Schell <i>EVP, Chief Financial Officer; Treasurer</i>	2,554,110	3,081,327	18,508	5,653,945
Mark Hemsley ⁽⁵⁾ <i>EVP, Chief Executive Officer of Bats Europe</i>	3,293,306	4,241,914	6,326	7,541,546
Chris Isaacson <i>EVP, Global Chief Information Officer</i>	2,947,260	3,181,940	18,402	6,147,602
Bryan Harkins <i>EVP, Head of U.S. Markets</i>	2,947,260	3,570,582	17,852	6,535,694
Joseph Ratterman <i>Former President and Chief Executive Officer, Current Non-Executive Chairman</i>		212,869 ⁽⁶⁾		212,869

- (1) The amounts in this column reflect the following estimated payments under each named executive officer's existing Executive Employment Agreement with Bats (other than Mr. Ratterman who is not party to such an agreement), all of which are "double-trigger" payments that will become payable upon the termination of the named executive officer's employment without "cause" or the executive's resignation for "good reason" during the 24-month period immediately following the closing of the merger, as described in more detail under the heading " Change in Control Severance" above:

Name	Cash Severance (\$) ^(a)	Pro-Rata Target Bonus (\$) ^(a)	Total Cash (\$)
Mr. Concannon	8,040,000	650,959	8,690,959
Mr. Schell	2,400,000	154,110	2,554,110
Mr. Hemsley	3,081,437	211,869	3,293,306
Mr. Isaacson	2,750,000	197,260	2,947,260
Mr. Harkins	2,750,000	197,260	2,947,260
Mr. Ratterman			

- (a) The amount of estimated cash severance included in this column for each named executive officer is equal to 200% of such named executive officer's (i) annual base salary as of the termination date and (ii) "target bonus" (calculated as the sum of (A) such executive's target annual performance bonus and (B) 15% of such executive's annual base salary in effect on the date of termination of employment (which is intended to be an approximation of the bonus payments to which the executive would have otherwise been entitled under the Bats Milestone Bonus Plan));
- (b) The amounts included in this column reflect an estimated pro-rated target annual performance bonus for the year during which the termination of employment occurs.
- (2) The amounts included in this column for each named executive officer reflect the estimated intrinsic (*i.e.*, in the money) value of outstanding and unvested Bats Stock Options and Bats Restricted Share awards, as the case may be, held by such named executive officer, which (except for certain Bats Stock Options held by Mr. Concannon (as described in footnote 3 below) and Bats

Table of Contents

Restricted Shares granted to Mr. Ratterman for his service on the Bats board (as described in footnote 6 below)) will vest on a "double-trigger" basis (*i.e.*, upon an involuntary termination of the named executive officer's employment other than for "cause" or a resignation for "good reason" during the 24-month period immediately following the closing of the merger), pursuant to the terms of each named executive officer's existing Executive Employment Agreement with Bats, as described in more detail under the heading " Change in Control Severance" above.

- (3) With respect to the value of equity acceleration reflected for Mr. Concannon, \$2,422,589 is attributable to 137,335 Bats Stock Options granted under a previous Bats equity incentive (that would otherwise have vested on April 14, 2017 without regard to the merger) that will fully vest pursuant to their terms on a "single-trigger" basis immediately upon the closing of the merger, as described in more detail under the heading " Treatment of Bats Equity Awards" above.
- (4) The amounts included in this column for each named executive officer reflect an estimated cash payment equal to the costs of COBRA premiums (on an after-tax basis) for the executive and his eligible dependents for the 12-month period following the date of termination, pursuant to the terms of each named executive officer's existing Executive Employment Agreement with Bats, as described in more detail under the heading " Change in Control Severance" above.
- (5) Under his Executive Employment Agreement with Bats, Mr. Hemsley receives his annual base salary and target bonus in British pounds. The amounts of cash severance and COBRA premium payments reported in this table for Mr. Hemsley were converted to U.S. dollars using a rate of £1.00 to \$1.22, which was the exchange rate as of October 20, 2016.
- (6) The amount reported for Mr. Ratterman represents Bats Restricted Shares granted to him for his service as a non-employee director on the Bats board that, consistent with the terms of Bats Restricted Shares granted to other Bats non-employee directors, will fully vest on a "single-trigger" basis immediately upon the closing of the merger, as described in more detail under the heading " Treatment of Bats Equity Awards" above.

CBOE Executive Officers

Two of CBOE Holdings' executive officers have interest in the merger that are different from, or in addition to, the interests of CBOE Holdings stockholders generally. On September 22, 2016, each of Edward L. Provost, President and Chief Operating Officer of CBOE Holdings, and Gerald O'Connell, Chief Technology Officer of CBOE Holdings, notified CBOE Holdings of his intention to retire from CBOE Holdings effective upon (and contingent upon) the closing of the merger. In connection with the proposed merger, the CBOE Holdings board determined that in connection with their termination of employment following the closing of the merger, each of Messrs. Provost and O'Connell, would be entitled to (i) the severance benefits payable under the terms of the CBOE Holdings Executive Severance Plan, (ii) accelerated vesting in full of any outstanding restricted stock units held by executive, (iii) accelerated vesting of any outstanding performance share units, held by the executive, prorated for the portion of the performance period completed at the time of termination and subject to attainment of the applicable performance goals through the full performance period and (iv) if the long-term incentive award approved in 2016 and the long-term incentive award scheduled to be granted for 2017 have not been granted as of the date of termination, a cash payment equal to the value of such awards that would have become vested if the awards had been granted prior to termination. As of the date of this joint proxy statement/prospectus, Mr. Provost is 64 years of age and otherwise would have become entitled to the accelerated vesting of his restricted stock units and performance share units in the manner described in clauses (ii) and (iii) above, if he had retired on or after attaining age 65. Mr. O'Connell turned 65 years of age prior to the date of this joint proxy statement/prospectus and thus, even in the absence of the CBOE Holdings board action, described above, he is entitled to

Table of Contents

the accelerated vesting of his restricted stock units and performance share units in the manner described in clauses (ii) and (iii) above.

Board of Directors of CBOE Holdings after the Merger

In connection with the merger, CBOE Holdings has agreed to take all requisite actions so that, as of the effective time of the merger, the CBOE Holdings board will consist of 14 directors, including three individuals designated by Bats who are serving on the Bats board immediately prior to the effective time of the merger and comply with the policies of the CBOE Holdings N&G Committee disclosed to Bats. Bats' current directors will resign from the Bats board as of the effective time of the merger. The CBOE Holdings board has indicated that it intends to appoint Joe Ratterman, the current Chairman of the Bats board, to the CBOE Holdings board at the effective time of the merger. However, as of the date of this joint proxy statement/prospectus, the CBOE Holdings board has not taken any such action, nor has there been any determination as to the identity of the other two Bats directors who will be appointed to the CBOE Holdings board or the three CBOE Holdings directors who will step down from the CBOE Holdings board at the effective time of the merger.

Information about the current CBOE Holdings directors and executive officers can be found in the documents listed under the heading "Where You Can Find More Information."

Table of Contents

THE MERGER AGREEMENT

The following summary describes the material provisions of the merger agreement. The summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. You should read the merger agreement carefully in its entirety, as it is the legal document governing the transaction.

The merger agreement and the following summary have been included to provide you with information regarding the terms of the merger agreement and the transactions contemplated thereby. We do not intend for the text of the merger agreement to be a source of factual, business or operational information about CBOE Holdings or Bats. That information can be found elsewhere in this joint proxy statement/prospectus and in the other public documents that CBOE Holdings files with the SEC. See "Wh