

CBOE Holdings, Inc.
Form S-4/A
November 18, 2016

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As filed with the Securities and Exchange Commission on November 18, 2016

Registration No. 333-214488

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1
to

**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

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(312) 786-5600

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

with copies to:

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)

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.

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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 18, 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:

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[•], 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].

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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]

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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]

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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;

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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.

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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.

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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.

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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

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(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, on the fourth floor of the Chicago Board Options Exchange, Incorporated, at 400 South LaSalle Street, Chicago, Illinois, 60605.

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

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opportunity to cast an advisory vote on such payments. The approval by Bats stockholders of this 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.

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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.

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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.

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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

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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.

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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

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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

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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:

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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

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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

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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 nine months ended September 30, 2016, trade execution comprised 44.2% of Bats' revenues less cost of revenues, and market data and connectivity, or "**non-transaction revenues**," comprised 55.8% 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 September 30, 2016. In addition, for each of the nine consecutive months ended September 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 in 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.

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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

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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

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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

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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.

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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

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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,

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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.

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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. 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. Early termination of the waiting period under the HSR Act was granted on November 18, 2016.

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

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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).

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

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to not soliciting CBOE Holdings acquisition proposals and the holding of such stockholder meeting); or

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;

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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 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

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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.

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.

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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 September 30, 2016 and 2015 and for the nine months ended September 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 September 30, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The results for the nine months ended September 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 September 30, 2016 and 2015 and for the nine months ended September 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 September 30, 2016. See "Where You Can Find More Information" beginning on page 420.

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	Nine Months Ended September 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in thousands, except per share data)							
Income Statement Data:							
Total operating revenues	\$ 481,866	\$ 478,599	\$ 634,545	\$ 617,225	\$ 572,050	\$ 512,338	\$ 508,144
Total operating expenses	258,768	234,565	314,617	303,424	286,236	268,241	266,512
Operating income	223,098	244,034	319,928	313,801	285,814	244,097	241,632
Total other income (expense)	8,519	326	4,096	(4,104)	(2,158)	(1,546)	(1,548)
Income before income taxes	231,617	244,360	324,024	309,697	283,656	242,551	240,084
Income tax provision	91,059	89,739	119,001	119,983	107,657	85,156	100,678
Net income	\$ 140,558	\$ 154,621	\$ 205,023	\$ 189,714	\$ 175,999	\$ 157,395	\$ 139,406

Net income allocated to common stockholders	\$ 139,974	\$ 153,945	\$ 204,125	\$ 188,392	\$ 173,863	\$ 155,254	\$ 136,582
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Net income per share allocated to common stockholders

Basic	\$ 1.72	\$ 1.85	\$ 2.46	\$ 2.21	\$ 1.99	\$ 1.78	\$ 1.52
Diluted	1.72	1.85	2.46	2.21	1.99	1.78	1.52
Cash dividends declared per share ⁽¹⁾⁽²⁾	0.71	0.65	0.88	0.78	1.16	1.29	0.44

	Nine Months Ended September 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in thousands)							
Balance Sheet Data:							
Total Assets	\$ 441,342	\$ 397,419	\$ 384,788	\$ 383,901	\$ 441,589	\$ 338,858	\$ 327,868
Total liabilities	139,177	137,602	125,143	133,834	157,072	99,736	91,598
Redeemable noncontrolling interests	12,600						
Total stockholders' equity	289,565	259,817	259,645	250,067	284,517	239,122	236,270
Average daily volume by product⁽³⁾							
Equities	1,430	1,602	1,559	1,939	1,721	1,977	2,048
Indexes	1,712	1,645	1,620	1,613	1,479	1,217	1,271
Exchange-trade products	1,268	1,341	1,274	1,507	1,353	1,247	1,462
Total options average daily volume	4,410	4,588	4,453	5,059	4,553	4,441	4,781
Futures	240	211	205	201	159	96	48
Total average daily volume	4,650	4,799	4,658	5,260	4,712	4,537	4,829

- (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.

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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 September 30, 2016 and 2015 and for the nine months ended September 30, 2016 and 2015 have been derived from Bats' unaudited condensed consolidated financial statements and related notes for the quarterly period ended September 30, 2016, which are included elsewhere in this joint proxy statement/prospectus. The results for the nine months ended September 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 September 30, 2016 and 2015 and for the nine months ended September 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.

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	Nine Months Ended September 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	\$ 1,011.1	\$ 970.1	\$ 1,290.2	\$ 1,009.9	\$ 612.8	\$ 645.3	\$ 695.4
Regulatory transaction fees ⁽¹⁾	222.8	207.0	275.7	272.0	127.4	148.1	156.4
Market data fees	110.1	99.4	131.0	110.3	59.4	60.3	55.6
Connectivity fees and other	74.4	58.7	81.8	66.0	41.9	31.0	19.2
Total revenues	1,418.4	1,335.2	1,778.7	1,458.2	841.5	884.7	926.6
Cost of revenues:							
Liquidity payments	832.5	805.7	1,070.7	831.4	474.7	508.2	566.1
Section 31 fees ⁽¹⁾	222.8	207.0	275.7	272.0	127.4	148.1	156.4
Routing and clearing	32.6	36.7	47.9	47.3	42.6	51.5	76.1
Total cost of revenues	1,087.9	1,049.4	1,394.3	1,150.7	644.7	707.8	798.6
Revenues less cost of revenues	330.5	285.8	384.4	307.5	196.8	176.9	128.0
Operating expenses:							
Compensation and benefits	68.7	58.4	79.7	87.0	41.5	48.4	42.9
Depreciation and amortization	31.2	28.5	40.8	28.4	15.2	17.0	8.4
Systems and data communication	13.5	21.4	27.2	23.5	9.6	11.9	10.1
Occupancy	2.1	2.4	3.1	4.2	1.9	2.3	1.5
Professional and contract services	10.5	8.9	11.1	6.5	8.1	9.2	10.3
Regulatory costs	8.6	8.6	11.1	12.1	5.4	5.7	5.5
Change in fair value of contingent consideration liability	2.2	1.7	2.8			12.4	0.3
Impairment of assets					3.5	0.2	
General and administrative	17.8	20.9	26.3	26.2	10.0	10.5	10.7
Total operating expenses	154.6	150.8	202.1	187.9	95.2	117.6	89.7
Operating income	175.9	135.0	182.3	119.6	101.6	59.3	38.3
Interest (expense) income, net	(29.9)	(34.2)	(46.6)	(27.3)	(25.8)	(0.6)	0.1
Loss on extinguishment of debt	(17.6)			(13.6)			
Equity in earnings in EuroCCP	1.2	1.0	1.2	1.1			
Other income (expense)	0.2	1.6	1.8	0.5	(0.2)	(0.6)	(0.1)
Income before income tax provision	129.8	103.4	138.7	80.3	75.6	58.1	38.3
Income tax provision	53.3	42.9	56.5	31.1	28.8	26.5	14.8
Net income	\$ 76.5	\$ 60.5	\$ 82.2	\$ 49.2	\$ 46.8	\$ 31.6	\$ 23.5
Earnings per share:							
Basic	\$ 0.81	\$ 0.64	\$ 0.87	\$ 0.53	\$ 0.71	\$ 0.48	\$ 0.44
Diluted	\$ 0.79	\$ 0.64	\$ 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	96.4	95.2	95.0	92.7	66.3	66.2	54.5
Distributions per share	\$ 0.08	\$	\$	\$ 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 the national securities exchanges then pass these costs along to their members as regulatory transaction fees, recognizing these amounts as incurred in cost of revenues and revenues, respectively.

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	As of		Year Ended December 31,				
	September 30,	2015	2015	2014	2013	2012	2011
	2016	2015	2015	2014	2013	2012	2011
	(in millions)						
Consolidated Statements of Financial Condition							
Data:							
Total assets	1,217.7	1,278.0	1,307.0	1,000.1	452.3	469.6	594.9
Total liabilities	782.9	914.0	927.1	695.9	312.3	381.9	148.3
Stockholders' equity	434.8	364.0	379.9	304.2	140.0	87.7	446.6
	Nine Months		Year Ended December 31,				
	September 30,	2015	2015	2014	2013	2012	2011
	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	1.5	1.5	1.2	0.6	0.7	0.9
Routed shares			0.1	0.1	0.1	0.1	0.1
Total touched shares	1.6	1.5	1.6	1.3	0.7	0.8	1.0
Market ADV	7.4	6.9	6.9	6.4	6.2	6.4	7.8
Number of trading days	189	188	252	252	252	250	252
Net capture per one hundred touched shares ⁽¹⁾	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.022	\$ 0.024	\$ 0.023	\$ 0.017
Market share ⁽²⁾	20.8%	21.1%	21.1%	19.4%	10.4%	11.9%	11.3%
European Equities:							
Average daily notional value (ADNV) (in billions):							
Matched and touched	€ 10.8	€ 12.7	€ 12.4	€ 8.6	€ 7.5	€ 7.6	€ 8.1
Market ADNV	€ 46.6	€ 52.4	€ 50.8	€ 39.7	€ 32.6	€ 30.9	€ 38.6
Number of trading days	193	192	257	256	256	257	257
Net capture per matched notional value (in basis points) ⁽¹⁾	0.150	0.132	0.133	0.162	0.167	0.113	0.045
Market share ⁽²⁾	23.2%	24.2%	24.4%	21.6%	23.1%	24.6%	7.0%
U.S. Options:							
ADV (in millions of contracts):							
Matched contracts	1.7	1.6	1.5	0.8	0.6	0.5	0.5
Routed contracts			0.1				0.1
Total touched contracts	1.7	1.6	1.6	0.8	0.6	0.5	0.6
Market ADV	15.8	16.3	16.1	16.6	15.9	15.7	17.6
Number of trading days	189	188	252	252	252	250	252
Net capture per touched contract ⁽¹⁾	\$ 0.053	\$ 0.024	\$ 0.030	\$ 0.046	\$ 0.058	\$ 0.063	\$ (0.010)
Market share ⁽²⁾	11.0%	9.9%	9.6%	4.8%	3.7%	3.3%	3.1%
Global FX:							
ADNV (in billions)	\$ 27.0	\$ 26.9	\$ 25.8	*	*	*	*
Number of trading days	195	144	209	*	*	*	*

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Net capture per one million dollars traded ⁽¹⁾	\$	2.68	\$	3.00	\$	2.95	*	*	*	*
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(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 is referred 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

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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 the inclusion of market data from additional European national securities exchanges or MTFs. Due to the lack of a consolidated European reporting tape, Bats Europe's share of European trading is based on public data provided by third-party sources and represents Bats' best estimate of 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 nine months ended September 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 September 30, 2016 reflect the merger and related financing transactions as if they had occurred on September 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 full amount of 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

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
	(in thousands, except per share data)	
Total operating revenue	\$ 812,278	\$ 1,019,055
Net income allocated to common stockholders	\$ 190,496	\$ 249,645
Net income per share allocated to common stockholders:		
Basic	\$ 1.69	\$ 2.20
Diluted	\$ 1.69	\$ 2.20
Weighted average shares used in computing income per share:		
Basic	111,826	113,354
Diluted	112,339	113,541

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Unaudited Pro Forma Condensed Combined Balance Sheet Data

	As of September 30, 2016 (in thousands)
Total assets	\$ 5,121,932
Short-term debt	\$ 642,032
Long-term debt	\$ 994,825
Total stockholders' equity	\$ 2,208,964

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Unaudited Pro Forma Combined Per Share Information

The following unaudited pro forma combined per share information for the nine months ended September 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 September 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 full amount of 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 September 30, 2016 and December 31, 2015, respectively.

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	Nine Months Ended September 30, 2016		Year Ended December 31, 2015	
CBOE HOLDINGS HISTORICAL PER COMMON SHARE DATA				
Net income allocated to common stockholders:				
Basic	\$	1.72	\$	2.46
Diluted	\$	1.72	\$	2.46
Cash dividends paid per common share	\$	0.71	\$	0.88
Book value per common share	\$	3.56	\$	3.16
BATS HISTORICAL PER COMMON SHARE DATA				
Net income allocated to common stockholders:				
Basic	\$	0.81	\$	0.87
Diluted	\$	0.79	\$	0.87
Cash dividends paid per common share	\$	0.08		
Book value per common share	\$	4.51	\$	3.97
CBOE HOLDINGS UNAUDITED PRO FORMA COMBINED PER COMMON SHARE DATA				
Net income allocated to common stockholders:				
Basic	\$	1.69	\$	2.20
Diluted	\$	1.69	\$	2.20
Cash dividends paid per common share	\$	0.71	\$	0.88
Book value per common share	\$	19.79	\$	19.65
CBOE HOLDINGS UNAUDITED PRO FORMA EQUIVALENT PER COMMON SHARE DATA⁽¹⁾				
Net income allocated to common stockholders:				
Basic	\$	0.54	\$	0.70
Diluted	\$	0.54	\$	0.70
Cash dividends paid per common share	\$	0.23	\$	0.28
Book value per common share	\$	6.33	\$	6.29

- (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 17, 2016)	\$ 69.01	\$ 61.58	\$

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 17, 2016)	\$ 31.41	\$ 28.74	\$

(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		Bats Common Stock		Bats Common Stock	
	Common Stock		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.

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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.

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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;

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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

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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.

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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 CBOE Holdings' 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 in 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 Holdings

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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.

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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

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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 September 30, 2016 reflects goodwill of \$1.1 billion and intangible assets of \$3.2 billion. These amounts include \$1.1 billion of goodwill and \$3.0 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."

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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

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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

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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.

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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."

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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 September 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

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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 nine months ended September 30, 2016, off-exchange trading accounted for approximately 36.6% 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 15 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

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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.

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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 33.3% and 44.2% of its revenues less cost of revenues from market data fees and net transaction fees, respectively, for the nine months ended September 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%, 84% and 83.8% of Bats' market data fees for the nine months ended September 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.

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For example, if Bats' market share of U.S. listed cash equities and U.S. listed equity options trading, or 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 nine months ended September 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.

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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

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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

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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

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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.

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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

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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

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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

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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

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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.

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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 nine months ended September 30, 2016, 21.6% of Bats' total transaction fees were generated by affiliates of Bats' significant stockholders. For the years ended

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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 nine months ended September 30, 2016 and the years ended December 31, 2015, 2014 and 2013, 26.5%, 53.1%, 48.8%, 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

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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 \$945.4 million of goodwill and other acquired intangible assets as of September 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.

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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.

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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.

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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.

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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.

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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.

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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

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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

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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

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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;

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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.

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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

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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.

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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

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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

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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).

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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

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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

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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.

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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,

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"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

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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).

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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

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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.

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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

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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

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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

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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

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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

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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.

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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.

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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

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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.

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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

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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.

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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.

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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

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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.

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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

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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

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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.

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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,

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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

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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

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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

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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

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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

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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

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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.

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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.

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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.

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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

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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%,

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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

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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

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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

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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;

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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

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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

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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

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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

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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.

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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.

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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

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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

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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

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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;

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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

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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

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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

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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

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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

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CBOE Holdings (Consensus Estimates)

29.0x

26.3x

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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

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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

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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

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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

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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

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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 effect 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. Early termination of the waiting period under the HSR Act was granted on November 18, 2016.

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

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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.

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

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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;

a person who has a functional currency other than the United States dollar;

a person liable for the alternative minimum tax;

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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

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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 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

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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.

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

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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.

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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

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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

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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

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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

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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

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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.

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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

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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 Stock Options (#)	Vested Stock Options (\$)	Unvested Stock Options (#)	Unvested Stock Options (\$)	Unvested Restricted Shares (#)	Unvested 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;

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accelerated vesting of all outstanding Bats equity awards held by the executive; and

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

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executive thereafter terminates employment within 120 days after the end of the cure period.

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

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termination of employment following the completion of the merger. The actual amounts that may 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,

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subject to the executive remaining in continuous employment with the combined company through such 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

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disclosure rules, and in this section we use such term to describe the merger-related compensation 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

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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

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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

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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."

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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 "Where You Can Find More Information" beginning on page 420.

The merger agreement contains representations, warranties, covenants and other agreements that the parties made to each other only for purposes of the merger agreement and as of specific dates. Representations and warranties are used as a tool to allocate risks between the respective parties to the merger agreement, including to the extent the parties do not have complete knowledge of all facts, and not necessarily to establish such matters as facts. Furthermore, the representations and warranties in the merger agreement may be modified or qualified by information contained in disclosure letters that the parties exchanged in connection with the execution of the merger agreement or certain of the respective parties' SEC filings. Some of these representations and warranties may not be accurate or complete as of a specific date because they are subject to a contractual standard of materiality that may be different from the standard generally applied under the federal securities laws. Finally, information concerning the subject matter of the representations and warranties in the merger agreement may have changed since the date of the merger agreement, which may or may not be fully reflected in CBOE Holdings' and Bats' public disclosures.

Structure and Completion of the Merger

On the terms and subject to the conditions set forth in the merger agreement, Merger Sub, a wholly owned subsidiary of CBOE Holdings, will merge with and into Bats, with Bats surviving the merger as a wholly owned subsidiary of CBOE Holdings.

The merger will occur on the date on which closing of the merger actually occurs (the "**closing date**") (or on such other date as CBOE Holdings and Bats may agree) but no later than the fifth business day after the date upon which all of the conditions to completion of the merger contained in the merger agreement (other than those conditions that are waived or that may only be satisfied at the closing of the merger, but subject to the satisfaction of such conditions) are satisfied or waived (see "Conditions to Completion of the Merger"). However, if the marketing period (as defined below) has not ended at the time of the satisfaction or waiver of such conditions (other than those conditions that may only be satisfied on the closing date, but subject to the satisfaction or waiver of such conditions), the closing will occur instead on (a) the date following the satisfaction or waiver of such conditions that is the earliest to occur of (i) any business day during the marketing period specified by CBOE Holdings to Bats on no less than three (3) business days' written notice and (ii) the third business day after the final day of the marketing period, but subject, in each case, to the satisfaction or waiver of the conditions to completion of the merger (other than those conditions that by their terms may only be satisfied on the closing date, but subject to the satisfaction or waiver of those conditions at such time) at such time or (b) such other date, time or place as agreed to in writing.

The "**marketing period**" is the first period of 20 consecutive business days after the date of the merger agreement throughout which CBOE Holdings has received the required information (as defined below) from Bats, and such required information is compliant (as defined below). However, if Bats in good faith reasonably believes it has provided the required information and that such required

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information is compliant, it may deliver to CBOE Holdings a written notice to that effect (stating when Bats believes it completed such delivery), in which case CBOE Holdings will promptly deliver such notice to CBOE Holdings' debt financing sources, Bats will be deemed to have complied with the delivery of required information and the marketing period will be deemed to have commenced as of such date unless CBOE Holdings in good faith reasonably believes Bats has not completed the delivery of the required information or that the required information is not compliant and, within three business days after the delivery of such notice by Bats, delivers a written notice to Bats to that effect (stating with specificity, to the extent reasonably practicable, which required information that CBOE Holdings believes in good faith that Bats has not delivered or is not compliant). Notwithstanding the foregoing, the "marketing period" will (x) not commence and will be deemed not to have commenced prior to the date of the merger agreement, prior to the mailing of this joint proxy/prospectus and (y) exclude July 3, 2017 and July 5, 2017 from the determination of such 20 consecutive business day period and if such 20 consecutive business day period has not ended on or prior to August 21, 2017, then the marketing period will commence no earlier than September 11, 2017.

The merger will become effective at the time that the certificate of merger has been filed with, and accepted by, the Secretary of State of the State of Delaware, or at such later time agreed to by the parties and specified in the certificate of merger.

Immediately following the completion of the merger, the surviving corporation from the merger, Bats, will merge with and into Merger LLC, a wholly owned subsidiary of CBOE Holdings, with Merger LLC surviving the subsequent merger.

Bats and CBOE Holdings currently expect that the merger and the subsequent merger will be completed in the first half of 2017.

Merger Consideration

Conversion of Shares

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 and shares held by any holder of Bats common stock who is entitled to demand and properly demands appraisal of such shares under Delaware law ("*appraisal shares*")) will be converted into the right to receive, at the election of the holders of such shares of Bats common stock, either a combination of shares of CBOE Holdings common stock and cash, an amount of cash or shares of CBOE Holdings common stock, in each case as further described below, subject to the automatic proration and adjustment procedures described below under " Merger Consideration Cash Consideration," " Merger Consideration Stock Consideration," and " Allocation of Merger Consideration and Illustrative Elections and Calculations."

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 to be issued and the total amount of cash to be paid by CBOE Holdings as part of the merger 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 that is declared thereon (a "*capital stock adjustment event*")). However, since the market price of CBOE Holdings common stock will fluctuate,

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the total value of the mixed consideration and the value of the stock 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 after the determination of the closing CBOE Holdings VWAP (as defined below). 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 CBOE Holdings common stock (each, a "***mixed consideration electing share***"), and each share for which a Bats stockholder fails to make any election with respect to such stockholder's shares of Bats common stock prior to the election deadline (each, a "***non-electing share***"), will be converted into the right to receive the mixed consideration.

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 (each, a "***cash electing share***") will be converted into the right to receive the cash consideration provided that the available cash election amount (as defined below) equals or exceeds the cash election amount (as defined below). The amount of cash consideration that each cash electing share is entitled to receive is referred to as the "***per share cash election consideration***."

Notwithstanding anything contained in the first sentence of the immediately preceding paragraph to the contrary, if:

the product of (i) the number of cash electing shares and (ii) the per share cash election consideration (the "***cash election amount***") exceeds

the difference between (i) the product of (a) \$10.00 and (b) the total number of shares of Bats common stock (other than shares of Bats common stock held by CBOE Holdings or a wholly owned subsidiary of Bats or CBOE Holdings) issued and outstanding immediately prior to the effective time of the merger minus (ii) the product of (a) the number of mixed consideration electing shares (including any non-electing shares) and (b) \$10.00 (such difference, the "***available cash election amount***"),

then each cash electing share will be converted into a right to receive:

an amount of cash, without interest, equal to the product (rounded to two decimal places) of (i) the per share cash election consideration and (ii) a fraction, the numerator of which will be the available cash election amount and the denominator of which will be the cash election amount (the "***cash fraction***") and

a number of shares of CBOE Holding common stock equal to the product of:

(i) the sum of 0.3201 of a share of CBOE Holdings common stock (the "***mixed election stock exchange ratio***"), plus (y) the quotient (rounded to four decimal places) of \$10.00 divided by the closing CBOE Holdings VWAP, multiplied by

one minus the cash fraction.

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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 (a "***stock electing share***") will convert into a number of shares of CBOE Holdings common stock equal to the exchange ratio, provided that the cash election amount equals or exceeds the available cash election amount. The number of shares that each stock electing share is entitled to receive is referred to as the "***per share stock election consideration***."

Notwithstanding anything contained in the first sentence of the immediately preceding paragraph to the contrary, if the available cash election amount exceeds the cash election amount, then each stock electing share will be converted into the right to receive:

an amount of cash, without interest, equal to the amount (rounded to two decimal places) of such excess divided by the number of stock electing shares (such fraction, the "***excess cash amount***") and

a number of shares of CBOE Holdings common stock equal to the product (rounded to four decimal places) of (x) the exchange ratio and (y) a fraction, the numerator of which will be the per share cash election consideration minus the excess cash amount and the denominator of which will be the per share cash election consideration (such fraction, the "***stock fraction***").

Allocation of Merger Consideration and Illustrative Elections and Calculations

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 are fixed (in each case subject to adjustment in the event that there is any capital stock adjustment event). If the elections of all of the Bats stockholders result in an oversubscription or undersubscription of the available cash election amount, the aggregate amount of cash or CBOE Holdings common stock, as applicable, will not be adjusted. Rather, the exchange agent will allocate between cash and shares of CBOE Holdings common stock in the manner described above under " Merger Consideration Cash Consideration" and " Merger Consideration Stock Consideration", and as illustrated below to ensure that the total amount of cash paid and the total number of shares of CBOE Holdings common stock issued by CBOE Holdings in the merger each represents approximately 31% and 69% of the aggregate merger consideration, respectively (taking into account the roll-over of Bats stock options and restricted shares, as described above under " Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards" and based on the closing price of CBOE Holdings common stock on September 22, 2016, the last full trading day prior to media publications regarding the proposed merger). Accordingly, there is no assurance that a Bats stockholder that has made a valid election to receive the cash consideration or the stock consideration will receive the form or combination of consideration elected with respect to the shares of Bats common stock held by such stockholder. See "Risk Factors Risks Relating to the Merger and the Combined Company *Bats stockholders may receive a form or combination of consideration different from what they elect.*"

Set forth below are illustrations of both an oversubscription of cash and an undersubscription of cash and the resulting automatic proration and adjustment of those stockholders electing to receive the cash consideration or the stock consideration, as applicable.

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Number of shares of Bats common stock outstanding as of closing	98,338,248 ⁽¹⁾
Per share cash amount	\$ 10.00
Mixed election stock exchange ratio	0.3201
Exchange ratio	0.4642 ⁽²⁾
Closing CBOE Holdings VWAP	\$ 69.41 ⁽³⁾

- (1) Includes (i) 1,905,635 shares of Bats common stock issuable upon the exercise of Bats Stock Options and (ii) 1,580,196 unvested Bats Restricted Shares.
- (2) Determined by adding the mixed election stock exchange ratio (0.3201) and the quotient (rounded to four decimal places) of (x) the per share cash amount (\$10.00) divided by (y) the assumed closing CBOE Holdings VWAP (\$69.41).
- (3) The closing price of CBOE Holdings common stock reported on NASDAQ 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.

*Illustration #1: Oversubscription of Cash Consideration/Undersubscription of Stock Consideration**Additional Assumptions for Illustration #1*

Number of cash electing shares	73,753,686
Number of mixed consideration electing shares	9,833,825
Number of stock electing shares	14,750,737

Determination of the Cash Election Amount and the Available Cash Election Amount

Cash Election Amount

Number of cash electing shares	73,753,686
Per share cash election consideration	\$ 32.22 ⁽¹⁾
Cash election amount	\$ 2,376,206,654.82 ⁽²⁾

- (1) Determined by adding the per share cash amount of \$10.00 and the product (rounded to two decimal places) of (x) the mixed election stock exchange ratio (0.3201) multiplied by (y) the assumed closing CBOE Holdings VWAP (\$69.41).
- (2) Determined by multiplying the number of cash electing shares by the unrounded per share cash election consideration.

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Available Cash Election Amount

Number of shares of Bats common stock outstanding as of closing	98,338,248 ⁽¹⁾
Per share cash amount	\$ 10.00
Number of mixed consideration electing shares	9,833,825
Available cash election amount	\$ 885,044,230 ⁽²⁾

- (1) Includes (i) 1,905,635 shares of Bats common stock issuable upon the exercise of Bats Stock Options and (ii) 1,580,196 unvested Bats Restricted Shares.
- (2) Determined by calculating the difference between (i) the product of (x) the per share cash amount (\$10.00) and (y) the total number of shares of Bats common stock issued and outstanding immediately prior to the effective time of the merger (98,338,248) minus (ii) the product of (x) the number of mixed consideration electing shares (9,833,825) and (y) the per share cash amount (\$10.00).

Given that the cash election amount exceeds the available cash election amount, the merger consideration to be paid to mixed consideration electing shares, cash electing shares and stock electing shares would be determined as follows:

Each mixed consideration electing share of Bats common stock would receive:

\$10.00 in cash and

0.3201 of a share of CBOE Holdings common stock.

Each cash electing share of Bats common stock would receive (as illustrated below):

\$12.00 in cash, and

0.2913 shares of CBOE Holdings common stock.

Each stock electing share of Bats common stock would receive 0.4642 shares of CBOE common stock.

Determination of Proration and Adjustment to Merger Consideration for Cash Electing Shares

Cash Portion of Consideration

Per share cash election consideration	\$ 32.22 ⁽¹⁾
Cash fraction	0.3725 ⁽²⁾
Cash portion of consideration	\$ 12.00 ⁽³⁾

- (1) Represents the amount of cash (rounded to two decimal places) determined by adding the per share cash amount of \$10.00 and the product of (x) the mixed election stock exchange ratio (0.3201) multiplied by the assumed closing CBOE Holdings VWAP (\$69.41).
- (2) Represents the available cash election amount (\$885,044,230) divided by the cash election amount (\$2,376,206,654.82).
- (3) Determined by multiplying the per share cash election consideration by the cash fraction.

Table of ContentsStock Portion of Consideration

Exchange ratio	0.4642
One minus the cash fraction	0.6275
Stock portion of consideration	0.2913 ⁽¹⁾

- (1) Determined by multiplying (x) the exchange ratio (0.4642) by (y) one minus the cash fraction (0.3725).

Illustration #2: Undersubscription of Cash Consideration/Oversubscription of Stock Consideration*Additional Assumptions for Illustration #2*

Number of cash electing shares	14,750,737
Number of mixed consideration electing shares	9,833,825
Number of stock electing shares	73,753,686

*Determination of the Cash Election Amount and the Available Cash Election Amount*Cash Election Amount

Number of cash electing shares	14,750,737
Per share cash election consideration	\$ 32.22 ⁽¹⁾
Cash election amount	\$ 475,241,324.52 ⁽²⁾

- (1) Determined by adding the per share cash amount of \$10.00 and the product (rounded to two decimal places) of (x) the mixed election stock exchange ratio (0.3201) multiplied by (y) the assumed closing CBOE Holdings VWAP (\$69.41).
- (2) Determined by multiplying the number of cash electing shares by the unrounded per share cash election consideration.

Available Cash Election Amount

Number of shares of Bats common stock outstanding as of closing	98,338,248 ⁽¹⁾
Per share cash amount	\$ 10.00
Number of mixed consideration electing shares	9,833,825
Available cash election amount	\$ 885,044,230 ⁽²⁾

- (1) Includes (i) 1,905,635 shares of Bats common stock issuable upon the exercise of Bats Stock Options and (ii) 1,580,196 unvested Bats Restricted Shares.
- (2) Determined by calculating the difference between (i) the product of (x) the per share cash amount (\$10.00) and (y) the total number of shares of Bats common stock issued and outstanding immediately prior to the effective time of the merger (98,338,248) minus (ii) the product of (x) the number of mixed consideration electing shares (9,833,825) and (y) the per share cash amount (\$10.00).

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Given that the available cash election amount exceeds the cash election amount, the merger consideration to be paid to mixed consideration electing shares, cash electing shares and stock electing shares would be determined as follows:

Each mixed consideration electing share of Bats common stock would receive:

\$10.00 in cash, and

0.3201 of a share of CBOE Holdings common stock.

Each cash electing share of CBOE Holdings common stock would receive \$32.22 in cash.

Each stock electing share of Bats common stock would receive (as illustrated below):

\$5.56 in cash, and

0.3841 shares of CBOE Holdings common stock.

Determination of Proration and Adjustment to Merger Consideration for Stock Electing Shares

Cash Portion of Consideration

Cash election amount	\$	475,241,324.52
Available cash election amount	\$	885,044,230
Cash portion of consideration	\$	5.56 ⁽¹⁾

- (1) Represents the amount of cash (rounded to two decimal places) determined by calculating the amount by which the available cash election amount exceeds the cash election amount (\$409,802,905.48) and dividing such number by the number of stock electing shares (73,753,686).

Stock Portion of Consideration

Exchange ratio	0.4642
Stock fraction	0.8274 ⁽¹⁾
Stock portion of consideration	0.3841 ⁽²⁾

- (1) Represents (x) the per share cash election consideration (\$32.22) minus the cash portion of the consideration determined above (\$5.56) divided by (y) the per share cash election consideration (\$32.22).
- (2) Represents the product (rounded to four decimal places) determined by multiplying (x) the exchange ratio (0.4642) by (y) the stock fraction (0.8274).

Manner and Procedure for Exchanging Shares of Bats Common Stock; No Fractional Shares

Prior to the effective time of the merger, the merger agreement provides that CBOE Holdings will deposit with Computershare Trust Company, N.A., for the benefit of the holders of shares of Bats common stock, certificates representing the full number of shares of CBOE Holdings common stock issuable in connection with the merger, and will provide or will cause to be provided to the exchange agent all of the cash necessary to pay the cash portion of the merger consideration. After the effective time of the merger on the appropriate payment date, if

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applicable, CBOE Holdings will provide or cause to be provided to the exchange agent any dividends or other distributions payable on such shares of CBOE Holdings common stock pursuant to the merger agreement.

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The conversion of shares of Bats common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger.

Following completion of the merger, Bats will not register any transfers of Bats common stock outstanding on its stock transfer books prior to the merger.

CBOE Holdings will not issue certificates or scrip representing fractional shares in the merger. Instead, each holder of shares of Bats common stock who would otherwise be entitled to a fractional share of CBOE Holdings common stock will have their fractional shares aggregated and will be entitled to receive a cash payment, without interest, rounded down to the nearest cent, from the exchange agent, in lieu of such fractional shares in an amount equal to the product of:

the amount of the fractional interest in a share of CBOE Holdings common stock to which such holder is entitled under the merger agreement; multiplied by

an amount equal to the closing CBOE Holdings VWAP.

Election Procedures

The election form will be mailed to Bats stockholders with this joint proxy statement/prospectus. The election form will allow each Bats stockholder to specify the number of shares of Bats common stock with respect to which such holder elects to receive cash consideration, stock consideration or mixed consideration. The election must be made prior to the election deadline. The election deadline will be 5:00 p.m., New York City time, on the date that is two business days before the closing date. CBOE Holdings and Bats will publicly announce the anticipated election deadline at least three business days before the anticipated closing date of the merger. If the closing date is delayed to a subsequent date, the election deadline will be similarly delayed to a subsequent date, and CBOE Holdings and Bats will promptly announce any such delay and, when determined, the rescheduled election deadline.

To make a valid election, each Bats stockholder must submit a properly completed form of election so that it is actually received by the exchange agent at its designated office at or prior to the election deadline. A form of election will be properly completed and signed and accompanied by any additional documents required by the procedures set forth in the form of election.

If a Bats stockholder does not make an election to receive cash consideration, stock consideration or mixed consideration pursuant to the merger, the election is not received by the exchange agent by the election deadline, or the form of election is improperly completed and/or is not signed, that stockholder will be deemed not to have made an election. Bats stockholders not making an election will be deemed to have elected to receive mixed consideration with respect to those shares for which they are deemed not to have made an election.

Any form of election may be revoked with respect to all or a portion of shares of Bats common stock by a Bats stockholder submitting a form of election prior to the election deadline. If a cash election or stock election is so revoked, the shares of Bats common stock represented by the election form will be treated as shares electing mixed consideration unless the stockholder properly makes a subsequent election. The accounts of holders of book-entry shares will not be credited at the Depository Trust Company, unless that stockholder so requests. The exchange agent will generally have discretion to determine, in its good faith, whether any election or revocation has been properly or timely made and to disregard immaterial defects in the election forms. None of CBOE Holdings, Merger Sub, Merger LLC, Bats or the exchange agent will have any obligation to notify Bats stockholders of any defect in a form of election.

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Treatment of Equity Awards

Bats Stock Options

Pursuant to the merger agreement, at the effective time of the merger, each Bats Stock Option will be converted at the effective time of the merger into a CBOE Holdings Stock Option, 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 or vesting of such Bats Stock Option as provided in the applicable Bats equity incentive plan, applicable award documents or any applicable employment agreement or retention policy) 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, rounded down to the nearest whole share of CBOE Holdings common stock.

The exercise price per share for each such CBOE Holdings Stock Option will be equal to the exercise price per share of Bats common stock specified in such Bats Stock Option divided by the exchange ratio (rounded up to the nearest whole cent). The exercise price, the number of shares of CBOE Holdings common stock subject to each CBOE Holdings Stock Option and the terms and conditions of exercise of each Bats Stock Option will be determined in a manner consistent with Section 409A of the Code and, as applicable, Section 424(c) of the Code.

Bats Restricted Shares

Pursuant to the merger agreement, at the effective time of the merger, each outstanding award of Bats Restricted Shares that is outstanding and unvested immediately prior to the effective time of the merger (other than shares held by CBOE Holdings, Bats or any of their respective subsidiaries, appraisal shares and other than unvested Bats Restricted Shares granted under Bats equity incentive plans) will be assumed by CBOE Holdings and will be converted into CBOE Holdings Restricted Shares, and each such CBOE Holdings Restricted Share will be subject to the same terms and conditions (including vesting schedule) that applied to the corresponding Bats Restricted Share 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 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 product of the (i) total number of outstanding Bats Restricted Shares immediately prior the effective time of the merger, multiplied by (ii) the exchange ratio.

Distributions with Respect to Unexchanged Shares

No dividends or distributions with respect to CBOE Holdings common stock with a record date after the effective time of the merger will be paid to the holder of any book-entry shares formerly representing Bats common stock with respect to the shares of CBOE Holdings common stock issuable upon surrender of any book-entry shares formerly representing Bats common stock, and no cash payment in lieu of fractional shares will be paid to any such holder until delivery of a form of election. After the merger is completed and following the delivery of a form of election, holders of shares of Bats common stock will be entitled to (i) the amount of any cash payable in lieu of a fractional share of CBOE Holdings common stock to which the holder is entitled and the amount of dividends or other distributions with a record date after the effective time of the merger which have been paid with respect to CBOE Holdings common stock and (ii) at the appropriate payment date, an amount equal to the dividends or other distributions payable with respect to such shares of CBOE Holdings common stock with a record date on or after the date of the completion of the merger but with a payment date on or subsequent to such delivery.

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Termination of Exchange Fund

One year after the completion of the merger, the exchange agent will deliver to CBOE Holdings any cash or shares of CBOE Holdings common stock remaining in the exchange fund. Thereafter, Bats stockholders must look only to CBOE Holdings for payment of the merger consideration on their shares of Bats common stock and any dividends or distributions with respect to shares of CBOE Holdings common stock.

No Liability

None of CBOE Holdings, Bats, Merger Sub, Merger LLC, the exchange agent or any other person will be liable to any person in respect of any shares of CBOE Holdings common stock (or dividends or distributions with respect thereto) or cash from the exchange fund (including any undistributed portion of the exchange fund) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Bats Stockholder Appraisal Rights

Under Delaware law, Bats stockholders of record who do not vote in favor of the merger 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 merger consideration for Bats common stock. The relevant provisions of 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.

Merely not voting for the merger will not preserve the right of Bats stockholders to appraisal of their shares of Bats common stock under Delaware law because a submitted proxy not marked "**AGAINST**" or "**ABSTAIN**" will be voted "**FOR**" the proposal to adopt the merger agreement and "**FOR**" the Bats special meeting adjournment proposal at the Bats special meeting. Accordingly, the submission of a proxy not marked "**AGAINST**" or "**ABSTAIN**" will result in the waiver of appraisal rights. However, failure to submit a proxy will not result in the waiver of appraisal rights. Bats stockholders who wish to exercise their appraisal rights and hold shares in the name of a broker or other nominee must instruct their nominees to take the steps necessary to enable them to demand appraisal for their shares. See " Bats Stockholder Appraisal Rights." If any person who was entitled to demand appraisal fails to perfect or otherwise waives, withdraws or loses the right to appraisal under Section 262 of the DGCL, then the right of such holder to be paid the fair value of such holder's appraisal shares will cease and such appraisal shares will become deemed to be exchangeable solely for the right to receive the mixed consideration.

Bats has agreed to serve prompt notice to CBOE Holdings of any demands received by Bats for appraisal of any shares of Bats common Stock, and CBOE Holdings will have the right to participate in and direct all negotiations and actions with respect to such demands. Prior to the effective time of the merger, Bats will not, without the prior written consent of CBOE Holdings, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do any of the foregoing.

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Conditions to Completion of the Merger

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:

the approval by Bats stockholders of the proposal to adopt the merger agreement (the "**Bats stockholder approval**") and the approval by CBOE Holdings stockholders of the share issuance proposal (the "**CBOE Holdings stockholder approval**");

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 HSR Act;

the receipt by CBOE Holdings or Bats 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, including under applicable regulatory laws, which the failure to obtain, make or occur would have the effect of making the merger, the subsequent merger or any of the other transactions contemplated by the merger agreement illegal or would, individually or in the aggregate, have a "material adverse effect" (as defined below) 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 defined below) 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, have 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 effectiveness under the Securities Act of the registration statement on Form S-4 declared by the SEC 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 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 FINRA of the change of ownership or control of Bats' broker dealer entities under NASD Rule 1017; and

the approval by the U.K. Financial Conduct Authority of the merger under the U.K. Financial Services and Markets Act 2000 and the delivery of the related notifications to the U.K. Financial Conduct Authority.

The obligations of CBOE Holdings, Merger LLC and Merger Sub to effect the merger are subject to the satisfaction at or prior to the effective time of the merger of each of the following conditions, any and all of which may be waived, in whole or in part by CBOE Holdings:

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(i) the representations and warranties of Bats in the merger agreement regarding capital stock must be true and correct both when made and as of the closing date (except to the extent expressly made as of an earlier date, in which case as of such date and except for *de minimis* inaccuracies); (ii) the representations and warranties of Bats in the merger agreement regarding

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the absence of certain changes or events that have had or would reasonably be expected to have a material adverse effect must be true and correct in all respects both when made and as of the closing date; (iii) the representations and warranties of Bats in the merger agreement regarding (a) the organization, standing and power of Bats and subsidiaries of Bats, (b) authority of Bats to enter into, and, subject to receipt of the required stockholder approval, consummate the transactions contemplated by, the merger agreement, (c) the absence of conflicts with, or violations of, laws, organizational documents or contracts, in each case as a result of Bats' execution or delivery of the merger agreement or the performance by Bats of its covenants under, or the consummation by Bats of the transactions contemplated by, the merger agreement, (d) brokers, (e) the inapplicability of takeover laws to the merger and (f) opinions of Bats' financial advisors must be true and correct in all material respects both when made and as of the closing date (except to the extent expressly made as of an earlier date, in which case such date) and (iv) the other representations and warranties of Bats in the merger agreement, must be true and if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date) except where failure to be true and correct (without giving effect to any qualification as to materiality, material adverse effect or similar qualification set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a "material adverse effect" with respect to Bats or be reasonably likely to materially adversely affect the ability of Bats to effect the merger, and the receipt by CBOE Holdings of a certificate from an authorized executive officer of Bats to that effect;

Bats having performed or complied in all material respects with each of its agreements and covenants required by the merger agreement to be performed or complied with by it on or prior to the effective time of the merger, and the receipt by CBOE Holdings of a certificate from an authorized executive officer of Bats to that effect;

the receipt by CBOE Holdings of an opinion from its counsel in form and substance reasonably satisfactory to CBOE Holdings dated as of the closing date substantially to the effect that for federal income tax purposes that the merger and subsequent merger, taken together, will constitute a "reorganization" within the meaning of Section 368(a) of the Code, and that Bats and CBOE Holdings will each be a party to that reorganization within the meaning of Section 368(b) of the Code;

since the date of the merger agreement, there will not have been any event, change, effect, development, state of facts, condition, circumstance or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to Bats; and

no more than 20% of the outstanding shares of Bats common stock as of the closing being appraisal shares.

The obligations of Bats to effect the merger are subject to the satisfaction, or waiver by Bats, of the following conditions at or prior to completion of the merger:

(i) the representations and warranties of CBOE Holdings, Merger Sub and Merger LLC in the merger agreement regarding (a) organization of CBOE Holdings, Merger Sub and Merger LLC, (b) certain provisions of the representations and warranties related to the capital structure of CBOE Holdings, (c) authority of CBOE Holdings, Merger Sub and Merger LLC to enter into the merger agreement, and, subject to receipt of the required stockholder approval, consummate the merger, (d) the absence of conflicts with, or violations of, laws, organizational documents or contracts, in each case as a result of CBOE Holdings', Merger Sub's and Merger LLC's execution or delivery of the merger agreement or the performance by CBOE Holdings, Merger Sub and Merger LLC of their covenants under, or the consummation by CBOE Holdings, Merger Sub and Merger LLC of the transactions contemplated by, the merger agreement,

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(e) ownership of Bats shares, (f) ownership and operations of Merger Sub and Merger LLC, and (g) brokers must be true and correct in all material respects both when made as of the closing date, (except to the extent expressly made as of an earlier date, in which case as of such date); (ii) the representations and warranties of CBOE Holdings, Merger Sub and Merger LLC in the merger agreement regarding absence of certain changes or events that have had or would reasonably be expected to have a material adverse effect must be true and correct in all respects both when made and as of the closing date and (iii) the other representations and warranties of CBOE Holdings, Merger Sub and Merger LLC in the merger agreement (including with respect to financing) must be true and correct both when made and as of the closing date (except to the extent expressly made as of an earlier date, in which case as of such date) except where failure to be true and correct (without giving effect to any qualification as to materiality, material adverse effect or similar qualification set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a "material adverse effect" with respect to CBOE Holdings or be reasonably likely to materially adversely affect the ability of CBOE Holdings, Merger Sub and Merger LLC to effect the merger, and the receipt by Bats of a certificate from an authorized executive officer of CBOE Holdings to that effect;

each of CBOE Holdings, Merger Sub and Merger LLC having performed or complied in all material respects with each of its agreements and covenants required by the merger agreement to be performed or complied with by it on or prior to the effective time of the merger, and the receipt by Bats of a certificate from an authorized executive officer of CBOE Holdings to that effect;

the receipt by Bats of an opinion from its counsel in form and substance reasonably satisfactory to Bats dated as of the closing date substantially to the effect that for federal income tax purposes that the merger and subsequent merger, taken together, will constitute a "reorganization" within the meaning of Section 368(a) of the Code, and that Bats and CBOE Holdings will each be a party to that reorganization within the meaning of Section 368(b) of the Code; and

since the date of the merger agreement, there will not have been any event, change, effect, development, state of facts, condition, circumstance or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to CBOE Holdings.

CBOE Holdings, Bats or Merger Sub may elect to waive certain of the foregoing conditions in accordance with the terms of the merger agreement and applicable law. However, despite their ability to do so, none of CBOE Holdings, Bats, Merger Sub or Merger LLC currently expects to do so. The conditions to completion of the merger relating to the Bats stockholder approval, the CBOE Holdings stockholder approval, the prohibition or prevention of the merger by a governmental authority, the expiration or termination of any applicable waiting period under the HSR Act and the effectiveness under the Securities Act of the registration statement on Form S-4 may only be waived by all parties to the merger agreement. If any condition to completion of the merger is waived, CBOE Holdings and Bats will evaluate the materiality of such waiver to determine whether amendment of this joint proxy statement/prospectus and resolicitation of proxies are necessary under applicable law or the rules of NASDAQ. If CBOE Holdings and Bats determine that any such waiver is not significant enough to require resolicitation of proxies, they will have the discretion to complete the merger without seeking further stockholder approval.

Definition of Material Adverse Effect

Many of Bats' and CBOE Holdings' representations and warranties are qualified by a material adverse effect standard. For purposes of the merger agreement, "material adverse effect," with respect

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to either party, is defined to mean an event, change, effect, development, state of facts, condition, circumstance or occurrence that has or would reasonably be expected to have a material adverse effect on the business, assets, liabilities, condition (financial or otherwise) or results of operations of such party and its subsidiaries, taken as a whole. However, none of the following events, changes, effects, developments, states of facts, conditions, circumstances or occurrences will be deemed to have a material adverse effect:

changes in or affecting general political or economic conditions (including changes in interest rates) or the financial, credit or securities markets in the United States or elsewhere in the world, to the extent such party and its subsidiaries are not adversely affected in a disproportionate manner relative to other participants in the industries in which such party and its subsidiaries operate;

changes in or conditions generally affecting the industries in which such party or its subsidiaries generally operate, to the extent such party and its subsidiaries are not adversely affected in a disproportionate manner relative to other participants in the industries in which such party and its subsidiaries operate;

changes in GAAP or accounting standards or interpretations thereof;

geopolitical conditions, cyber-attacks, natural disasters, any outbreak or escalation of hostilities or acts of war on terrorism, to the extent such party and its subsidiaries are not adversely affected in a disproportionate manner relative to other participants in the industries in which such party or its subsidiaries operate;

any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal, in each case after the date of the merger agreement, of any rule, regulation, ordinance, order, protocol or any other law of or by any national, regional, state or local governmental entity, to the extent such party and its subsidiaries are not adversely affected in a disproportionate manner relative to other participants in the industries in which such party and its subsidiaries operate;

changes resulting from or arising out of the execution and delivery of the merger agreement or the announcement or consummation of the transactions contemplated by the merger agreement;

any taking of any action at the written request of the other party;

any litigation brought by a CBOE Holdings stockholder or a Bats stockholder relating to the merger agreement or the transactions contemplated by the merger agreement;

any action taken by such party or its subsidiaries that is required or contemplated by the merger agreement; or

any change in the share price or trading volume of the shares of such party's common stock, in such party's credit rating or in any analyst's recommendations, in each case in and of itself, or the failure of such party to meet projections or forecasts (including any analyst's projections), in and of itself, provided in the case of the preceding clauses, that the event, change, effect, development, condition, circumstance or occurrence underlying such change or failure will not be excluded, and may be taken into account, in determining whether there is or would reasonably be expected to be a "material adverse effect."

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Bats Acquisition Proposals

Bats has agreed that, except as described further below, neither it nor any of its respective subsidiaries will, and Bats and its subsidiaries will direct their respective representatives not to, directly or indirectly:

solicit, initiate or knowingly encourage or knowingly induce or facilitate 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 defined below);

make available any information regarding Bats or any of its subsidiaries to any person (other than CBOE Holdings and CBOE Holdings' or Bats' representatives acting in their capacity as such), in connection with or in response to a Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal;

engage in discussions or negotiations with any person with respect to any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal (other than to state that they currently are not permitted to have discussions);

approve, endorse or recommend any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal;

make or authorize any statement, recommendation or solicitation in support of any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal;

enter into any letter of intent or agreement in principle or any contract providing for, relating to or in connection with any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal (other than an executed confidentiality agreement on terms no less favorable in the aggregate to Bats than the confidentiality agreement (the "*confidentiality agreement*"), by and between Bats and CBOE Holdings, dated as of August 3, 2016 (a "*Bats acceptable confidentiality agreement*")); or

reimburse or agree to reimburse the expenses of any other person (other than Bats' representatives) in connection with a Bats acquisition proposal or any inquiry, discussion, offer or request that could reasonably be expected to lead to a Bats acquisition proposal.

Bats has agreed, and has agreed to direct its and its subsidiaries respective representatives, to immediately cease and cause to be terminated all existing discussions or negotiations with any person conducted with respect to any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal and to request the prompt return or destruction of all confidential information previously made available by it or on its behalf in connection with any actual or potential Bats acquisition proposal. Bats has further agreed it will not terminate, waive, amend, release or modify in any respect any provision of any confidentiality agreement to which Bats or any of its subsidiaries or any of its affiliates or representatives is a party with respect to any Bats acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a Bats acquisition proposal and will enforce to the fullest extent permitted by applicable law, the provisions of any such agreement including obtaining injunctions to prevent any breaches of such agreements and to enforce specifically the terms and provisions of such agreements. However, Bats will be entitled to waive any standstill provision included in any confidentiality agreement or any standstill provision contained in any standstill agreement to which Bats or any of its subsidiaries or any of its affiliates or representatives is a party with respect to any Bats acquisition proposal or any proposal, inquiry, or offer that could reasonably be expected to lead to a Bats acquisition proposal if the Bats board determines in good faith (after consultation with Bats' outside legal counsel) that failure to waive

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such standstill would reasonably be expected to be inconsistent with its fiduciary duties to the Bats stockholders under applicable law.

However, prior to the Bats stockholder approval, (a) if Bats receives, after the date of the merger agreement, an unsolicited *bona fide* written Bats acquisition proposal, (b) such Bats acquisition proposal does not result from a breach of the merger agreement and (c) the Bats board determines in good faith (after consultation with the Bats' outside legal counsel and outside financial advisors) that such Bats acquisition proposal constitutes or would reasonably be expected to lead to a Bats superior proposal (as defined below), then, prior to obtaining the approval of Bats stockholders, Bats may:

make available information with respect to Bats or any of its subsidiaries to the person making such Bats acquisition proposal pursuant to a Bats acceptable confidentiality agreement; provided, that any non-public information provided or made available to any person given such access will have been previously provided or made available to CBOE Holdings or will be provided or made available to CBOE Holdings prior to or concurrently with the time it is provided or made available to such person; and

participate in discussions or negotiations with the person making such Bats acquisition proposal regarding such Bats acquisition proposal.

Notwithstanding the foregoing, Bats and its subsidiaries will cause its and their respective representatives to cease any activities described in the two bullet points above, immediately following the time the applicable Bats acquisition proposal ceases to be a Bats superior proposal or a Bats acquisition proposal that could reasonably be expected to lead to a Bats superior proposal.

Bats is required to promptly (and in any event within 24 hours) advise CBOE Holdings in writing if it receives any Bats acquisition proposal or any inquiry, proposal or offer that could reasonably be expected to lead to a Bats acquisition proposal (including the identity of the person making or submitting the Bats acquisition proposal or inquiry, proposal or offer and the terms and conditions of the Bats acquisition proposal) that is made or submitted by any person prior to the effective time of the merger. Bats is also required to keep CBOE Holdings informed, on a reasonably current basis, of the status of, and any financial or other changes in any Bats acquisition proposal, inquiry, proposal or offer, including providing CBOE Holdings copies of any correspondence related to a Bats acquisition proposal and proposed documents to effect a Bats acquisition proposal.

Bats has agreed that neither the Bats board nor any committee thereof will:

directly or indirectly, fail to make, withhold, withdraw or qualify (or modify in a manner adverse to CBOE Holdings) the Bats board recommendation that Bats stockholders adopt and approve the merger agreement and the transactions contemplated thereby (the "***Bats recommendation***") or the approval of the merger agreement, the merger, the subsequent merger or any other transaction contemplated by the merger agreement, or take any action (or permit or authorize Bats or any of its subsidiaries or any of their respective representatives to take any such action) inconsistent with the Bats recommendation or resolve, agree or propose to take any such actions (each such action, a "***Bats adverse recommendation change***"); or adopt, approve, recommend, endorse or otherwise declare advisable any Bats acquisition proposal or resolve, agree or propose to take any such actions;

cause or permit Bats to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other agreement related to a Bats acquisition proposal (other than a Bats acceptable confidentiality agreement);

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take any action to make the provisions of any takeover law or any restrictive provision of any applicable anti-takeover provision in Bats' certificate of incorporation or bylaws inapplicable to any transactions contemplated by a Bats acquisition proposal; or

resolve, agree or propose to take any such action.

A "**Bats acquisition proposal**" means any proposal or offer (whether or not in writing) with respect to any:

merger consolidation, share exchange, other business combination or similar transaction involving Bats or any of its subsidiaries;

sale, lease, contribution or other disposition, directly or indirectly (including by way of merger, consolidation, share exchange, other business combination, partnership, joint venture, sale of capital stock of or other equity interests in a subsidiary of Bats or otherwise) of any business or assets of Bats or any of its subsidiaries representing 20% or more of the consolidated revenues, net income or assets of Bats and Bats' subsidiaries, taken as a whole;

issuance, sale or other disposition, directly or indirectly, to any person (or the stockholders of any person) or group of securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for, such securities) representing 20% or more of the voting power of Bats;

transaction in which the holders of the voting power of Bats immediately prior to such transaction own 80% or less of the voting power of Bats immediately following the transaction;

transaction in which any person (or the stockholders of any person) will acquire, directly or indirectly, beneficial ownership, or the right to acquire beneficial ownership of, or formation of any group which beneficially owns or has the right to acquire beneficial ownership of, 20% or more of the outstanding shares of Bats common stock; or

any combination of the foregoing (in each case, other than the merger and the subsequent merger).

A "**Bats superior proposal**" means any binding, *bona fide* written offer made by a third party or group pursuant to which such third party or group would acquire, directly or indirectly, more than 50% of the outstanding shares of Bats common stock or substantially all of the assets of Bats and its subsidiaries, taken as a whole:

on terms which the Bats board determines in good faith (after consultation with Bats' outside legal counsel and a financial advisor of nationally recognized reputation) to be superior from a financial point of view to the Bats stockholders to the merger, subsequent merger and the other transactions contemplated by the merger agreement, taking into account all the terms and conditions of such proposal and the merger agreement (including the termination fee, any changes proposed by CBOE Holdings to the terms of the merger agreement and the potential time delays and other risks to consummation associated with such offer);

that is reasonably likely to be completed, taking into account all financial, regulatory, legal and other aspects of such offer; and

for which any necessary financing is fully committed (including with respect to any indebtedness that could be required to be repaid in connection with the transactions contemplated by such offer).

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CBOE Holdings Acquisition Proposals

CBOE Holdings has agreed that, except as described further below, neither it nor any of its respective subsidiaries will, and CBOE Holdings and its subsidiaries will direct their respective representatives not to, directly or indirectly:

solicit, initiate or knowingly encourage or knowingly induce or facilitate 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 defined below);

make available any information regarding CBOE Holdings or any of its subsidiaries to any person (other than Bats and CBOE Holdings' or Bats' representatives acting in their capacity as such), in connection with or in response to a CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal;

engage in discussions or negotiations with any person with respect to any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal (other than to state that they currently are not permitted to have discussions);

approve, endorse or recommend any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal;

make or authorize any statement, recommendation or solicitation in support of any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal;

enter into any letter of intent or agreement in principle or any contract providing for, relating to or in connection with any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal (other than an executed confidentiality agreement on terms no less favorable in the aggregate to CBOE Holdings than the confidentiality agreement (a "*CBOE Holdings acceptable confidentiality agreement*")); or

reimburse or agree to reimburse the expenses of any other person (other than CBOE Holdings' representatives) in connection with a CBOE Holdings acquisition proposal or any inquiry, discussion, offer or request that could reasonably be expected to lead to a CBOE Holdings acquisition proposal.

CBOE Holdings has agreed, and has agreed to direct its and its subsidiaries' respective representatives, to, immediately cease and cause to be terminated all existing discussions or negotiations with any person conducted with respect to any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal and to request the prompt return or destruction of all confidential information previously made available by it or on its behalf in connection with any actual or potential CBOE Holdings acquisition proposal. CBOE Holdings has further agreed it will not terminate, waive, amend release or modify in any respect any provision of any confidentiality agreement to which CBOE Holdings or any of its subsidiaries or any of its affiliates or representatives is a party with respect to any CBOE Holdings acquisition proposal or any proposal, inquiry or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal and will enforce to the fullest extent permitted by applicable law, the provisions of any such agreement including obtaining injunctions to prevent any breaches of such agreements and to enforce specifically the terms and provisions of such agreements.

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However, CBOE Holdings will be entitled to waive any standstill provision included in any such confidentiality agreement or any standstill provision contained in any standstill agreement to which CBOE Holdings or any of its subsidiaries or any of its affiliates or representatives is a party with respect to any CBOE Holdings acquisition proposal or any proposal, inquiry, or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal if the CBOE Holdings board determines in good faith (after consultation with CBOE Holdings' outside legal counsel) that failure to waive such standstill would reasonably be expected to be inconsistent with its fiduciary duties to the CBOE Holdings stockholders under applicable law.

However, prior to the CBOE Holdings stockholders approving the issuance of shares of CBOE Holdings common stock in connection with the merger, (a) if CBOE Holdings receives, after the date of the merger agreement, an unsolicited *bona fide* written CBOE Holdings acquisition proposal, (b) such CBOE Holdings acquisition proposal does not result from a breach of the merger agreement and (c) the CBOE Holdings board determines in good faith (after consultation with the CBOE Holdings' outside legal counsel and outside financial advisors) that such CBOE Holdings acquisition proposal constitutes or would reasonably be expected to lead to a CBOE Holdings superior proposal (as defined below), then, prior to obtaining the approval of the CBOE Holdings stockholders, CBOE Holdings may:

make available information with respect to CBOE Holdings or any of its subsidiaries to the person making such CBOE Holdings acquisition proposal pursuant to a CBOE Holdings acceptable confidentiality agreement; provided, that any non-public information provided or made available to any person given such access will have been previously provided or made available to Bats or will be provided or made available to Bats prior to or concurrently with the time it is provided or made available to such person; and

participate in discussions or negotiations with the person making such CBOE Holdings acquisition proposal regarding such CBOE Holdings acquisition proposal.

Notwithstanding the foregoing, CBOE Holdings and its subsidiaries will cause its and their respective representatives to, cease any activities described in the two bullets above, immediately following the time the applicable CBOE Holdings acquisition proposal ceases to be a CBOE Holdings superior proposal or a CBOE Holdings acquisition proposal that could reasonably be expected to lead to a CBOE Holdings superior proposal.

CBOE Holdings is required to promptly (and in any event within 24 hours) advise Bats in writing if it receives any CBOE Holdings acquisition proposal or any inquiry, proposal or offer that could reasonably be expected to lead to a CBOE Holdings acquisition proposal (including the identity of the person making or submitting the CBOE Holdings acquisition proposal or inquiry, proposal or offer and the terms and conditions of the CBOE Holdings acquisition proposal) that is made or submitted by any person prior to the effective time of the merger. CBOE Holdings is also required to keep Bats informed, on a reasonably current basis, of the status of, and any financial or other changes in any CBOE Holdings acquisition proposal, inquiry, proposal or offer, including providing Bats copies of any correspondence related to a CBOE Holdings acquisition proposal and proposed documents to effect a CBOE Holdings acquisition proposal.

CBOE Holdings has agreed that neither the CBOE Holdings board nor any committee thereof will:

directly or indirectly, fail to make, withhold, withdraw or qualify (or modify in a manner adverse to Bats) the CBOE Holdings board recommendation that CBOE Holdings stockholders approve the issuance of shares of CBOE Holdings common stock in connection with the merger (the "*CBOE Holdings recommendation*"), or the approval of the merger agreement, the merger, the subsequent merger or any other transaction contemplated by the merger agreement, or take any

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action (or permit or authorize CBOE Holdings or any of its subsidiaries or any of their respective representatives to take any action) inconsistent with the CBOE Holdings recommendation or resolve, agree or propose to take any such actions (each such action, a "**CBOE Holdings adverse recommendation change**"); or adopt, approve, recommend, endorse or otherwise declare advisable any CBOE Holdings acquisition proposal or resolve, agree or propose to take any actions;

cause or permit CBOE Holdings to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other agreement related to a CBOE Holdings acquisition proposal (other than a CBOE Holdings acceptable confidentiality agreement);

take any action to make the provisions of any takeover law or any restrictive provision of any applicable anti-takeover provision in CBOE Holdings' certificate of incorporation or bylaws inapplicable to any transactions contemplated by a CBOE Holdings acquisition proposal; or

resolve, agree or propose to take any such action.

A "**CBOE Holdings acquisition proposal**" means any proposal or offer (whether or not in writing) with respect to any:

merger consolidation, share exchange, other business combination or similar transaction involving CBOE Holdings or any of its subsidiaries;

sale, lease, contribution or other disposition, directly or indirectly (including by way of merger, consolidation, share exchange, other business combination, partnership, joint venture, sale of capital stock of or other equity interests in a subsidiary of CBOE Holdings or otherwise) of any business or assets of CBOE Holdings or any of its subsidiaries representing 20% or more of the consolidated revenues, net income or assets of CBOE Holdings and its subsidiaries, taken as a whole;

issuance, sale or other disposition, directly or indirectly, to any person (or the stockholders of any person) or group of securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for, such securities) representing 20% or more of the voting power of CBOE Holdings;

transaction in which the holders of the voting power of CBOE Holdings immediately prior to such transaction own 80% or less of the voting power of CBOE Holdings immediately following the transaction;

transaction in which any person (or the stockholders of any person) will acquire, directly or indirectly, beneficial ownership, or the right to acquire beneficial ownership of, or formation of any group which beneficially owns or has the right to acquire beneficial ownership of, 20% or more of the outstanding shares of CBOE Holdings; or

any combination of the foregoing (in each case, other than the merger and the subsequent merger).

A "**CBOE Holdings superior proposal**" means any binding, *bona fide* written offer made by a third party or group pursuant to which such third party or group would acquire, directly or indirectly, more than 50% of the outstanding shares of CBOE Holdings common stock or substantially all of the assets of CBOE Holdings or any its subsidiaries, taken as a whole:

on terms which the CBOE Holdings board determines in good faith (after consultation with CBOE Holdings' outside legal counsel and a financial advisor of nationally recognized reputation) to be superior from a financial point of view to the CBOE Holdings stockholders to

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the merger, subsequent merger and the other transactions contemplated by the merger agreement, taking into account all the terms and conditions of such proposal and the merger agreement (including the termination fee, any changes proposed by Bats to the terms of the merger agreement and the potential time delays and other risks to consummation associated with such offer);

that is reasonably likely to be completed, taking into account all financial, regulatory, legal and other aspects of such offer; and

for which any necessary financing is fully committed (including with respect to any indebtedness that could be required to be repaid in connection with the transactions contemplated by such offer).

Special Meeting of Bats Stockholders; Recommendation of the Bats Board

Bats has agreed to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of seeking the Bats stockholder approval and take all other action necessary or advisable to secure such approval. Unless the merger agreement has been terminated (including a termination by Bats to accept a Bats superior proposal), this requirement to hold the Bats stockholder meeting applies even if the Bats board has made a Bats adverse recommendation change and even after the commencement, public proposal, public disclosure or public or private communications to Bats of any Bats acquisition proposal. Bats has agreed to use reasonable best efforts to solicit proxies in favor of the proposal to adopt the merger agreement, and the Bats board has agreed to recommend the Bats stockholder approval and take all other action reasonably necessary or advisable to secure such approval, unless, in each case, it has made a Bats adverse recommendation change, which is only permitted under the circumstances described below. Bats has a right to postpone or adjourn the meeting of its stockholders for the following reasons:

the absence of a quorum;

to allow reasonable additional time to solicit additional proxies to the extent at the time, Bats has not received a number of proxies that it reasonably believes to be sufficient to obtain approval of the stockholders;

to the extent required by applicable law; or

with the written consent of CBOE Holdings.

The merger agreement provides that, at any time prior to the Bats stockholder approval, provided that Bats and its subsidiaries have complied with the non-solicitation restrictions described above regarding Bats acquisition proposals, the Bats board may, solely in response to a Bats superior proposal 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 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 the following 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:

Bats has provided written notice to CBOE Holdings advising CBOE Holdings that Bats received a Bats superior proposal, identifying the person making such Bats superior proposal, specifying the terms and conditions of such Bats superior proposal and providing copies of any agreements intended to effect such Bats superior proposal and the Bats board has determined in good faith (after consultation with Bats' outside legal counsel) that such Bats acquisition proposal continues to constitute a Bats superior proposal;

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the Bats board negotiated and caused Bats and its representatives to negotiate during the five business days following CBOE Holdings' receipt of the notice of the Bats superior proposal described above, in good faith with CBOE Holdings to enable CBOE Holdings to make a counteroffer or propose to amend the terms of the merger agreement (to the extent CBOE Holdings wishes to do so) so that such Bats acquisition proposal no longer constitutes a Bats superior proposal; and

complying with the previous two bullet points, reaffirms such determination in light of any counteroffer or proposed amendment to the terms of the merger agreement.

However, if during the negotiation period described above, any revisions are made to a Bats acquisition proposal, and such revisions are material (it being understood and agreed by Bats and CBOE Holdings that any change to consideration with respect to such proposal is material), Bats will deliver a new written notice to CBOE Holdings and will comply with the requirements as described above with respect to the new notice of the Bats superior proposal.

The merger agreement also provides that the Bats board may make a Bats adverse recommendation change other than in circumstances involving or relating to a Bats superior proposal, but only in response to a Bats intervening event (as defined below) if (and only if):

the Bats board concludes in good faith (after consultation with its outside legal counsel) that failure to make a Bats adverse recommendation would reasonably be expected to be inconsistent with its fiduciary duties to the Bats stockholders under applicable law and has provided written notice to CBOE Holdings describing the Bats intervening event and advising CBOE Holdings that the Bats board intends to take such action and specifying the reasons in reasonable detail;

the Bats board negotiated and caused Bats and its representatives to negotiate during the five business days following CBOE Holdings' receipt of the notice of the Bats intervening event in good faith with CBOE Holdings regarding any revisions to the terms of the transactions contemplated by the merger agreement proposed by CBOE Holdings in response to such Bats intervening event; and

at the end of such five business day period, the Bats board determines in good faith, after consultation with Bats' outside legal counsel (and taking into account any adjustment or modification of the terms of the merger agreement proposed by CBOE Holdings) that the Bats intervening event continues to exist and that failure to make a Bats adverse recommendation change would reasonably be expected to be inconsistent with the Bats board's fiduciary duties to the Bats stockholders under applicable law.

A "**Bats intervening event**" means an event, fact, circumstance, development or occurrence that is material to Bats and its subsidiaries, taken as a whole, that is not known or reasonably foreseeable (or the magnitude of which is not known or reasonably foreseeable) to or by the Bats board on the date of the merger agreement which event, fact, circumstance, development or occurrence (or the magnitude of which) becomes known by the Bats board after the date of the merger agreement, and prior to obtaining the Bats stockholder approval. However, if the Bats intervening event relates to an event, fact, circumstance development or occurrence involving Bats or any of its subsidiaries, then such event, fact, circumstance, development or occurrence will not constitute a Bats intervening event unless it has Bats material adverse effect, provided further none of the following constitutes a "Bats intervening event" for purposes of the merger agreement: (i) the receipt, existence or terms of a Bats acquisition proposal, or any inquiry or matter relating thereto or consequence thereof, (ii) events or circumstances arising from the announcement or the existence of, or any action taken by either party pursuant to and in compliance with the terms of, the merger agreement, (iii) changes in the market price or trading volume of the shares of Bats common stock or shares of CBOE Holdings common stock (it being

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understood that the facts and occurrence giving rise to or contributing to such changes may be taken into account in determining whether there has been a Bats intervening event).

In addition, nothing in the merger agreement prohibits the Bats board from taking and disclosing a position contemplated by Item 1012(a) of Regulation M-A, Rule 14e-2(a) under the Exchange Act or Rule 14d-9 under the Exchange Act, or publicly disclosing the existence of a Bats acquisition proposal to the extent required by applicable law, provided that neither Bats nor the Bats board (or any committee thereof) will be permitted to recommend that the Bats stockholders tender any securities in connection with any tender or exchange offer (or otherwise approve, endorse or recommend any Bats acquisition proposal), unless in each case, in connection therewith, the Bats board effects a Bats adverse recommendation change in accordance with the requirements described above, and provided further that any such disclosure (other than a "stop, look and listen" communication or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act will be deemed to be a Bats adverse recommendation change unless the Bats board expressly reaffirms the Bats recommendation and rejects any Bats acquisition proposal within the later of (i) three business days after such stop look and listen communications and (ii) if applicable, the deadline for filing a Schedule 14D-9 with respect to such Bats acquisition proposal.

Special Meeting of CBOE Holdings Stockholders; Recommendation of the CBOE Holdings Board

CBOE Holdings has agreed to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of seeking the CBOE Holdings stockholder approval and take all other action necessary or advisable to secure such approval. Unless the merger agreement has been terminated (including a termination by CBOE Holdings to accept a CBOE Holdings superior proposal), this requirement to hold the CBOE Holdings stockholder meeting applies even if the CBOE Holdings board has made a CBOE Holdings adverse recommendation change, and even after the commencement, public proposal, public disclosure or public or private communications to CBOE Holdings of any CBOE Holdings acquisition proposal. CBOE Holdings has agreed to use reasonable best efforts to solicit proxies in favor of the CBOE Holdings stockholder approval, and the CBOE Holdings board has agreed to recommend that the CBOE Holdings stockholder approval, unless, in each case, it has made a CBOE Holdings adverse recommendation change, which is only permitted under the circumstances described below. CBOE Holdings has a right to postpone or adjourn the meeting of its stockholders for the following reasons:

the absence of a quorum;

to allow reasonable additional time to solicit additional proxies to the extent at the time, CBOE Holdings has not received a number of proxies that it reasonably believes to be sufficient to obtain approval of the stockholders;

to the extent required by applicable law; or

with the written consent of Bats.

The merger agreement provides that, at any time prior to the CBOE Holdings stockholder approval, provided that CBOE Holdings its subsidiaries have complied with the non-solicitation restrictions described above regarding CBOE Holdings acquisition proposals, the CBOE Holdings board may, solely in response to a CBOE Holdings superior proposal 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 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 the following actions and the CBOE Holdings board determines in good faith (after consultation with CBOE

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Holdings' outside legal counsel) that such CBOE Holdings acquisition proposal continues to constitute a Bats superior proposal:

CBOE Holdings has provided written notice to Bats advising Bats that CBOE Holdings received a CBOE Holdings superior proposal, identifying the person making such CBOE Holdings superior proposal, specifying the terms and conditions of such CBOE Holdings superior proposal and providing copies of any agreements intended to effect such CBOE Holdings superior proposal and the CBOE Holdings board has determined 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;

the CBOE Holdings board negotiated and caused CBOE Holdings and its representatives to negotiate during the five business days following Bats' receipt of the notice of the CBOE Holdings superior proposal described above, in good faith with Bats to enable Bats to make a counteroffer or propose to amend the terms of the merger agreement (to the extent Bats wishes to do so) so that such CBOE Holdings acquisition proposal no longer constitutes a CBOE Holdings superior proposal; and

complying with the previous two bullet points, reaffirms such determination in light of any counteroffer or proposed amendment to the terms of the merger agreement.

However, if during the negotiation period described above, any revisions are made to a CBOE Holdings acquisition proposal, and such revisions are material (it being understood and agreed by Bats and CBOE Holdings that any change to consideration with respect to such proposal is material), CBOE Holdings will deliver a new written notice to Bats and will comply with the requirements as described above with respect to the new notice of the CBOE Holdings superior proposal.

The merger agreement also provides that the CBOE Holdings board may make a CBOE Holdings adverse recommendation change other than in circumstances involving or relating to a CBOE Holdings superior proposal, but only in response to a CBOE Holdings intervening event (as defined below) if (and only if):

the CBOE Holdings board concludes in good faith (after consultation with its outside legal counsel) that failure to make a CBOE Holdings adverse recommendation would reasonably be expected to be inconsistent with its fiduciary duties to the CBOE Holdings stockholders under applicable law and has provided written notice to Bats describing the CBOE Holdings intervening event and advising Bats that the CBOE Holdings board intends to take such action and specifying the reasons in reasonable detail;

the CBOE Holdings board negotiated and caused CBOE Holdings and its representatives to negotiate during the five business days following Bats receipt of the notice of the CBOE Holdings intervening event in good faith with Bats regarding any revisions to the terms of the transactions contemplated by the merger agreement proposed by Bats in response to such Bats intervening event; and

at the end of such five business day period, the CBOE Holdings board determines in good faith, after consultation with CBOE Holdings' outside legal counsel (and taking into account any adjustment or modification of the terms of the merger agreement proposed by Bats) that the CBOE Holdings intervening event continues to exist and that failure to make a CBOE Holdings adverse recommendation change would reasonably be expected to be inconsistent with the CBOE Holdings board's fiduciary duties to CBOE Holdings stockholders under applicable laws.

A "**CBOE Holdings intervening event**" means an event, fact, circumstance, development or occurrence that is material to CBOE Holdings and its subsidiaries, taken as a whole, that is not known or reasonably foreseeable (or the magnitude of which is not known or reasonably foreseeable) to or by

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the CBOE Holdings board on the date of the merger agreement which event, fact, circumstance, development or occurrence (or the magnitude of which) becomes known by the CBOE Holdings board after the date of the merger agreement and prior to obtaining the CBOE Holdings stockholder approval. However, if the CBOE Holdings intervening event relates to an event, fact, circumstance development or occurrence involving CBOE Holdings or any of its subsidiaries, then such event, fact, circumstance, development or occurrence will not constitute a CBOE Holdings intervening event unless it has a CBOE Holdings material adverse effect, provided further none of the following constitutes a "CBOE Holdings intervening event" for purposes of the merger agreement: (i) the receipt, existence or terms of a CBOE Holdings acquisition proposal, or any inquiry or matter relating thereto or consequence thereof, (ii) events or circumstances arising from the announcement or the existence of, or any action taken by either party pursuant to and in compliance with the terms of, the merger agreement, (iii) changes in the market price or trading volume of the shares of CBOE Holdings common stock or shares of Bats common stock (it being understood that the facts and occurrence giving rise to or contributing to such changes may be taken into account in determining whether there has been a CBOE Holdings intervening event).

In addition, nothing in the merger agreement prohibits the CBOE Holdings board from taking and disclosing a position contemplated by Item 1012(a) of Regulation M-A, Rule 14e-2(a) under the Exchange Act or Rule 14d-9 under the Exchange Act or publicly disclosing the existence of a CBOE Holdings acquisition proposal to the extent required by applicable law, provided that neither CBOE Holdings nor the CBOE Holdings board (or any committee thereof) will be permitted to recommend that the CBOE Holdings stockholders tender any securities in connection with any tender or exchange offer (or otherwise approve, endorse or recommend any CBOE Holdings acquisition proposal), unless in each case, in connection therewith, the CBOE Holdings board effects a CBOE Holdings adverse recommendation change in accordance with the requirements described above, and provided further that any such disclosure (other than a "stop, look and listen" communication or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act will be deemed to be a CBOE Holdings adverse recommendation change unless the CBOE Holdings board expressly reaffirms the CBOE Holdings recommendation and rejects any CBOE Holdings acquisition proposal within the later of (i) three business days after such stop look and listen communications and (ii) if applicable, the deadline for filing a Schedule 14D-9 with respect to such CBOE Holdings acquisition proposal.

Efforts to Complete the Merger

Subject to the terms and conditions of the merger agreement, CBOE Holdings and Bats have agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the transactions contemplated by the merger agreement, and none of the parties to the merger agreement will fail to take or cause to be taken any action that would reasonably be expected to prevent, impede or materially delay the consummation of the transactions contemplated by the merger agreement. Notwithstanding the foregoing, nothing in the merger agreement will require CBOE Holdings, Merger Sub or Merger LLC to, and neither Bats nor any of its subsidiaries will, without the prior written consent of CBOE Holdings, agree to any modification to or accommodation under any contract or pay any fee, penalty or other consideration to any third party for any consent or approval required for the consummation of the transactions contemplated by the merger agreement.

Each of Bats and CBOE Holdings has agreed to make, if required, appropriate filings under any regulatory law, including a filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by the merger agreement within a reasonable time period not to exceed 30 days from the date of the merger agreement and to supply as promptly as reasonably practicable and advisable any additional information and documentary material that may be requested pursuant to the HSR Act and to take all other commercially reasonable actions necessary, proper or

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advisable to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable, including by requesting early termination of the waiting period provided for in the HSR Act. 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. Early termination of the waiting period under the HSR Act was granted on November 18, 2016.

Bats has also agreed to submit to the staff of the SEC a draft form of the necessary documents required in connection with the SEC Approvals, as soon as reasonably practicable after the date of the merger agreement (but in any event within 20 days after the date of the merger agreement), and thereafter to supply as promptly as reasonably practicable and advisable any additional information and documentary material that may be requested, and to take all other commercially reasonable actions necessary, in connection therewith. CBOE Holdings will reasonably cooperate promptly with Bats in connection with the preparation of the necessary documents required in connection with the SEC Approvals and in responding to any requests from the SEC in connection therewith.

Each of CBOE Holdings, Merger Sub and Merger LLC, on the one hand, and Bats, on the other hand, will, in connection with the efforts referenced above to obtain all requisite approvals and authorizations for the transactions contemplated by the merger agreement under the HSR Act or any other regulatory law, use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any legal action or proceeding initiated by a private party, (ii) keep the other party reasonably informed of any communication received by such party from, or given by such party to, the FTC, the Antitrust Division of the DOJ or any other U.S. or non-U.S. governmental entity and of any communication received or given in connection with any legal action or proceeding by a private party, in each case regarding any of the transactions contemplated by the merger agreement and (iii) permit the other party a reasonable opportunity to review any substantive written communication given by it to, and consult with each other in advance of any scheduled substantive meeting or conference with, the FTC, the DOJ or any other governmental entity or, in connection with any legal action or proceeding by a private party, with any other person, and to the extent permitted by the FTC, the DOJ or such other applicable governmental entity or other person, give the other party the reasonable opportunity to attend and participate in such meetings and conferences. However, Bats and CBOE Holdings may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other side in connection with the foregoing as "Antitrust Counsel Only Material." Such materials and the information contained in such materials will be given only to the outside counsel regarding regulatory law of the recipient and will not be disclosed by outside counsel to employees, officers, directors or consultants of the recipient or any of its affiliates unless express permission is obtained in advance from the source of the materials or its legal counsel.

None of CBOE Holdings, Bats or any of their respective subsidiaries will, without the prior written consent of the other parties to the merger agreement (which consent will not be unreasonably withheld, conditioned or delayed) consent to or accept or enter into any operational restriction, consent decree or hold separate order or make any divestiture or other undertaking to obtain requisite approvals and authorizations for the transactions contemplated by the merger agreement from any governmental entity. However, without the prior written consent of the other parties thereto, Bats, CBOE Holdings and their respective subsidiaries may divest or dispose of any assets or business that generated \$1.0 million or less in net revenue during 2015. Notwithstanding the foregoing, none of CBOE Holdings, Bats or any of their respective subsidiaries will be obligated to, and will not, without the prior written consent of the other parties to the merger agreement (which consent will be in the sole discretion of such other parties) consent to accept or enter into any operational restriction, consent decree or hold separate order or make any divestiture or other undertaking to obtain requisite approvals and authorizations for the transactions contemplated by the merger agreement from any governmental entity, in each case, that, individually or in the aggregate, would reasonably be expected

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to (i) have a material adverse effect on the business, assets, liabilities, financial condition or results of operations of Bats and its subsidiaries, taken as a whole, or (ii) have a material adverse effect on the business, assets, liabilities, financial condition or results of operations of CBOE Holdings and its subsidiaries, taken as a whole, after giving effect to the merger (provided that for the purpose of determining whether a potential adverse effect on CBOE Holdings and its subsidiaries, taken as a whole, after giving effect to the merger, would constitute a material adverse effect, CBOE Holdings and its subsidiaries, taken as a whole, after giving effect to the merger, will be deemed to be a consolidated group of entities of the size and scale of a hypothetical company that is 100% of the size and scale of Bats and its subsidiaries, taken as a whole) (each of the effects described in clauses (i) and (ii) of this sentence being referred to as a "*burdensome effect*").

Conduct of Business Pending the Merger

Restrictions on Bats' Interim Operations

Bats has agreed that, except with the prior written consent of CBOE Holdings (which consent will not be unreasonably withheld, conditioned or delayed), and except as expressly required or permitted by the merger agreement or required by law, prior to the completion of the merger, Bats will, and will cause each of its subsidiaries to, use reasonable best efforts to conduct its business in the ordinary course in substantially the same manner as previously conducted and, to the extent consistent therewith, use reasonable best efforts to:

preserve substantially intact its business organization;

maintain all material permits;

keep available the services of its current officers and key employees; and

preserve intact its goodwill and its ongoing business relationships with customers, suppliers, licensors, licensees and others having business dealings with them.

Bats has further agreed not to take certain actions prior to the completion of the merger without the written consent of CBOE Holdings (which consent will not be unreasonably withheld, conditioned or delayed) unless as expressly required or permitted by the merger agreement or required by law. In particular, subject to the above exceptions, Bats may not, and may not permit any of its subsidiaries to:

amend or permit the adoption of any amendment to the charter or bylaws (or equivalent organizational documents) of Bats or any of its subsidiaries;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, except for any merger or consolidation solely among wholly owned Bats subsidiaries not in violation of any instrument binding on Bats or any of its subsidiaries and that would not reasonably be expected to result in a material increase in the net tax liability of Bats and its subsidiaries, taken as a whole and would not present a material risk of any delay in the receipt of any approvals required for the transactions contemplated by the merger agreement;

issue, grant, deliver, sell, pledge, dispose of or encumber (i) shares of capital stock, (ii) voting debt or other voting securities of Bats, (iii) stock equivalents of Bats or (iv) securities convertible into or exercisable or exchangeable for any shares of capital stock or voting securities of, or equity interests in Bats or any of its subsidiaries, other than the issuance of shares of Bats common stock in respect of Bats stock awards outstanding as of the date of the merger agreement and in accordance with their terms under the Bats equity incentive plans as of the date of the merger agreement;

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declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock or other equity interests other than (a) any dividend or distribution by any of its subsidiaries to Bats or to another wholly owned subsidiary of Bats and (b) regular quarterly dividends in an amount per share of Bats common stock no greater than the quarterly dividend declared and paid by Bats during the fiscal quarter ended September 30, 2016, with record and payment dates in accordance with Bats' customary dividend schedule;

otherwise manage its working capital in a manner other than in the ordinary course of business;

enter into any financial derivative contract for the purpose of hedging risk, except foreign exchange hedging on customary commercial terms and in the ordinary course of business;

adjust, split, combine, redeem, repurchase or otherwise acquire any shares of its capital stock or other equity interests (except in connection with the cashless exercises or similar transactions (including withholding of taxes) pursuant to the vesting or exercise, as the case may be, of Bats stock awards outstanding as of the date of the merger agreement in accordance with their terms under the Bats equity incentive plans as of the date of the merger agreement), or reclassify, combine, split, subdivide or otherwise amend the terms of its capital stock or other equity interests, or enter into any agreement with respect to the voting of any of Bats' capital stock or other securities or the capital stock or other securities of subsidiaries of Bats;

make or agree to make any new capital expenditures other than (a) capital expenditures in an aggregate amount not in excess of Bats' budget for capital expenditures that has been made available to CBOE Holdings prior to the date of the merger agreement or (b) other capital expenditures that are not in excess of \$5.0 million in the aggregate;

(a) acquire (whether by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or any material assets other than (1) pursuant to contracts or commitments in existence as of the date of the merger agreement, (2) acquisitions of supplies in the ordinary course of business consistent with past practice or (3) acquisitions with a purchase price (including assumed indebtedness) not exceeding \$33.0 million in the aggregate, provided that such acquisitions would not reasonably be expected to impede or delay the satisfaction of the conditions to or the consummation of the closing of the transactions contemplated by the merger agreement, or (b) sell, lease, exchange, mortgage, pledge, transfer, subject to any lien (other than certain permitted liens) or otherwise dispose of (whether by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or any material assets that are not Bats intellectual property of Bats, other than (1) pursuant to contracts or commitments in existence as of the date of the merger agreement, (2) sales of obsolete equipment in the ordinary course of business or (3) sales or dispositions of inventory and other assets with a fair market value not in excess of \$2.5 million in any transaction or series of related transactions or \$5.0 million in the aggregate;

enter into any material joint venture or similar partnership arrangement;

engage in any transactions, agreements, arrangements or understandings with any affiliate or other person that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act;

(a) incur, create, assume or otherwise become liable for, or repay or prepay, any indebtedness for borrowed money (other than (1) ordinary course trade payables, (2) pursuant to existing credit facilities (including the credit agreement) or in the ordinary course of business; provided however, that the aggregate amount of such indebtedness as of the closing of the transactions contemplated by the merger agreement will not exceed the amount of indebtedness outstanding

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under the credit agreement as of June 30, 2016, (3) as incurred between or among Bats and any of Bats' wholly owned subsidiaries or between any of its subsidiaries or (4) guarantees by Bats or its subsidiaries of indebtedness of Bats or any of Bats' wholly owned subsidiaries), or guarantee any such indebtedness of any third party, issue or sell any debt securities, options, calls, warrants or other rights to acquire any debt securities of Bats or any Bats subsidiary, guarantee any debt securities of any third party, enter into any "keep well" or other agreement to maintain any financial statement condition of any third party or enter into any arrangement having the economic effect of any of the foregoing, or amend, modify or refinance any such indebtedness or (b) make any loans, advances or capital contributions to, or investments in, any other person (other than Bats or any of Bats' subsidiaries);

except to the extent required by applicable law or the terms of any Bats employee benefit plan, and except as expressly contemplated by the merger agreement, (a) increase the compensation or benefits of any current or former director, employee or individual independent contractor of Bats or any of its subsidiaries, other than (i) annual merit or market-based increases of base salaries in the ordinary course of business consistent with past practice, (ii) the grant of restricted stock awards and cash retainers to Bats non-employee directors under the Bats Non-Employee Directors Compensation Policy in the ordinary course of business consistent with past practice in connection with the 2017 Bats annual general meeting, if any, (iii) the establishment of a retention bonus pool equal to (x) \$2 million in the aggregate for employees not currently party to an employment agreement and (y) \$1 million in the aggregate for certain employees currently party to an employment agreement (other than Messrs. Concannon, Isaacson and Hemsley, each of whom have entered into offer letters with CBOE Holdings), in each case, the allocation, vesting and payments terms of which are to be determined in the discretion of Bats, and, to the extent applicable, subject to the amendment of the definition of "good reason" set forth in such employee's existing employment agreement in a manner consistent with the definition of "good reason" included in the offer letters between CBOE Holdings and Messrs. Concannon, Isaacson and Hemsley (as described in more detail in the section entitled "Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Offers of Employment with CBOE Holdings" of this joint proxy statement/prospectus), (iv) the grant of severance pay or benefits pursuant to the Bats Severance Policy in the event of a qualifying termination of employment, or, in the case of employees located in the UK, basic salary and contractual benefits during any garden leave period (or payment in lieu thereof) pursuant to applicable law or (v) the payment of 2016 annual bonuses on or prior to the Closing Date (including prior to December 31, 2016) based on actual achievement of performance goals through a date specified by Bats (but no later than December 31, 2016), in the form of cash and/or equity awards, as determined in the good faith discretion of Bats in the ordinary course of business consistent with past practice; (b) establish, materially amend, terminate or adopt any compensation or benefit plan, including any pension, retirement, profit-sharing, bonus or other employee benefit or welfare benefit plan or employment, change in control or severance agreement, other than (i) the renewal of Bats-provided medical, dental, vision and life insurance plans, in the ordinary course of business and in a manner that does not materially increase the cost to Bats, (c) accelerate the vesting of, or the lapsing of restrictions with respect to, any stock-based compensation, (d) fail to make any required, non-*de minimis* contributions under any Bats employee benefit plan, (e) hire or retain any officer, employee, sales personnel, individual independent contractor or director, other than (i) hires to fill vacancies of officers, employees sales personnel, individual independent contractors or directors with annual base compensation not in excess of \$200,000 in the ordinary course of business consistent with past practice, (ii) hires of IT and operations personnel with a base salary not in excess of \$300,000, and (iii) hires of two new Directors of Sales, or (f) terminate the services of, or materially modify the contractual relationship of, any officer,

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employee, sales personnel, individual independent contractor or director of Bats or any of its subsidiaries with annual base compensation in excess of \$200,000, other than terminations for "cause;"

(a) implement or adopt any change in its methods of accounting, except to conform to changes in statutory or regulatory accounting rules or GAAP or regulatory requirements with respect thereto, (b) change its fiscal year or (c) make any material change in internal accounting controls or disclosure controls and procedures;

(a) fail to file any material tax return when due (after giving effect to any properly obtained extensions of time in which to make such filings) or (b) except to the extent otherwise required by law or in the ordinary course of business, make or change any material tax election, change any material tax accounting period with respect to a material amount of taxes, file any material amended tax return, settle or compromise any audit or proceeding relating to a material amount of taxes, agree to an extension or waiver of the statute of limitations with respect to a material amount of taxes, enter into any "closing agreement" within the meaning of Section 7121 of the Code (or any similar provision of state, local, or non-U.S. law) with respect to any material tax or surrender any right to claim a material tax refund;

take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken (including any action or failure to act as otherwise permitted by the restrictions on Bats' interim operations) that would prevent the merger and the subsequent merger, taken together, from constituting a tax-free reorganization under Section 368(a) and related provisions of the Code;

(a) pay, discharge, waive, settle, compromise, release or satisfy any material claim, liability or obligation that is not an action, other than payment, discharge, waiver, settlement, release or satisfaction in the ordinary course of business and other than the satisfaction or performance by Bats and its subsidiaries of their respective obligations in accordance with the applicable terms under contracts in effect on the date of the merger agreement and contracts permitted to be entered into on or following the date of the merger agreement or (b) other than in connection with the ordinary course of business, accelerate, discount, factor, reduce, sell (for less than its face value or otherwise), transfer, assign or otherwise dispose of, in full or in part, any material accounts receivable owed to Bats or any of its subsidiaries, with or without recourse, including any rights or claims associated therewith;

commence or settle, compromise or otherwise resolve any material action (a) outside the ordinary course of business, (b) as would result in any liability in excess of the amount reserved therefor or reflected on the balance sheet of Bats as of June 30, 2016, other than any such liability not in excess of \$1.0 million or (c) to the extent such litigation or other legal proceeding (1) involves any injunction or material non-monetary relief on Bats or any of its subsidiaries, (2) does not provide for a complete release of Bats or its subsidiaries of all claims or (3) provides for any admission of wrongdoing by Bats or any of its subsidiaries;

other than non-exclusive licenses or sublicenses to end users, distributors and resellers in the ordinary course of business, enter into any agreement, arrangement or commitment to grant a license or sublicense of any material intellectual property of Bats;

transfer, sell, lease, license (except as permitted in the bullet point below), mortgage, pledge, surrender, encumber, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any material intellectual property of Bats;

other than in the ordinary course of business (a) enter into, renew or materially amend or modify any material contract of Bats or contract that would be a material contract of Bats if in effect on the date of the merger agreement, (b) consent to the termination (other than a

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termination in accordance with its terms) of any material contract of Bats or contract permitted to be entered into on or following the date of the merger agreement that would be a material contract of Bats if in effect on the date of the merger agreement or (c) materially amend, waive or modify or fail to enforce its material rights under any material contract of Bats or contract permitted to be entered into on or following the date of the merger agreement that would be a material contract of Bats if in effect on the date of the merger agreement;

waive, extend, renew or enter into any non-compete, most favored nation, exclusivity, non-solicitation or similar contract that would materially restrict or limit the freedom of Bats or any of its subsidiaries in conducting their operations or business, as the case may be, or any of their respective subsidiaries or affiliates (whether before or after the closing of the transactions contemplated by the merger agreement);

effectuate a "plant closing" or "mass layoff," as those terms are defined under Workers Adjustment and Retraining Notification Act and comparable state, local and federal Laws, whether domestic or international;

enter into any new line of business that is outside the business being conducted by Bats or its subsidiaries on the date of the merger agreement and any reasonable extensions thereof;

enter into, amend or modify any union recognition agreement, collective bargaining agreement or similar agreement with any labor union or representative body of employees of Bats or any of its subsidiaries employees, or enter into negotiations regarding any such agreement;

cancel any material insurance policies or fail to renew any material insurance policies upon expiration on substantially the same terms as those in place on the date of the merger agreement, to the extent insurance policies on such terms are available on commercially reasonable terms; or

agree to, authorize or enter into any contract obligating it to take any of the above actions.

Restrictions on CBOE Holdings' Interim Operations

CBOE Holdings has agreed that, except with the prior written consent of Bats (which consent will not be unreasonably withheld, conditioned or delayed), and except as expressly required or permitted by the merger agreement or by any financing arrangements entered into by CBOE Holdings in connection with the merger or required by law, prior to the completion of the merger, it will, and will cause each of its subsidiaries to, use reasonable best efforts to conduct its business in the ordinary course in substantially the same manner as previously conducted and, to the extent consistent therewith, use reasonable best efforts to:

preserve substantially intact its business organization;

maintain all material permits;

keep available the services of its current officers and key employees; and

preserve intact its goodwill and its ongoing business relationships with customers, suppliers, licensors, licensees and others having business dealings with them.

CBOE Holdings has further agreed not to take certain actions prior to the completion of the merger without the written consent of Bats (which consent will not be unreasonably withheld, conditioned or delayed) unless the actions are expressly required or permitted by the merger agreement or by any financing arrangements entered into by CBOE Holdings in connection with the merger or

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required by law. In particular, subject to the above exceptions, CBOE Holdings may not, and may not permit any of its subsidiaries to:

amend or permit the adoption of any amendment to the charter or bylaws of CBOE Holdings in a manner that would adversely affect the consummation of the merger or the subsequent merger or affect the holders of shares of Bats common stock whose shares may be converted into shares of CBOE Holdings common stock at the effective time of the merger in a manner different than holders of shares of CBOE Holdings common stock prior to the effective time of the merger;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, except for any merger or consolidation solely among wholly owned subsidiaries of CBOE Holdings not in violation of any instrument binding on CBOE Holdings or any of its subsidiaries and that would not reasonably be expected to result in a material increase in the net tax liability of CBOE Holdings or any of its subsidiaries, taken as a whole and would not present a material risk of any delay in the receipt of any approvals required for the transactions contemplated by the merger agreement;

issue, grant, deliver, sell, pledge, dispose of or encumber (a) shares of capital stock, (b) voting debt or other voting securities of CBOE Holdings, (c) stock equivalents of CBOE Holdings or (d) securities convertible into or exercisable or exchangeable for any shares of capital stock or voting securities of, or equity interests in, CBOE Holdings, other than the (1) issuance of shares of CBOE Holdings common stock upon the exercise of convertible securities in accordance with their terms under the CBOE Holdings stock plans as of date of the merger agreement, (2) pursuant to a CBOE Holdings stock plan or (3) the issuance of shares of CBOE Holdings common stock or other securities of CBOE Holdings in connection with bona fide acquisitions, mergers, strategic partnership transactions or similar transactions permitted as defined below;

declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock or other equity interests other than (a) any dividend or distribution by any of its subsidiaries to CBOE Holdings or to another wholly owned subsidiary of CBOE Holdings and (b) regular quarterly dividends in an amount per share of CBOE Holdings common stock no greater than the quarterly dividend declared and paid by CBOE Holdings during the fiscal quarter ended September 30, 2016, with record and payment dates in accordance with CBOE Holdings' customary dividend schedule;

adjust, split, combine, redeem, repurchase or otherwise acquire any shares of its capital stock or other equity interests (except in connection with the cashless exercises or similar transactions (including withholding of taxes) pursuant to the vesting or exercise, as the case may be, of CBOE Holdings stock awards outstanding as of the date of the merger agreement in accordance with their terms under CBOE Holdings' stock plans as of the date of the merger agreement), or reclassify, combine, split, subdivide or otherwise amend the terms of its capital stock or other equity interests, enter into any agreement with respect to the voting of any of CBOE Holdings capital stock, in each case in a manner that would reasonably be expected to adversely affect the ability of the parties to the merger agreement to consummate the merger or the subsequent merger or affect the holders of shares of Bats common stock whose shares may be converted into shares of CBOE Holdings common stock at the effective time of the merger in a manner different than holders of shares of CBOE Holdings common stock prior to the effective time of the merger;

(a) acquire (whether by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or any material assets other than (1) pursuant to contracts or commitments in existence as of the date of the merger agreement, (2) acquisitions of supplies in the ordinary course of business consistent with past practice or (3) acquisitions with a purchase price (including assumed indebtedness) not

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exceeding \$100.0 million in the aggregate, provided that such acquisitions would not reasonably be expected to impede or delay the satisfaction of the conditions to or the consummation of the closing of the transaction contemplated by the merger agreement, or (b) sell, lease, exchange, mortgage, pledge, transfer, subject to any lien (other than certain permitted liens) or otherwise dispose of (whether by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or any material assets that are not intellectual property of CBOE Holdings, other than (1) pursuant to contracts or commitments in existence as of the date of the merger agreement, (2) sales of obsolete equipment in the ordinary course of business, (3) sales or dispositions of inventory in the ordinary course of business and (4) dispositions of assets in any transaction or series of related transactions with an aggregate fair market value not exceeding \$100.0 million;

take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken (including any action or failure to act as otherwise permitted by the restrictions CBOE Holdings' interim operations) that would prevent the merger and the subsequent merger, taken together, from constituting a tax-free reorganization under Section 368(a) and related provisions of the Code;

enter into any material joint venture or similar partnership agreement; or

agree to, authorize, or enter into any contract obligating it to take any of the above actions.

Employee Matters

For a period ending not earlier than December 31, 2017 (or, if the closing date occurs after March 31, 2017, for a period of not less than 12 months after the closing date), CBOE Holdings has agreed to, and to cause its affiliates to, provide each Bats employee continuing with CBOE Holdings and its subsidiaries following the closing date (each, a "*continuing employee*"), with (i) a base salary or wage or commission rate, in each case, at least equal to the base salary or wage or commission rate provided to such continuing employee immediately prior to the closing date (except as otherwise may be agreed upon by any such continuing employee), (ii) severance pay and benefits no less favorable than the severance pay and benefits provided to such continuing employee immediately prior to the closing date and (iii) other compensation, fringe benefits and employee benefits (other than defined benefit pension benefits and retiree health and welfare benefits) that are substantially comparable in the aggregate to the other compensation, fringe benefits and employee benefits (other than defined benefit pension benefits and retiree health and welfare benefits, if any) provided to such continuing employee immediately prior to the closing date.

In addition, the merger agreement provides that for the performance year ending December 31, 2017, CBOE Holdings will provide each continuing employee with equity and nonequity incentive compensation no less favorable to the continuing employee than the equity and nonequity incentive compensation provided to the continuing employee immediately prior to the closing date of the merger. The merger agreement also provides that Bats will pay each eligible employee his or her bonus in respect of the performance period ending December 31, 2016 (to the extent not previously paid) based on actual achievement of the performance goals through a specified date determined by Bats in its sole discretion (but in no event later than the earlier of (i) December 31, 2016 and (ii) the closing date of the merger). The bonuses may be paid by Bats prior to December 31, 2016 and may be paid in the form of cash and/or equity or equity-based awards, as determined in the good faith discretion of Bats in the ordinary course of business consistent with past practice, except that any equity or equity-based awards granted by Bats may not vest on a "single-trigger" basis i.e., immediately upon the closing of the merger.

In addition, CBOE Holdings has agreed to, and to cause its affiliates to, provide each continuing employee with full credit for prior service with Bats and its subsidiaries (as well as service with any

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predecessor employer) for all purposes under any CBOE Holdings benefit plan in which any continuing employee is or becomes eligible to participate on or after the closing date, including for purposes of eligibility, vesting, level of benefits (including for purposes of vacation and severance) and benefit accruals (but not for benefit accrual purposes under any defined benefit plan of CBOE Holdings and its subsidiaries or for purposes of determining eligibility for retiree health and welfare benefits), in each case, other than to the extent it would result in a duplication of benefits. With respect to any CBOE Holdings health and welfare benefit plans in which a continuing employee is or becomes eligible to participate on or after the closing date of the merger, CBOE Holdings has agreed to, and to cause its affiliates to, (i) waive any limitations or exclusions on benefits relating to pre-existing conditions, actively-at-work requirements, waiting periods and similar limitations and requirements applicable to the continuing employee and his or her eligible dependents under the CBOE Holdings health and welfare benefit plans to the same extent such limitations, exclusions and requirements would not have applied under comparable Bats health and welfare benefit plans and (ii) provide each continuing employee and his or her eligible dependents with credit for any co-payments, deductibles and similar expenses incurred by the continuing employee and his or her eligible dependents during the calendar year in which the closing date occurs (to the same extent that such credit was given under the comparable Bats health and welfare benefit plans prior to the closing date of the merger) for purposes of satisfying such year's co-payment or deductible requirements under the CBOE Holdings health and welfare benefit plans for the year in which the closing date occurs.

CBOE Holdings has agreed to permit each continuing employee to make rollover contributions of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code) in cash in an amount equal to the eligible rollover distribution portion of the account balance distributed to each such employee from the Bats 401(k) plan to an "eligible retirement plan" (within the meaning of Section 401(a)(31) of the Code) of CBOE Holdings or any of its affiliates. CBOE Holdings has agreed to take all actions necessary to cause the CBOE Holdings 401(k) plan to accept rollovers by continuing employees from the Bats 401(k) plan, including participant loans, after the effective time of the merger.

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 (i) are serving as Bats directors immediately prior to the effective time of the merger and (ii) comply with the policies (including clarifications thereof provided by CBOE Holdings to Bats) of the CBOE Holdings N&G Committee as in effect on the date of the merger agreement and previously provided to Bats (each of whom will be appointed to the CBOE Holdings board as of 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.

Financing

CBOE Holdings, Merger Sub and Merger LLC have agreed to use their reasonable best efforts to take or cause to be taken, all such actions as may be necessary to arrange the debt financing on substantially the terms and conditions described in the debt commitment letter, including:

to negotiate and enter into the definitive agreements reflecting the terms and conditions contained in the debt commitment letter (including, as necessary, any "flex" provisions contained in the fee letter) by the effective time of the merger; and

to satisfy or obtain the waiver of, on a timely basis, all conditions to obtaining the debt financing in accordance with the terms thereof and to comply with all of the obligations applicable to CBOE Holdings pursuant to the debt commitment letter and the definitive agreements related thereto.

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CBOE Holdings, Merger Sub and Merger LLC have agreed to use their reasonable best efforts to cause the lenders and other persons to fund the debt financing required to consummate the merger at the effective time of the merger.

In the event that all conditions to funding the commitments contained in the debt commitment letter have been satisfied, CBOE Holdings, Merger Sub and Merger LLC have agreed to use their reasonable best efforts to cause the lenders and other persons to fund the debt financing required to:

consummate the transactions contemplated by the merger agreement;

pay related fees and expenses (including paying all commitment fees when due, for repaying or refinancing the credit agreement or other indebtedness of Bats); and

satisfy all requirements applicable to CBOE Holdings, Merger Sub and Merger LLC related to or arising out of the consummation of the transactions contemplated by the merger agreement at the effective time of the merger.

CBOE Holdings, Merger Sub and Merger LLC have also agreed to give Bats prompt notice of any breach (or threatened breach) or default (or threatened default) by any party to the debt commitment letter or the definitive agreements related thereto of which any of CBOE Holdings, Merger Sub or Merger LLC has become aware or any termination of the debt commitment letter or such definitive agreement. In the event that any portion of the debt financing becomes unavailable, CBOE Holdings, Merger Sub and Merger LLC have agreed to use reasonable best efforts to arrange to obtain substitute financing as promptly as practicable in equivalent amounts commitments in respect of other financing for such portion of the debt financing from the same or alternative *bona fide* third-party financing sources on terms no less favorable to CBOE Holdings, Merger Sub and Merger LLC as those contained in the debt commitment letter, including with respect to the conditions precedent to funding of such financing that are in the aggregate, in respect of certainty of funding, are equivalent to (or more favorable to CBOE Holdings, Merger Sub and Merger LLC than) the conditions precedent set forth in the debt commitment letter, to replace the debt financing contemplated by such expired, replaced, terminated or unavailable commitments or agreements, and on terms that do not make the timely funding of the financing or the satisfaction of the conditions to obtaining the financing less likely to occur ("**alternative financing**") and promptly notify Bats of the foregoing.

CBOE Holdings, Merger Sub and Merger LLC have also agreed that they will deliver to Bats true and complete copies of all commitment letters, agreements (including copies of fee letters (provided that fees, "market flex" and other economic terms which do not affect the amount, availability or conditionality of any portion thereof may be redacted)) pursuant to which any such alternative source shall have committed to provide CBOE Holdings, Merger Sub and Merger LLC with alternative financing, including the definitive agreements related thereto. CBOE Holdings, Merger Sub and Merger LLC agreed to (i) keep Bats reasonably informed of to the status of their efforts to arrange the debt financing and (ii) provide Bats with final copies of the debt commitment letter, the fee letter (provided that fees, "market flex" and other economic terms which do not affect the amount, availability or conditionality of any portion thereof may be redacted), and the definitive agreements related thereto or any debt commitment letter, fee letter and definitive agreements in connection with any alternative financing, if any, and (iii) provide Bats a reasonable opportunity to review all drafts of the debt commitment letter, any debt commitment letter in connection with any alternative financing and, in each case, the definitive agreements related thereto and to approve the final versions of each of the foregoing.

CBOE Holdings, Merger Sub and Merger LLC have agreed not to, without Bats' prior written consent, permit any amendment or modification to, or any waiver of any provision or remedy under the debt commitment letter or any definitive agreements related thereto that (a) will add any condition to obtaining the funding of the debt financing at the effective time of the merger (b) will reasonably be

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expected to (1) adversely affect the ability or likelihood of CBOE Holdings, Merger Sub and Merger LLC timely consummating the transactions contemplated by the merger agreement or (2) make the timely funding of the debt financing or the satisfaction of the conditions to obtaining the debt financing less likely to occur or will reduce the amount of the debt financing or (c) will adversely affect the ability of CBOE Holdings, Merger Sub and Merger LLC to enforce its rights against other parties to the debt commitment letter or the definitive agreements relating thereto. CBOE Holdings, Merger Sub and Merger LLC have agreed to provide Bats with prompt written notice of the receipt of any written notice or other written communication from the debt financing sources with respect to any debt financing sources' failure or anticipated failure to fund its commitments under the debt commitment letter or definitive agreements in connection therewith. CBOE Holdings, Merger Sub and Merger LLC have agreed not to release or consent to the release of the commitments and obligations of the lenders under the debt commitment letter other than in accordance with the terms thereof, and not to terminate the debt commitment letter.

CBOE Holdings has the right to substitute in equivalent amounts commitments in respect of other financing for all or any portion of the debt financing from the same or alternative *bona fide* third-party financing sources so long as such alternative sources would not reasonably be expected to (i) adversely affect the ability or likelihood of CBOE Holdings, Merger Sub and Merger LLC timely consummating the transactions contemplated by the merger agreement, (ii) make the timely funding of the debt financing or the satisfaction of the conditions to obtaining the debt financing less likely to occur or (iii) adversely affect the ability of CBOE Holdings, Merger Sub or Merger LLC to enforce its rights against other parties to the debt commitment letter or the definitive agreements relating thereto (collectively with the debt financing, the "*available financing*" (which may include any offering of debt securities or incurrence of loans)).

Prior to the closing of the merger, Bats has agreed to use its reasonable best efforts to provide to CBOE Holdings and Merger Sub, and to cause each of its subsidiaries to use its reasonable best efforts to provide, and to use its commercially reasonable efforts to cause its representatives, including legal and accounting, to provide, in each case at CBOE Holdings' sole expense and on a timely basis, the cooperation reasonably requested by CBOE Holdings that is necessary, proper or advisable in connection with the arrangement of the debt financing or any permitted replacement, amended, modified or alternative financing (provided that (i) such requested cooperation does not unreasonably interfere with the ongoing operations of Bats and its subsidiaries, (ii) such requested cooperation and information required to be provided by Bats is limited to information about Bats and its operations and (iii) neither Bats nor its subsidiaries will be required to prepare any information, including required information, that required the combination of information about Bats with any other person, including CBOE Holdings), including using its reasonable best efforts to:

furnish CBOE Holdings and Merger Sub and their debt financing sources, as promptly as reasonably practicable following CBOE Holdings' request, with such pertinent and customary information necessary to syndicate or complete the underwriting or private placement of debt financing as may be reasonably requested in writing by CBOE Holdings regarding the business, operations, financial projections and prospects of Bats and its subsidiaries as is customary for investment grade public companies in connection with the arrangement or marketing of financings such as the available financing;

unless the debt financing or any alternative financing will have been fully syndicated or funded prior thereto, (i) furnish to CBOE Holdings as promptly as reasonably practicable, and in no event later than (1) 20 calendar days after the end of the first three fiscal quarters of any fiscal year of Bats and 45 calendar days after the end of each fiscal year of Bats, unaudited balance sheets and income and cash flow statements (in each case without footnotes) of Bats and its subsidiaries for such fiscal quarter or fiscal year and (2) 60 calendar days after the end of each fiscal year of Bats, audited balance sheets and income and cash flow statements of Bats and its

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subsidiaries for such fiscal year, in each case, to the extent reasonably required by CBOE Holdings to prepare *pro forma* financial statements of the type required by Regulation S-X and Regulation S-K promulgated under the Securities Act to syndicate or complete the offering(s) of debt securities contemplated by the debt commitment letter or in connection with the available financing and the transactions contemplated by the merger agreement; (ii) furnish to CBOE Holdings as promptly as reasonably practicable, but in any event no later than 90 calendar days after the end of each fiscal year of Bats, the audited balance sheets and income and cash flow statements of Bats and its subsidiaries for the three most recent fiscal years ended at least 90 days prior to the effective time of the merger prepared in accordance with GAAP as required by Regulation S-X under the Securities Act; and (iii) furnish to CBOE Holdings as promptly as reasonably practicable, and in no event later than 45 calendar days after the end of each subsequent fiscal quarter of Bats ending at least 45 days prior to the effective time of the merger (other than the fourth quarter), unaudited balance sheets and income and cash flow statements (in each case without footnotes) of Bats and its subsidiaries for such fiscal quarter of Bats prepared in accordance with GAAP as required by Regulation S-X under the Securities Act (it being understood that clauses (ii) and (iii) above will be deemed satisfied upon the filing with the SEC of Bats' 10-K or 10-Q, as applicable, to the extent such financial statements are contained therein) (the information, financial statements, pro forma financial statements, business and other financial data and financial information referred to above, as the "*required information*");

reasonably assist CBOE Holdings in the preparation of *pro forma* financial statements and other financial data and financial information of Bats and its subsidiaries necessary to syndicate or complete the underwriting or private placement of debt financing, it being understood that neither Bats nor its subsidiaries will be required to prepare any information that requires the combination of information about Bats with any other person, including CBOE Holdings;

use reasonable best efforts to obtain customary accountants' comfort letters and consents of accountants to the use of their reports in any materials relating to the available financing;

participate in a reasonable number of meetings (including one-on-one meetings with the parties acting as lead arrangers, bookrunners, underwriters or agents for, and prospective lenders and purchasers of the available financing and senior management and representatives with appropriate seniority and expertise, of Bats), presentations, road shows, due diligence sessions, drafting sessions and sessions with the rating agencies in connection with the available financing at times and dates reasonably acceptable to Bats;

reasonably assist with the preparation of materials for rating agency presentations, bank information memoranda and similar documents required in connection with the available financing, by providing information about Bats and its subsidiaries available to Bats and execution and delivery of customary representation letters in connection with bank information memoranda;

take corporate actions, subject to the occurrence of the effective time of the merger, reasonably requested by CBOE Holdings to permit the consummation of the available financing and to permit the proceeds thereof to be made available to the surviving corporation or surviving company, as applicable, immediately after the effective time of the merger;

reasonably assist in the negotiation, preparation and execution of one or more credit agreements, indentures, underwriting agreements or purchase agreements, or that are reasonably requested by CBOE Holdings in connection with the available financing provided that no obligation of Bats or any of its subsidiaries under any such agreements or amendments will be effective until the effective time of the merger;

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subject to confidentiality provisions, provide customary authorization letters to the debt financing sources;

cooperate reasonably with the debt financing sources' and CBOE Holdings' underwriters' due diligence to the extent reasonable;

use commercially reasonable efforts to arrange for customary payoff letters, lien and guaranty terminations and instruments of discharge to be delivered at the effective time of the merger providing for the payoff, discharge, lien and guaranty release and termination at the effective time of the merger of all indebtedness contemplated by the debt commitment letter to be paid off, discharged and terminated at the effective time of the merger;

as soon as practicable, furnish written notice to CBOE Holdings if Bats has knowledge of (i) any facts as a result of which a restatement of any financial statements for such financial statements to comply with GAAP is probable or (ii) the required information ceasing to be compliant; and

provide within three business days after any request therefor from CBOE Holdings, all documentation and other available information with respect to Bats and its subsidiaries that are required by regulatory authorities under the applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act of 2001 requested by CBOE Holdings at least ten business days prior to the effective time of the merger.

Required information is "**compliant**" if (i) Bats' auditors have not withdrawn any audit opinion with respect to, nor has Bats undertaken a restatement of, any financial statements contained in the required information, and (ii) such required information constituting projections, interpretations and other forward-looking information has been prepared in good faith based upon reasonable assumptions.

It is agreed to by CBOE Holdings, Merger Sub and Merger Sub LLC that with respect to Bats and its subsidiaries, no obligation under any agreement, certificate, document or instrument (other than the authorization letters referred to above) will be effective until the effective time of the merger and, none of Bats nor its subsidiaries nor their respective representatives will be required to pay any commitment or other fee or incur any other liability in connection with the available financing prior to the effective date of the merger. Bats agreed to the use by CBOE Holdings of its and its subsidiaries' logos in connection with the available financing; provided, that such logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage any of Bats or its subsidiaries or the reputation or goodwill of any of Bats or its subsidiaries and are used solely in connection with a description of Bats, its business and services or the merger.

Notwithstanding the foregoing obligations, Bats and its subsidiaries will not be required to (i) pay any commitment or other similar fee or incur prior to the effective time of the merger, any other liability or obligation in connection with the debt financing, (ii) provide or cause to be provided, any legal opinion by its counsel or (iii) provide, or cause to be provided any information or take, or cause to be taken, any action to the extent it would result in a violation of applicable law or loss of any privilege. In addition, Bats and its subsidiaries and their respective officers, directors or employees will not be required to execute or enter into or perform any agreement with respect to the debt financing that is not contingent upon the effective time of the merger occurring or that would be effective prior to the effective time of the merger (other than the authorization letters referred to above) or take any actions that would violate Bats' or its subsidiaries' organizational documents, as applicable, or applicable laws.

CBOE Holdings has also agreed to reimburse Bats upon request for all reasonable and documented out-of-pocket costs and expenses (including reasonable and documented attorneys' fees) incurred by Bats and its subsidiaries in connection with providing cooperation to CBOE Holdings with respect to the debt financing and, subject to certain exceptions, to indemnify and hold Bats and its subsidiaries and their respective representatives harmless from and against any and all losses suffered

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or incurred by any of them in connection with any financing or other securities offering of CBOE Holdings or any of its subsidiaries or any assistance or activities provided in connection therewith, except to the extent that such losses arise out of or result from the gross negligence, fraud or willful misconduct by Bats or any of its subsidiaries or their respective representatives, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

CBOE Holdings, Merger Sub and Merger LLC agreed that the obtaining of the available financing is not a condition to closing and, prior to any termination of the merger agreement pursuant to the terms thereof, they will continue to be obligated to consummate the transactions contemplated by the merger agreement irrespective and independently of the availability of the available financing, subject to the satisfaction or waiver of the requirements and the conditions set forth in the merger agreement.

After the start of the marketing period, Bats has agreed to, and to cause its subsidiaries, to use reasonable best efforts to update any required information provided to CBOE Holdings as may be necessary so that such required information (i) is compliant and (ii) meets the applicable requirements set forth in the definition of "required information," and from the date of the merger agreement until the effective time of the merger, to use its reasonable best efforts to timely file all of Bats' Annual Reports on Form 10-K, all of its Quarterly Reports on Form 10-Q and all of its Current Reports on Form 8-K required to be filed with the SEC pursuant to the Exchange Act.

Other Covenants and Agreements

CBOE Holdings and Bats have agreed to take certain additional actions pursuant to the merger agreement. In particular, CBOE Holdings and Bats have agreed to:

prepare this joint proxy statement/prospectus;

provide each other with reasonable access to information;

abide by certain restrictions regarding public statements and disclosures concerning the merger agreement and the transactions contemplated by the merger agreement;

use reasonable best efforts to cause the shares of CBOE Holdings common stock prior to the effective time of the merger to be approved for listing on NASDAQ, subject to official notice of issuance;

if any takeover law is or becomes applicable to the merger agreement, take all action reasonably necessary or appropriate so that the transactions contemplated by the merger agreement may be consummated as promptly as practicable on the terms contemplated by the merger agreement and otherwise act reasonably to eliminate or minimize the effects of such law on such transactions;

use reasonable best efforts to cause the merger and subsequent merger, taken together, to be treated, for federal income tax purposes, as a "reorganization" within the meaning of Section 368(a) of the Code and take no position inconsistent with such treatment unless required to do so by applicable law;

(i) promptly advise the other orally and in writing of any legal action commenced after the date of the merger agreement against such party or its subsidiaries, as applicable, or any of its directors or officers by any stockholder of such party, as applicable, arising out of or relating to the merger agreement or the transactions contemplated by the merger agreement, (ii) keep the other reasonably informed regarding any such legal action and give the other the opportunity to participate in the defense or settlement of any such legal action or proceeding, (iii) give due consideration to the other's advice with respect to such stockholder legal action, and, (iv) in the case of Bats, not settle or offer to settle any such legal action without the prior written consent of CBOE Holdings (such consent not to be unreasonably withheld, conditioned or delayed),

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unless such settlement is solely for monetary damages entirely paid for with proceeds of insurance (other than the deductible under insurance policy(ies) in effect as of the date of the merger agreement); and

take all steps required or reasonably appropriate to cause dispositions of Bats common stock or acquisitions of CBOE Holdings common stock resulting from the transactions contemplated by the merger agreement by each individual subject to the reporting requirements of Section 16(a) of the Exchange Act to be exempt under Rule 16b-3 of the Exchange Act or who will become subject to such reporting requirements with respect to CBOE Holdings, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Director and Officer Indemnification

CBOE Holdings, Merger Sub and Merger LLC have agreed that all rights to exculpation or indemnification arising from, relating to or otherwise in respect of acts or omissions occurring prior to the effective time of the merger now existing in favor of the current or former directors or officers of Bats and its subsidiaries as provided in their respective certificates of incorporation, bylaws or other organizational documents will survive the merger and the subsequent merger and will continue in full force and effect in accordance with their terms. CBOE Holdings and the subsidiary surviving the merger will, to the fullest extent permitted under applicable law, indemnify and hold harmless (and advance funds in respect of each of the foregoing and costs of defense to) each current and former director or officer of Bats or any of its subsidiaries, in each case against any losses, claims, damages, liabilities, fees and expenses (including attorneys' fees and disbursements), judgments, fines and amounts paid in settlement in connection with any actual or threatened action, whether civil, criminal, administrative or investigative, arising out of, relating to or in connection with the fact that such person is or was an officer, director or fiduciary of Bats or any of its subsidiaries at or prior to the effective time of the merger.

Subject to applicable law, CBOE Holdings has also agreed that it will or will cause the subsidiary surviving the merger, for a period of six years following the effective time of the merger, to maintain in effect the exculpation, indemnification and advancement of expenses provisions of the certificate of incorporation and bylaws or similar organization documents of Bats and its subsidiaries in effect as of the date of the merger or in any indemnification agreements of Bats or its subsidiaries with any of their respective directors, officers or employees in effect as of the date of the merger agreement, and not to amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any individuals who immediately before the effective time of the merger were current or former directors, officers or employees of Bats or its subsidiaries.

Bats is required to obtain, at or prior to the effective time of the merger, provide directors' and officers' insurance and indemnification policies that provide coverage for events occurring prior to the effective time of the merger for an aggregate period of not less than six years from the effective time of the merger with terms, conditions, retentions, deductibles and limits of liability that are no less favorable than Bats' existing policy or policies or, if such insurance coverage is unavailable, the best available coverage, so long as the annual premium for the insurance does not exceed 200% of the last annual premium that Bats paid prior to the date of the merger agreement. If the annual premium of Bats' existing insurance policy exceeds the 200% limitation, CBOE Holdings will maintain policies of insurance which, in CBOE Holdings' good faith determination, provide the maximum amount of coverage available with an annual premium equal to 300% of Bats' current annual premium.

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Termination of the Merger Agreement

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 Bats stockholder approval and concluded without obtaining the Bats stockholder 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 CBOE Holdings stockholder approval and concluded without obtaining the CBOE Holdings stockholder 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

the merger is not completed on or before July 25, 2017 (or, if extended pursuant to Section 7.1(b)(iv) of 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 precedent to CBOE Holdings' obligation to complete the merger and (ii) cannot be or has not been cured within the lesser of (x) 15 calendar days after the giving by CBOE Holdings of written notice to Bats of such breach or failure to perform (such notice to describe such breach or failure to perform in reasonable detail) and (y) the number of calendar days remaining until the outside date;

if prior to obtaining the Bats stockholder approval, the Bats board or any committee thereof has (a) effected a Bats adverse recommendation change (whether or not permitted to do so under the terms of the merger agreement), (b) adopted, approved, endorsed, declared advisable or recommended to Bats stockholders a Bats acquisition proposal other than the merger, (c) failed

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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, (d) 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 (e) 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 (including by taking no position with respect to the acceptance of such tender offer or exchange offer by its stockholders);

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

if, prior to obtaining the CBOE Holdings stockholder approval, 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 described below.

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 precedent to Bats' obligation to complete the merger and (ii) cannot be or has not been cured within the lesser of (x) 15 calendar days after the giving by Bats of written notice to CBOE Holdings of such breach or failure to perform (such notice to describe such breach or failure to perform in reasonable detail) and (y) the number of calendar days remaining until the outside date;

if prior to obtaining the CBOE Holdings stockholder approval, the CBOE Holdings board or any committee thereof has (a) effected a CBOE Holdings adverse recommendation change (whether or not permitted to do so under the terms of the merger agreement), (b) adopted, approved, endorsed, declared advisable or recommended to CBOE Holdings stockholders a CBOE Holdings acquisition proposal other than the merger, (c) 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, (d) 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 (e) 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 (including by taking no position with respect to the acceptance of such tender offer or exchange offer by its stockholders);

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 obtaining the Bats stockholder approval, 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

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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 described below.

Effect of Termination

If the merger agreement is terminated as described above, the merger agreement will become void and have no effect, without any liability or obligation on the part of CBOE Holdings, Merger Sub, Merger LLC or Bats (except for provisions relating to financing, public announcements, confidentiality, access to information or payment of termination fees and expenses, the provision relating to effects of termination and certain other miscellaneous provisions), provided that, in the event of (i) the willful and material breach of the merger agreement, (ii) fraud or (iii) the intentional failure to satisfy a condition to the performance of the obligations of the other party or to perform a covenant of such party, the parties agree that the party that did not so breach, act with fraud or fail to satisfy such condition or so perform will be entitled to recover from the other party any and all damages (which the parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and may include, to the extent proven, the benefit of the bargain lost by a party's stockholders, which losses, to the extent proven, shall be deemed in such event to be damages of such party) incurred or suffered by such party as a result of such breach, act or failure.

Reimbursement of Fees and Expenses

If prior to the receipt of the Bats stockholder approval, a Bats competing proposal has been publicly disclosed or has become publicly known and not withdrawn, the merger agreement is terminated by CBOE Holdings or Bats due to the occurrence of a triggering event as described in the second through fourth bullet points above under " Termination of the Merger Agreement Termination by CBOE Holdings or Bats," or by CBOE Holdings due to the occurrence of a triggering event as described in the first bullet point above under " Termination of the Merger Agreement Termination by CBOE Holdings," Bats will pay to CBOE Holdings by wire transfer of same day funds to the account or accounts designated by CBOE Holdings or its designee the CBOE Holdings expenses (as defined below) within two business days after receipt from CBOE Holdings of documentation supporting such CBOE Holdings expenses and, if concurrently with or within 12 months after the date of any such termination, any of Bats or any of its subsidiaries enters into a definitive agreement with respect to any Bats competing proposal or any Bats competing proposal is consummated, Bats will pay to CBOE Holdings or its designee by wire transfer of same day funds to the account or accounts designated by CBOE Holdings or such designee the termination fee (as defined below) concurrently with the consummation of such Bats competing proposal.

If prior to the receipt of the CBOE Holdings stockholder approval, a CBOE Holdings competing proposal has been publicly disclosed or has become publicly known and not withdrawn, the merger agreement is terminated by CBOE Holdings or Bats due to the occurrence of a triggering event as described in the second through fourth bullet points above under " Termination of the Merger Agreement Termination by CBOE Holdings or Bats," or by Bats due to the occurrence of a triggering event as described in the first bullet point above under " Termination of the Merger Agreement Termination by Bats," CBOE Holdings will pay to Bats by wire transfer of same day funds to the account or accounts designated by Bats or its designee the Bats expenses (as defined below) within two business days after receipt from Bats of documentation supporting such Bats expenses and, if concurrently with or within 12 months after the date of any such termination, CBOE Holdings or any of its subsidiaries enters into a definitive agreement with respect to any CBOE Holdings competing proposal or any CBOE Holdings competing proposal is consummated, CBOE Holdings will pay to Bats or its designee by wire transfer of the same day funds to the account or accounts designated by Bats or such designee the termination fee concurrently with the consummation of such CBOE Holdings competing proposal.

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Bats has also agreed to pay CBOE Holdings a termination fee of \$110.0 million (the "*termination fee*") if:

CBOE Holdings terminates the merger agreement due to the occurrence of a triggering event as described in the second bullet above under " Termination of the Merger Agreement Termination by CBOE Holdings;"

CBOE Holdings terminates the merger agreement due to the occurrence of a triggering event as described in the third bullet above under " Termination of the Merger Agreement Termination by CBOE Holdings;" and

Bats terminates the merger agreement due to Bats superior proposal and enters into a definitive agreement (as described in the fourth bullet above under " Termination of the Merger Agreement Termination by Bats").

CBOE Holdings has also agreed to pay Bats the termination fee if:

Bats terminates the merger agreement due to the occurrence of a triggering event (as described in the second bullet above under " Termination of the Merger Agreement Termination by Bats");

Bats terminates the merger agreement due to the occurrence of a triggering event (as described in the third bullet above under " Termination of the Merger Agreement Termination by Bats"); and

CBOE Holdings terminates the merger agreement due to CBOE Holdings superior proposal and enters into a definitive agreement (as described in the fourth bullet above under " Termination of the Merger Agreement Termination by CBOE Holdings").

In addition, unless Bats is required to pay CBOE Holdings expenses as described in the first paragraph under the section " Fees and Expenses," Bats has agreed to pay the Bats expenses if the merger agreement is terminated due to the failure to obtain the Bats stockholder approval (as described in the second bullet above under " Termination of the Merger Agreement Termination by CBOE Holdings or Bats").

In addition, unless CBOE Holdings is required to pay Bats expenses as described in the second paragraph under the section " Reimbursement of Fee and Expenses," CBOE Holdings has agreed to pay the Bats expenses if the merger agreement is terminated due to the failure to obtain the CBOE Holdings stockholder approval (as described in the third bullet above under " Termination of the Merger Agreement Termination by CBOE Holdings or Bats").

For purposes of the foregoing summary of termination fees payable:

"Bats competing proposal" will have the same meaning as Bats acquisition proposal except that all references to "20%" therein are changed to "50%" and all references to "80%" therein are changed to "50%";

"Bats expenses" means documented fees and expenses (not to exceed \$10.0 million) incurred or paid by or on behalf of Bats and its affiliates in connection with the transactions contemplated by the merger agreement, or related to the evaluation, authorization, preparation, negotiation, execution or performance of the merger agreement, in each case including all documented fees and expenses of law firms, commercial banks, investment banking firms, accountants, experts and consultants to Bats and its affiliates;

"CBOE Holdings competing proposal" will have the same meaning as CBOE Holdings acquisition proposal except that all references to "20%" therein are changed to "50%" and all references to "80%" therein are changed to "50%";

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"*CBOE Holdings expenses*" means documented fees and expenses (not to exceed \$10.0 million) incurred or paid by or on behalf of CBOE Holdings, Merger Sub, Merger LLC and their respective affiliates in connection with the transactions contemplated by the merger agreement, or related to the evaluation, authorization, preparation, negotiation, execution or performance of the merger agreement, in each case including all documented fees and expenses of law firms, commercial banks, investment banking firms, financing sources, accountants, experts and consultants to CBOE Holdings, Merger Sub, Merger LLC and their respective affiliates.

Representations and Warranties

Bats, on the one hand, and CBOE Holdings, Merger Sub and Merger LLC, on the other hand, have each made representations and warranties to each other in the merger agreement. The representations and warranties referenced below and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, were solely for the benefit of the parties to the merger agreement, may be subject to a contractual standard of materiality different from what might be viewed as material to stockholders and may be subject to limitations agreed upon by the parties, including being qualified by disclosures filed with or furnished to the SEC and confidential disclosures made by the parties to each other (including in the disclosure letters that the parties exchanged in connection with the execution of the merger agreement). The representations and warranties contained in the merger agreement should not be relied upon as characterizations of the actual state of facts or condition of Bats, CBOE Holdings, Merger Sub, Merger LLC or any of their respective subsidiaries, affiliates or businesses. The representations and warranties of each of the parties to the merger agreement will expire at the effective time of the merger.

Representations and Warranties of Bats

Bats has made customary representations and warranties to CBOE Holdings, Merger Sub and Merger LLC in the merger agreement regarding aspects of Bats' business and various other matters pertinent to the merger. The topics covered by its representations and warranties include the following:

Bats' organization, standing and power;

subsidiaries of Bats;

the capital structure of Bats;

Bats' authority to enter into, and subject to the Bats stockholder approval, consummate the transactions contemplated by the merger agreement;

the absence of conflicts with, or violations of, laws, organizational documents or contracts, in each case as a result of Bats' execution or delivery of the merger agreement or the performance by Bats of its covenants under, or the consummation by Bats of the transactions contemplated by, the merger agreement;

the governmental and regulatory approvals required to complete the merger;

Bats' SEC filings since April 14, 2016 and the financial statements contained in those filings;

the absence of any undisclosed liabilities;

indebtedness;

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the information supplied in this joint proxy statement/prospectus;

the absence of certain changes or events since December 31, 2015;

the absence of pending litigation and proceedings;

Bats' and its subsidiaries' compliance with laws and permits;

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employee benefits matters;

labor matters;

environmental matters;

tax matters including tax treatment of the merger and the subsequent merger;

certain material agreements and contracts of Bats and its subsidiaries;

insurance coverage;

Bats' and its subsidiaries' real property;

Bats' and its subsidiaries' intellectual property, including their software and information technology systems;

the absence of affiliate transactions;

the absence of financial advisor's, broker's or finder's fees, other than those payable to Barclays Capital Inc. and UBS Securities LLC, in connection with the transactions contemplated by the merger agreement;

the inapplicability of takeover laws to the merger; and

the opinion of Barclays Capital Inc.

CBOE Holdings, Merger Sub and Merger LLC have made customary representations and warranties to Bats in the merger agreement regarding aspects of CBOE Holdings', Merger Sub's and Merger LLC's business and various other matters pertinent to the merger. The topics covered by their respective representations and warranties include the following:

their organization, standing and power;

subsidiaries of CBOE Holdings, Merger Sub and Merger LLC;

the capital structure of CBOE Holdings;

CBOE Holdings', Merger Sub's and Merger LLC's authority to enter into, and subject to the CBOE Holdings stockholder approval, consummate the transactions contemplated by the merger agreement;

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the absence of conflicts with, or violations of, laws, organizational documents or contracts, in each case as a result of CBOE Holdings', Merger Sub's and Merger LLC's execution or delivery of the merger agreement or the performance by CBOE Holdings, Merger Sub and Merger LLC of their respective covenants under, or the consummation by CBOE Holdings, Merger Sub and Merger LLC of the transactions contemplated by, the merger agreement;

the governmental and regulatory approvals required to complete the merger;

CBOE Holdings' SEC filings since January 1, 2015 and the financial statements contained in those filings;

the absence of any undisclosed liabilities;

indebtedness;

the information supplied in this joint proxy statement/prospectus;

the absence of certain changes or events since December 31, 2015;

the absence of pending litigation and proceedings;

CBOE Holdings' and its subsidiaries' compliance with laws and permits;

employee benefits matters;

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labor matters;

environmental matters;

tax matters including tax treatment of the merger and the subsequent merger;

certain material agreements and contracts of CBOE Holdings and its subsidiaries;

insurance coverage;

CBOE Holdings' and its subsidiaries' real property;

CBOE Holdings' and its subsidiaries' intellectual property, including their software and information technology systems;

the absence of affiliate transactions;

absence of ownership of shares of Bats common stock by CBOE Holdings and its subsidiaries;

ownership and operations of Merger Sub and Merger LLC by CBOE Holdings;

matters related to the financing of the transactions contemplated by the merger agreement;

the absence of financial advisor's, broker's or finder's fees, other than those payable to Broadhaven and BofA Merrill Lynch, in connection with the transactions contemplated by the merger agreement; and

the opinion of CBOE Holdings' financial advisors.

Expenses

Except (i) as provided above under " Termination of the Merger Agreement Termination by Bats" and " Termination of the Merger Agreement Termination by CBOE Holdings" and (ii) that all HSR Act filing fees and all costs and expenses incurred in connection with the printing, filing and mailing of this joint proxy statement/prospectus and the Form S-4 (including the applicable SEC filing fees) will be divided equally between CBOE Holdings and Bats, each party is otherwise required to pay its own costs and expenses incurred in connection with the merger, the merger agreement and the transactions contemplated by the merger agreement.

Governing Law; Jurisdiction; Specific Enforcement; Waiver of Jury Trial

The merger agreement is governed by the internal laws of the State of Delaware. All legal actions or proceedings with respect to the merger agreement are to be brought and determined exclusively in the Delaware Court of Chancery or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware. The parties to the merger agreement are entitled to specific performance of the terms of the merger agreement, including an injunction or injunctions to prevent breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement in the Delaware Court of Chancery, this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties to the merger agreement has waived any

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requirement under any law to post security as a prerequisite to obtaining equitable relief. Each of the parties to the merger agreement has waived its right to trial by jury in any legal proceeding arising out of or relating to the merger agreement or the transactions contemplated by the merger agreement.

Amendments, Extensions and Waivers

Amendments

The merger agreement may be amended by the parties at any time prior to the completion of the merger, except that any amendment after the Bats stockholder approval has been obtained which

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requires further approval or adoption by the stockholders of Bats may not be made without such further approval or adoption. All amendments to the merger agreement must be in writing signed by each party.

Extension of Time and Waivers

At any time prior to the completion of the merger, any party to the merger agreement may:

extend the time for the performance of any of the obligations or acts of any other party or parties to the merger agreement;

waive any inaccuracies in the representations and warranties of the other party or parties set forth in the merger agreement or any document delivered pursuant to the merger agreement; or

subject to applicable law, waive compliance by any other party with any of the agreements, covenants or conditions of the other party or parties contained in the merger agreement.

However, after the Bats stockholder approval has been obtained, no waiver may be made that pursuant to applicable law requires further approval or adoption by the Bats stockholders without such further approval or adoption. All extensions and waivers granted by a party to the merger agreement must be in written instrument executed and delivered by a duly authorized officer on behalf of such party.

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DESCRIPTION OF DEBT FINANCING

Overview

Concurrently, and in connection with entering into the merger agreement, CBOE Holdings entered into a debt commitment letter, with the commitment parties, pursuant to which, the commitment parties (as described on page 24), subject to the satisfaction and waiver of certain conditions (as described below and 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 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.

Interest Rate; Duration Fee

Borrowings under the bridge facility will bear interest at a rate equal to (i) LIBOR plus the applicable margin or (ii) at CBOE Holdings' option or in certain circumstances such as the unavailability of LIBOR, the highest of (a) the Bank of America prime rate, (b) the Federal Funds rate plus 0.50% and (c) the one-month LIBOR rate (determined on a daily basis by reference to such rate without application of breakage or redeployment costs, and which if less than zero will be deemed to be zero) if available plus 0.50%, plus the applicable margin.

The applicable margin for borrowings under the bridge facility depends on CBOE Holdings' achievement of certain credit ratings, and, from the 90th day after the closing date, the applicable margin for borrowings under the bridge facility will increase by an additional 0.25% on each 90th day thereafter. During the continuance of any event of default under the bridge facility, the applicable margin on obligations owing under the bridge facility may be increased by 2% per annum (subject, in all cases other than a default in the payment of principal when due, to the request of the requisite number of lenders thereunder).

Interest will be payable at the end of the selected interest period for LIBOR loans, but no less frequently than quarterly.

Borrowings under the bridge facility will be subject to duration fees, calculated as a percentage of the aggregate principal amount of loans outstanding on the date of any such fee payment. The first duration fee at a rate of 0.50% will be payable on the 90th day after the closing date; the second duration fee at a rate of 0.75% will be payable on the 180th day after the closing date; and the third duration fee at a rate of 1.00% will be payable on the 270th day after the closing date.

Prepayments and Redemptions

Subject to certain exceptions, the commitments in respect of the bridge facility under the debt commitment letter, on or prior to the closing date, will be automatically and permanently reduced, and

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after the closing date, CBOE Holdings is obligated to make prepayments of the loans under the bridge facility:

with the committed amount of all qualifying credit facilities (as defined in the debt commitment letter) entered into for the purpose of financing the transactions contemplated by the merger agreement;

with the net cash proceeds from all non-ordinary course sales or other dispositions (for any such disposition or series of related dispositions) of assets in excess of \$50 million in the aggregate for all such sales or dispositions (including as a result of casualty or condemnation) by CBOE Holdings and its subsidiaries (which will include, solely after the closing date, Bats and its subsidiaries) (subject to exceptions and reinvestment rights to be agreed (with a reinvestment period not to exceed 180 days));

(without duplication of the amounts described in the first bullet above) with the net cash proceeds from all issuances or incurrences of debt for borrowed money by CBOE Holdings and its subsidiaries in excess of \$50 million in the aggregate for all such issuances or incurrences of debt for borrowed money (which will include, solely after the closing date, Bats and its subsidiaries) (other than (i) working capital facilities, letter of credit facilities, purchase money indebtedness, capital leases, sale leasebacks and subsidiaries' lines of credit, in each case, in the ordinary course of business and (ii) intercompany debt); and

with the net cash proceeds received by CBOE Holdings from actual cash received in all equity issuances (as defined in the debt commitment letter), whether before or after the closing date, in excess of \$50 million in the aggregate for all such equity issuances.

At its option, CBOE Holdings may (i) prepay borrowings under the bridge facility in whole or in part at any time without premium or penalty, subject to reimbursement of the commitment parties' breakage and redeployment costs in the case of prepayment of LIBOR borrowings and (ii) irrevocably reduce or terminate the unutilized portion of the commitments under the bridge facility in whole or in part at any time without premium or penalty.

Collateral and Guarantors

The bridge facility will be unsecured and will not be guaranteed by any subsidiaries or affiliates of CBOE Holdings or Bats or any other third parties.

Conditions Precedent

The debt commitment letter includes customary conditions to funding, including, among others, the completion of definitive documentation, the absence of a material adverse effect on Bats, consummation of the merger in all material respects in accordance with the merger agreement without giving effect to any amendments, modifications, supplements or waivers by CBOE Holdings thereto or consents by CBOE Holdings thereunder that are materially adverse to the lenders under the bridge facility or the arranger under the bridge facility without prior written consent of such arranger and the administrative agent under the bridge facility (such consent not to be unreasonably conditioned, withheld or delayed), the delivery of audited and unaudited financial information and other customary closing deliveries, the accuracy of specified representations (subject to certain materiality qualifiers) and warranties and specified merger agreement representations and warranties and receipt of all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, the PATRIOT Act, reasonably requested in writing by the administrative agent (on behalf of any lender) under the bridge facility at least 10 business days prior to the closing date.

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Covenants and Events of Default

The bridge facility will contain a number of covenants, including limitations on the following (subject in each case to materiality thresholds and certain exceptions to be agreed):

delivery of financial statements, SEC filings, compliance certificates and other information;

notices of default and ERISA events;

payment of taxes;

preservation of existence;

compliance with laws;

maintenance of books and records;

inspection rights;

use of proceeds;

compliance with anti-corruption laws and sanctions; and

limitations on (a) liens, (b) indebtedness of subsidiaries, (c) restricted payments and (d) mergers and other fundamental changes.

The bridge facility will also include a (i) maximum consolidated leverage ratio (to be defined as total debt to trailing four-quarter EBITDA) not to exceed 3.50 to 1.00, and (ii) minimum consolidated interest coverage ratio (to be defined as trailing four quarter EBIT to interest expense (on an annualized basis for the first three fiscal quarters and on a trailing four-quarter basis thereafter)) not to be less than 4.00 to 1.00 (with the financial definitions of EBITDA and EBIT to exclude (i) non-cash charges, (ii) restructuring charges (A) related to the transactions contemplated by the merger agreement and (B) related to any future event which could result in current or future cash charges in an aggregate amount not to exceed during any 12-month period the greater of (x) \$35 million and (y) 5.0% of EBITDA, (iii) transaction expenses and (iv) other customary exceptions to be agreed).

The bridge facility will also contain certain customary events of default, including relating to non-payment, failure to perform or observe covenants, cross-default to other indebtedness in an aggregate principal amount of \$50 million or more, any representation or warranty proving to have been materially incorrect when made or confirmed, bankruptcy and insolvency, monetary judgment defaults in an amount of \$50 million or more, customary ERISA defaults, actual or asserted invalidity or impairment of loan documentation and change of control. If an event of default occurs, Bank of America, N.A. as administrative agent under the bridge facility may exercise certain rights and remedies on behalf of the lenders.

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INFORMATION ABOUT CBOE HOLDINGS, MERGER SUB AND MERGER LLC

CBOE Holdings

CBOE Holdings is the holding company for CBOE, CFE, 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 index options, mostly on an exclusive basis, and futures contracts, as well as trading options on non-exclusive "multiply-listed" options, such as equity options and ETP options, such as ETF options and 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.

For additional information regarding CBOE Holdings, please refer to its Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus, as well as CBOE Holdings' other filings with the SEC. See "Where You Can Find More Information."

Merger Sub

CBOE Corporation 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

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 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.

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INFORMATION ABOUT BATS

For purposes of the discussion contained in this section of this joint proxy statement/prospectus entitled "Information about Bats," references to Bats means Bats and its consolidated subsidiaries unless the context otherwise requires.

Business

Overview

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 currently comprises listed cash equity securities in the United States and Europe, listed equity options in the United States and institutional spot FX globally, as well as ETPs, including ETFs, in the United States and Europe. For the nine months ended September 30, 2016, trade execution comprised 44.2% of Bats' revenues less cost of revenues, and non-transaction revenues comprised 55.8% of its revenues less cost of revenues.

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 September 30, 2016. In addition, for each of the nine consecutive months ended September 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.

Bats improves markets by maximizing efficiency and mitigating trade execution risk, in part by offering low-cost, market-leading pricing and low-latency trade execution enabled by resilient and robust proprietary technology. For example, during the nine months ended September 30, 2016, Bats' net capture, including auctions, in the U.S. equities market was approximately 44% of the rate reported by NASDAQ OMX Group's U.S. equities operations and Intercontinental Exchange, Inc.'s NYSE operations, while Bats' net capture, including auctions, in the European listed equity securities market was approximately 23% of the rate reported by the London Stock Exchange's European equities operations. During the nine months ended September 30, 2016, Bats' net capture in the U.S. listed equity options market was 16% to 42% of the rate reported by CBOE, NYSE Arca, NYSE MKT, NASDAQ Options Market and NASDAQ PHLX. Bats offers the same low-cost, market-leading pricing for Bats' market data products. During the nine months ended September 30, 2016, Bats' pricing for market data for the U.S. equities market was a combined \$12,500 per month for data from BZX, BYX, EDGX and EDGA. This is approximately 8% of the prices reported by NYSE and NASDAQ operations to receive data for all of their respective markets during the same period. Bats' market data pricing in Europe was €59.50 per month for pan-European data during the nine months ended September 30, 2016. This is approximately 11% of the cost of receiving data from the other exchanges across Europe during the same period. Participants can also purchase Bats' spot FX market data for \$5,000 per month. This is approximately 8% of the price currently charged by the EBS Market platform.

Bats develops, owns and operates the Bats trading platforms, which deploy Bats' proprietary technology designed to offer some of the fastest and most reliable trading systems available. Bats' diverse exchange platforms are designed to facilitate price discovery by encouraging the quoting of competitive lit prices but also offer opportunities to post dark trading interest on Bats' U.S. and European order books. In the United States, Bats operates four national securities exchanges, BZX,

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BYX, EDGX and EDGA. All four Bats exchanges trade listed cash equity securities and ETPs, while offering different pricing alternatives. BZX also serves as a listing destination for ETPs, and each of BZX and EDGX also operate a market for trading listed equity options. BZX Options is a pure price-time-priority market, while EDGX Options offers a customer priority, "pro rata" model. Bats also operates a broker-dealer in the United States, Bats Trading, which provides routed transaction services for listed cash equities for BZX, BYX, EDGX and EDGA and listed equity options for BZX and EDGX.

In Europe, Bats Europe operates both an MTF and RM under its RIE status. Bats Europe operates two lit books, a periodic auctions book and two dark books on its MTF, and operates one lit book and one dark book on its RM. On these books, Bats offers trading in listed cash equity securities from within 23 European indices and 15 major European markets, in addition to ETFs, exchange-traded commodities and international depositary receipts. With regard to FX, Bats operates separate New York and London area matching engines that offer access to spot FX trading in more than 60 currency pairs and gold and silver bullion. Bats' platforms are designed to facilitate price discovery by encouraging the quoting of competitive lit prices but also offer opportunities to post dark trading interest on Bats' U.S. and European order books. Bats also operates a broker-dealer in Europe, Chi-X Europe, which provides routed transaction services for listed cash equities within the European markets solely for Bats Europe.

The Bats Hotspot Platform offers an independent, transparent electronic marketplace structure where institutional buyers and sellers worldwide can trade spot FX directly, either anonymously or on a disclosed basis with each other.

For the nine months ended September 30, 2016, Bats had a 20.8% share of the overall U.S. equity market, a 25.1% share of the trading of ETPs and a 11.0% share of the U.S. equity options market. In Europe, for the nine months ended September 30, 2016, Bats had a 23.2% share of European trading in the securities available for trading on Bats Europe. In addition, Bats had \$27.0 billion average daily notional value, or "ADNV," in its Global FX segment for the nine months ended September 30, 2016 and a 11.9% share of the publicly reported institutional spot FX market for the same period. For ETPs, during the nine months ended September 30, 2016, Bats had 47 new listings, or 24.6% of all newly listed ETPs in the United States. Bats also had 103 total ETP listings as of September 30, 2016, or 5.3% of all ETP listings in the United States.

Bats' revenue consists primarily of transaction fees, regulatory fees, market data fees and connectivity fees. On a consolidated basis, Bats' revenues less cost of revenues were \$330.5 million for the nine months ended September 30, 2016, which represents a 15.6% increase from the \$285.8 million generated for the nine months ended September 30, 2015. Non-transaction revenues were 55.8% of revenues less cost of revenues for the nine months ended September 30, 2016. Adjusting for growth through acquisitions, Bats' organic growth rate of revenues less cost of revenue for the nine months ended September 30, 2016 compared to 2015 was 12.9%. For the nine months ended September 30, 2016, Bats' net income was \$76.5 million, compared to \$60.5 million for the nine months ended September 30, 2015. For the nine months ended September 30, 2016, Bats' Normalized EBITDA margin was 65.8%, compared to 60.4% for the nine months ended September 30, 2015. "Normalized EBITDA" is defined as EBITDA before acquisition-related costs, IPO costs, tax restructuring costs, loss of extinguishment of debt, debt restructuring costs, intangible asset impairment charges, gain on extinguishment of revolving credit facility and an unusually large regulatory assessment charged to a member in 2013.

Bats uses the non-GAAP measure of Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in

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its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. Normalized EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP. For a reconciliation of net income to Normalized EBITDA margin, see "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations Comparison of Nine Months Ended September 30, 2016 and 2015."

The charts below show Bats' share of the U.S. equity market, European equity market, U.S. equity options market and institutional spot FX market for the time periods shown:

BZX, BYX⁽¹⁾, EDGX and EDGA⁽²⁾ Combined

Share of U.S. Equity Market by Quarter

Source:

Data as published through the Unlisted Trading Privileges ("*UTP*") Plan and CTA Plan feeds.

(1)

BYX began trading listed cash equity securities during the fourth quarter of 2010.

(2)

EDGX and EDGA data included as of Direct Edge acquisition on January 31, 2014.

In connection with launching new markets, Bats has often offered pricing specials which may generate short-term losses, but generally result in significant growth in short- and long-term market share as customers have continued to use Bats' markets even after pricing specials end. For example, Bats began trading listed cash equity securities and ETPs on BYX during the fourth quarter of 2010 using an inverted pricing model and did not lose market share in BZX as a result of the launch of BYX or when the inverted pricing model was reversed on BYX to provide positive net capture. With the Direct Edge acquisition, Bats has implemented diverse pricing alternatives to attract a broader customer group and drive market share in its U.S. Equities segment. Bats' U.S. Equities market share decreased from 21.1% for the nine months ended September 30, 2015 to 20.8% for the nine months ended September 30, 2016.

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Bats Europe⁽¹⁾

Share of European Equity Market by Quarter

Source:

Data internally compiled by Bats utilizing direct feeds from European trading venues and third-party market data vendors.

(1)

Chi-X Europe data included as of its acquisition on November 30, 2011.

BZX and EDGX⁽¹⁾ Combined

Share of U.S. Equity Options Market by Quarter

Source:

Data as published by OPRA.

(1)

EDGX began trading listed equity options during the fourth quarter of 2015.

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Bats' market share has significantly increased from the launch of its first options exchange in 2010 to September 30, 2016. This was primarily a result of increased sales and business efforts, competitive pricing changes, strategic pricing of tiers, movement to a strategic data center and increased customer affinity.

Global FX⁽¹⁾

Share of Institutional Spot FX Market by Quarter

Source:

Data internally compiled by Bats utilizing publicly reporting institutional spot FX venues. Fastmatch, an ECN for FX trading, is included in those venues beginning in the first quarter of 2013.

(1)

Bats acquired Bats Hotspot in March 2015. Market share presented as if Bats Hotspot had been acquired as of January 1, 2010 to provide a context of historical performance.

The Bats Hotspot Platform offers an independent, transparent electronic marketplace structure where institutional buyers and sellers worldwide can trade spot FX directly and anonymously with each other. The Bats Hotspot Platform includes true price competition with full depth of book display, centralized price discovery and tailored liquidity solutions. Bats Hotspot's model provides full market transparency and greater control of the trading process, enabling better trade execution and lower execution costs. The Bats Hotspot Platform uses a price-time-priority model. The Bats Hotspot Platform consists of a mixture of both firm and non-firm liquidity provided by both clients and dedicated liquidity providers and enables Bats Hotspot to offer its clients customized liquidity solutions. Bats Hotspot clients are charged either a flat or tiered commission rate based upon the notional amount traded on the Bats Hotspot Platform. These rates are expressed as U.S. dollars per million notional U.S. dollars traded. The flat commission rate or tiers applicable to each client are determined on a client-by-client basis by Bats Hotspot management and sales in light of market forces and client activity.

All of the Bats trading platforms deploy Bats' proprietary technology designed to offer some of the fastest and most reliable trading systems available. They provide market participants with the ability to access, process, display and execute orders on each of Bats' markets and were internally developed by Bats' team of industry market structure and technology professionals with the goal of maximizing

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efficiency and mitigating trade execution risk for market participants. Specifically, Bats' securities platform provides access to, and a comprehensive display of, trading interest by market participants at the highest price at which a customer is willing to buy a security, or the best bid, and the lowest price at which a customer is willing to sell that security, or the best offer. In addition, Bats' securities platform provides access to and the display of orders ranked in price-time-priority at prices lower than the best bid and higher than the best offer. Also known as "depth of book," these orders reflect the size of displayed trading interest available at each successive price increment lower than the best bid and higher than the best offer. Bats' securities platform also offers opportunities to post dark trading interest on Bats' U.S. and European lit integrated order books. These dark orders, which are often at prices better than the best displayed bids and offers, can provide price improvement to investors seeking to access Bats' markets. Price improvement occurs, for example, when an investor submits an incoming order seeking to sell against the displayed best bid but instead executes against a hidden order that is willing to buy at a higher price than the highest displayed bid on the book. In addition, dark orders can also reduce the potential market impact to investors seeking to trade large orders by providing them the ability to enter those orders into the market without advertising such trading interest to others. Moreover, in Europe, Bats operates two dark books on its MTF and one dark book on its RM.

Bats' History

Bats was formed in 2005 as an alternative to the NYSE and NASDAQ, in response to increased consolidation among U.S. listed cash equity market centers. Since Bats' founding, it has achieved the following milestones:

January 2006: Launched Bats' ECN, which initially focused on the trading of NASDAQ-listed securities.

May 2006: Began trading in American Stock Exchange (now NYSE MKT)-listed securities and, in February 2007, NYSE-listed securities.

March 2008: Entered the European markets by launching an MTF to compete on a pan-European basis against the incumbent securities exchanges, formally launching Bats Europe in October 2008.

November 2008: Converted Bats' ECN to a national securities exchange, BZX, which allowed Bats to participate in, and earn market data fees from, the U.S. tape plans, reduce Bats' clearing costs and operate a primary listings business.

February 2010: Expanded into a new asset class by offering trading of listed equity options on BZX.

October 2010: Launched BYX, a second national securities exchange for trading listed cash equity securities.

November 2011: Acquired Chi-X Europe, and it became a wholly-owned subsidiary.

December 2011: Launched a primary listings business in the United States on BZX.

May 2013: Received approval from the United Kingdom regulators to convert Bats' pan-European MTF into an RIE, and in December 2013, Bats Europe acquired a 25% interest in EuroCCP, the largest equities central clearing counterparty in Europe.

January 2014: Acquired Direct Edge, which included the two exchanges, EDGX and EDGA.

March 2015: Acquired Hotspot FX Holdings, LLC, which owned KCG Hotspot FX LLC, the operator of an electronic trading platform for institutional spot FX, or the Bats Hotspot Platform.

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September 2015: Launched the Bats Hotspot Platform in London successfully.

November 2015: Launched EDGX Options successfully.

March 2016: Launched Bats-T3P SPY Volatility Index successfully.

April 2016: Acquired ETF.com.

April 2016: Completed Bats' initial public offering.

June 2016: Refinanced Bats' outstanding credit facility with a new seven-year \$650 million term loan that decreased the spread on the interest rate to one-month LIBOR plus 350 basis points, and includes 50 basis points of original issue discount and an amortization rate of 1%.

June 2016: Bats Europe launched a U.K.-focused benchmark index series successfully.

September 2016: Bats and CBOE Holdings executed the merger agreement.

November 2016: Acquired Javelin.

Bats' Trading Model

Like many of Bats' competitors, Bats has adopted "maker-taker" and "taker-maker" pricing models in its markets instead of charging a transaction fee for each party to a trade. The maker-taker pricing model is designed to incentivize market makers to provide liquidity on a continuous basis. Participants are attracted to markets that have continuous and deep liquidity, which provides more opportunity to buy and sell equities immediately and with minimal adverse effect on prices. Because market makers supply a valuable service to markets by providing liquidity, maker-taker pricing rewards them with a rebate.

Under Bats' "maker-taker" pricing model, on BZX (for both listed cash equity securities and listed equity options), EDGX (for listed cash equity securities) and on certain order books of Bats Europe, a customer posting an order on Bats' book, which Bats refers to as the "**liquidity maker**" or "**liquidity provider**," is paid a rebate for an execution occurring against that order, and a customer executing against an order resting on Bats' book, which it refers to as the "**liquidity taker**" or "**liquidity remover**," is charged a fee. Bats generates a substantial portion of Bats' operating income from the difference between the "maker" rebate and the "taker" fee. Bats believes this type of fee schedule is attractive to customers who regularly provide liquidity. Although customers must pay a fee to access that liquidity, that fee is explicitly disclosed and charged to all customers on a non-discriminatory basis.

The BYX and EDGA listed cash equity securities "taker-maker" pricing model provides that a liquidity taker will be paid a rebate for executing against an order resting on Bats' book, and the liquidity provider will be charged a fee for posting such an order. In this case, Bats generates revenues less cost of revenues from the difference between the "maker" fee and the "taker" rebate. Currently, both the fee and the rebate are significantly less than the rebates and fees in place on BZX and EDGX. Bats believes this appeals to market participants who are primarily interested in the most cost-effective means of accessing resting liquidity, but less concerned about the depth of liquidity available on the market. In addition, Bats believes this model appeals to market participants trading lower-priced securities.

The EDGX listed equity options "classic" pricing model charges a fee to market makers for access to order flow brought by customers' brokers and a portion of that fee is then provided back to such brokers (known as payment for order flow). The classic pricing model in place on EDGX also provides customers with rebates for executions on the exchange and charges fees to non-customers. In this case, Bats generates revenues less cost of revenues from the difference between the fees charged and the rebates provided. Bats believes this type of fee schedule is attractive to customers who regularly remove liquidity.

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For unfilled orders, Bats also provides its customers a smart-order routing service, enabling the onward routing of unfilled orders to other market centers. In the United States, this is facilitated through an order routing facility, Bats' wholly-owned broker-dealer subsidiary, Bats Trading. In Europe, Bats Europe uses a similar approach through its broker-dealer subsidiary, Chi-X Europe, and is one of the few market centers in Europe that provides such routing services to its customers. All orders routed away from BZX, BYX, EDGX and EDGA are sent to Bats Trading for routing, which may, in turn, use a third-party broker-dealer to establish back-up connectivity to another exchange in the event that Bats Trading's connection to such exchange fails, because Bats Trading does not have a direct connection to such exchange or to take advantage of tiered pricing rates at such exchange. Bats relies on BofA Merrill Lynch, Citigroup and affiliates of Citigroup, Morgan Stanley, Credit Suisse and Lime Brokerage, each of which is an affiliate of one of Bats' stockholders, to route orders that are not routed directly by Bats Trading. Once Bats Trading (or such third-party broker-dealer) fills an order on another market, it sends the executed trade 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 Wedbush Securities and Morgan Stanley, both of which are affiliates of Bats' stockholders and members of NSCC, to clear trades in U.S. listed cash equity securities routed by Bats to other markets; and Bats relies on BofA Merrill Lynch and Wedbush Securities, also affiliates of stockholders and clearing members of the OCC, to clear trades in U.S. listed equity options that Bats routes to other markets. On the settlement date of the trade, Bats' clearing broker will deliver or receive the matched amount of securities or funds to settle the trade with the other party to the trade.

In addition, in the United States, Bats derives a substantial portion of Bats' revenue from market data fees from U.S. tape plans, including UTP, CTA, Consolidated Quotation System ("**CQS**") and the OPRA. Fees, net of plan costs, from UTP, CTA and CQS are allocated and distributed to plan participants like Bats according to their share of tape fees based on a formula, required by Regulation NMS, which takes into account both trading and quoting activity.

Bats' Listing Model

BZX and Bats Europe serve as listing destinations for ETPs. As of September 30, 2016, BZX had 103 listings, and Bats Europe had nine listings. In October 2015, Bats launched on BZX a market-leading pricing model for issuers called the Bats ETP Issuer Incentive Program, as part of the unveiling of "The Bats ETF Marketplace," a market specifically structured and designed for ETF issuers and their investors. Under the traditional model issuers pay an application fee as well as an annual listings fee to an exchange for the listing of each security and the annual listing fee increases as the product grows (as measured by total shares outstanding). When listing on BZX, issuers pay no application fee and no annual fee for listing. Instead, under the Bats ETP Issuer Incentive Program, BZX pays the issuer an annual incentive for each security it lists on BZX, and the amount BZX pays increases as the product grows (as measured by consolidated average daily volume, or "**CADV**"), from \$3,000 per year up to \$400,000 per year. The payments made under the Bats ETP Issuer Incentive Program are funded by the increased trading fees BZX receives as the issuer's average daily volume ("**ADV**") increases. BZX shares that revenue directly with the issuer in form of an annual rebate.

Both BZX and Bats Europe also offer issuers the choice of a more traditional market maker program referred to as the Bats Lead Market Maker ("**LMM**") program on BZX and the Bats Europe Liquidity Provider Program ("**LPP**") on Bats Europe. Under the LMM program, a single market maker is selected by the issuer to be its LMM on BZX. The LMM has certain quoting obligations that it must adhere to and BZX pays the LMM an enhanced rebate for executions against its displayed orders in the issuer's security and charges a reduced fee when the LMM executes against other orders in the issuer's security on the BZX book. Under the LPP, Bats Europe offers two programs designed for participants that wish to provide liquidity by posting and maintaining executable quotes within certain set parameters with the result of providing liquidity on a regular and ongoing basis. The main

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differences between the two programs relate to the specified price and required time commitments. The minimum term requirement is 30 days. No additional fees or rebates apply to the LPP. Bats Europe also offers a competitive liquidity program, which is a rebate-based scheme designed to encourage quoting activity and therefore increase liquidity in issuer-sponsored ETFs on Bats' RM.

Both BZX and Bats Europe also offer an innovative market maker program for their listed securities, called the "*CLP program*." The CLP program is a supplemental, rewards-based program designed to encourage quoting competition among market makers in securities listed on BZX or Bats Europe. On both BZX and Bats Europe the CLP program is funded by the issuer. On BZX, the issuer can choose to fund the CLP program in an annual amount between \$5,000 and \$100,000; on Bats Europe, the issuer can choose to fund the CLP program in any amount. The CLP program provides a daily reward to the two or three market makers (depending on the annual amount the issuer commits to the CLP program) quoting the greatest size throughout the trading day at the NBBO. The total daily reward divided between the market makers in each security on BZX ranges between approximately \$20 and \$400, depending on the annual amount the issuer commits to the CLP program, and on Bats Europe the total daily reward generally ranges between €100 and €300.

Industry Overview

Market Structure and Regulatory Developments

U.S. Listed Cash Equity Securities

Several regulatory developments, together with innovations in technology and improvements in the speed of communication, have fundamentally changed the way U.S. listed cash equity markets operate over the last 20 years. In 1996, the SEC adopted the "order handling" rules which facilitated the growth of ECNs as alternatives to national securities exchanges for displaying and executing orders. Under the order handling rules, a market maker may pass an order to an ECN for public display and execution. This "ECN display alternative" provided the basis for ECNs to be viable competitors to national securities exchanges for displaying and executing orders.

In 1998, the SEC adopted Rule 3b-16 and Regulation ATS under the Exchange Act. Rule 3b-16 defines the circumstances under which an ATS constitutes a securities exchange requiring registration, and Regulation ATS provides an exemption from exchange registration for ATSs that comply with certain conditions. After the adoption of Regulation ATS, trading venues like Bats' original ECN were provided the choice of registering as a national securities exchange or an ATS.

Beginning in 2000, the SEC also required trading venues posting to the consolidated tape to move to decimal pricing, or the quoting of stock prices in dollars and cents rather than in dollars and fractions of a dollar. Decimal pricing resulted in narrower trading spreads, providing automated market makers with an advantage over traditional market makers.

Furthermore, the SEC adopted Regulation NMS in 2005 to protect the quality of trade executions. Regulation NMS provides price protection for each exchange's best displayed quotes that are electronically accessible for immediate trade execution and resulted in a dramatic shift to electronic trading as exchanges automated their trading systems to take advantage of this price protection. See " Regulation."

In addition, the SEC published a concept release in early 2010 that focused on equity market structure; in 2012, the SEC adopted a rule requiring FINRA and the national securities exchanges to create a CAT; and in 2015, the SEC formed an Equity Market Structure Advisory Committee of industry experts to advise the SEC on possible regulatory changes. See " Regulation Recent Developments."

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European Listed Cash Equity Securities

As in the United States, the market for listed cash equities in Europe has changed in response to both regulatory and technological developments. In particular, MiFID marked a fundamental change in the European market for trading listed cash equity securities. To create competition among markets, MiFID abolished the "concentration rule," which required firms to route orders only to national stock exchanges, and extended the concept of "passporting," which allows firms authorized to carry on business in one EEA member state to carry on business in other EEA member states. Abolition of the concentration rule and the extension of passporting paved the way for new entrants to compete against other national stock exchanges from a single location within the European Union. For example, the LSE, which represented 99.5% of on-order book, on-exchange trading in LSE-listed cash equity securities for 2007, has seen its share of on-order book trading in LSE-listed cash equity securities decline to approximately 40% for the nine months ended September 30, 2016 and its overall share in European cash equity securities was approximately 18.7% for the nine months ended September 30, 2016.

MiFID is currently in the process of being updated. The new legislation, known as MiFID II and MiFIR, was scheduled to apply beginning on January 3, 2017, although the European Parliament has adopted the European Commission's proposal to postpone the start date until January 2018, and will generally tighten the requirements placed on both exchanges and investment firms. In particular, use of certain waivers from pre-trade transparency will be capped as a percentage of total market volume and a general trading obligation will require almost all equity trades to be conducted on a duly registered trading venue. Furthermore, MiFID II and MiFIR will apply mandatory, equity-like transparency requirements to non-equity markets, such as fixed income.

U.S. Listed Equity Options

The market for listed equity options, which includes index and multi-listed options, is part of a large and growing global derivatives industry. In general, derivatives trade either through a national securities exchange, another execution facility or OTC (depending on the derivative). One of the most fundamental differences between the U.S. listed cash equities market and the U.S. listed equity options market is that while listed cash equities trading can be conducted "off-exchange," all U.S. listed equity options trading must take place "on-exchange." As of the date of this joint proxy statement/prospectus, there were 14 authorized U.S. options exchanges (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).

The most significant changes within the U.S. listed equity options market have been the move to penny-increment price quotes for many options and the shift away from the traditional pricing model, pursuant to which both sides pay a fee, for executing trades. In January 2007, prices for options on several different stocks and ETFs began to be quoted in penny increments as part of an industry-wide pilot program approved by the SEC, called the "*penny pilot*." Additional options classes have been added over time to the penny pilot since the initial rollout. For the month of December 2015, approximately 71% of options volume traded in penny increments. The conversion of the U.S. listed equity options market from nickel- or dime-increment price quotes to penny-increment price quotes has contributed to significant growth in overall options market volume as the industry expanded from a total volume of 1.8 billion contracts in 2006 to 16.1 billion in 2015.

Bats began trading listed equity options on BZX in February 2010 and leveraged its experience in the U.S. listed cash equities market to capitalize on these industry developments. Bats had a 11.0% market share as of September 30, 2016. Bats began trading listed equity options on EDGX in November 2015.

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The U.S. multi-listed options volume can be segregated into three segments: pro rata; price-time; and complex orders. In a pro rata model, customer orders are traded before non-customer orders resting at the same price, and non-customer orders are allocated based on their size. In a price-time model, all resting orders at the same price are allocated according to their time of arrival. Complex orders allow trading of multi-leg options strategies such as spread, straddles and covered calls. As shown in the graph below, for the nine months ended September 30, 2016, Bats believes that 28.3% of the total U.S. multi-listed options volume was traded with price-time allocation, 43% of the total U.S. multi-listed options volume traded with pro rata allocation model and 28.8% of the total U.S. multi-listed options volume was traded as complex orders. Auction orders comprise a significant percentage of the pro rata volume.

Source:

Trade Alert, OPRA data

BZX Options currently only competes with exchanges operating with a price-time model. Based on the data above, BZX Options operated the largest exchange with a price-time model, with a market share of 39.5% (of exchanges with a price-time model) for the nine months ended September 30, 2016. Bats' newly launched options exchange, EDGX Options, is designed to compete with exchanges operating with a pro rata allocation model. In addition, Bats plans to offer auctions and complex orders in the future to compete for all U.S. options volumes.

Global FX

While the global institutional spot FX market remains largely unregulated, the enactment of Dodd-Frank and its related regulations in the United States and the ongoing implementation of MiFID II and MiFIR in Europe have impacted the regulatory landscape for currency derivative products. For example, certain standardized currency derivative products are expected to be required to trade on an organized trading venue such as a SEF or designated contract market in the United States or on an MTF or organized trading facility in Europe. Trading on these venues has also been enabled by technological developments that facilitate the electronic trading of spot FX and currency derivatives. Moreover, this movement is highlighted by the recent publication of the spot FX Global Code, the Fair and Effective Markets Review Final Report and the March 2015 Global Preamble: Codes of Best Market Practice and Shared Global Principles, which may lead to additional oversight and regulation in the global spot FX market.

Table of Contents**Competitive Dynamics***U.S. Listed Cash Equity Securities*

Market participants have multiple venues for the execution of orders. Although many of the initial ATSS and ECNs were absorbed or acquired by competing exchanges, a number of other off-exchange venues developed, including dark pools. Dark pools appeal to participants that wish to minimize the market impact of their orders. However, dark pools generally have higher clearing costs than national securities exchanges and, like ATSS and ECNs, are not eligible to share directly in proceeds of the sale of consolidated market data. Examples of dark pools include crossing networks such as Liquidnet and internal matching engines belonging to individual broker-dealers. By matching a trade internally rather than submitting the trade to an exchange, a broker-dealer can retain more of the spread. The increase in volume of off-exchange trades is shown in the table below by the increase in trades reported to the trade reporting facilities, which report all off-exchange trades as required by FINRA regulations.

The table below shows the relative market share of the U.S. listed cash equities market of each of the following group of trading venues in 2010 compared to the nine months ended September 30, 2016:

	Nine Months Ended September 30, 2016	Year Ended December 31, 2010	Increase/ (Decrease)
Bats	20.8%	15.3% ⁽¹⁾	5.5%
NYSE	24.5%	27.7%	(3.2)%
NASDAQ	17.4%	22.1%	(4.7)%
FINRA Trade Reporting Facility	36.6%	33.9%	2.7%
Other	0.7%	1.0%	(0.3)%

Source:

Data as published through the UTP Plan and CTA Plan feeds.

(1)

Bats' market share for the year ended December 31, 2010 is presented on a pro forma basis to give effect to the Direct Edge acquisition.

European Listed Cash Equity Securities

The market for execution services in Europe has become significantly more competitive following the introduction of MiFID. Bats expects that competition in pan-European trading will continue to increase in the near term, though MiFID II and MiFIR will place more onerous conditions on trading venues and investment firms and restrict certain types of trading activity.

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The table below shows the relative market share of the European listed cash equities market of each of the following trading venues in 2011 compared to the nine months ended September 30, 2016:

	Nine Months Ended September 30, 2016	Year Ended December 31, 2011	Increase/ (Decrease) in basis points
Bats Europe	23.2%	24.2% ⁽¹⁾	(100)
LSE and Borsa Italiana	18.7%	20.2%	(150)
Euronext	13.8%	15.9%	(210)
Xetra and Deutsche Börse ⁽²⁾	9.7%	12.7%	(300)
Turquoise	12.1%	5.1%	700
SIX Swiss Exchange	6.8%	6.1%	70
NASDAQ OMX	5.3%	6.0%	(70)
Bolsa de Madrid	3.6%	5.7%	(210)
Other	6.8%	4.1%	270

Source:

Data internally compiled by Bats utilizing direct feeds from European trading venues and third-party market data vendors.

- (1) Market share for Bats Europe for the year ended December 31, 2011 is pro forma for the acquisition of Chi-X Europe.
- (2) Market shares for Xetra and Deutsche Börse are presented on a combined basis.

U.S. Listed Equity Options

The market for the trading of U.S. listed equity options is intensely competitive and is in the midst of significant evolution, driven primarily by the recent regulatory changes discussed above, acquisitions of options exchanges by cash equities exchanges and the recent authorization by the SEC of several new options exchanges. For example, in November 2015, Bats launched its second options exchange, EDGX Options, and International Securities Holdings, Inc. launched a third options exchange, referred to as ISE Mercury, in February 2016. Today, several U.S. cash equity exchanges operate at least one options market that utilizes maker-taker pricing. As a result of these changes, the U.S. options market is beginning to look more like the U.S. listed cash equity securities market.

The table below shows the relative market share of the U.S. listed equity options market of each of the following trading venues in 2011 compared to the nine months ended September 30, 2016:

	Nine Months Ended September 30, 2016	Year Ended December 31, 2011	Increase/ (Decrease)
Bats	11.0%	3.0%	8.0%
NASDAQ	22.1%	26.3%	(4.2)%
CBOE	27.3%	26.0%	1.3%
NYSE	16.6%	24.6%	(8.0)%
ISE	13.9%	17.1%	(3.2)%
Boston Options Exchange	2.8%	3.0%	(0.2)%
MIAX Options Exchange	6.3%		6.3%

Source:

Data as published by OCC.

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The institutional spot FX market is fragmented and highly competitive, with transparent automated marketplaces such as Bats Hotspot challenging ICAP and Thomson Reuters (Reuters Matching, FXall). While the institutional spot FX market recently has been experiencing a shift from other competing interbank platforms to ECNs, the electrification of institutional 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 ICAP, Thomson Reuters (Reuters Matching, FXall), State Street (Currenex, FX Connect), Deutsche Börse (360T), Bloomberg, FastMatch, Gain GTX, CME Group 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.

The table below shows the relative market share of the publicly reporting trading venues in 2010 compared to the nine months ended September 30, 2016:

	Nine Months Ended September 30, 2016	Year Ended December 31, 2010	Increase/ (Decrease)
Bats Hotspot ⁽¹⁾	11.9%	6.0%	5.9%
EBS	38.0%	49.0%	(11.0)%
Thomson Reuters	44.9%	45.0%	(0.1)%
Fastmatch	5.2%		5.2%

Source:

Data internally compiled by Bats utilizing publicly reporting institutional spot FX venues.

- (1) Bats acquired Bats Hotspot in March 2015. Market share presented as if Bats Hotspot had been acquired as of January 1, 2010.

Bats' Competitive Strengths

As a result of these industry developments, Bats' newer trading centers are better able to compete against competing exchanges based on technology, price and customer experience. Bats believes that the following competitive strengths position it well to capitalize on these industry dynamics:

Leading and Attractive Market Positions. Bats is a leading global operator of securities exchanges and other electronic markets and has an attractive market share in the markets it serves. In U.S. listed cash equities, Bats is the second largest exchange operator, with a market share of 20.8% of the overall U.S. equity market for the nine months ended September 30, 2016. Bats' U.S. exchanges also execute the largest share of trading in ETPs, including ETFs and exchange-traded notes, with a 25.1% share of the trading of ETPs for the nine months ended September 30, 2016. In European listed equities, Bats executes the largest notional value of pan-European equities traded by a single market operator RIE, with a market share of 23.2% of European trading in the securities available for trading on Bats Europe for the nine months ended September 30, 2016. In addition, Bats has a substantial presence in the spot FX markets with Bats Hotspot acquisition, with an 11.9% market share of the publicly reported institutional spot FX market for the nine months ended September 30, 2016. The combination of Bats' attractive market positions, the quality of Bats' markets and the expertise of Bats' teams have enabled Bats to grow its market share across its markets over the last four years.

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Leading Proprietary Technology Platform. Bats develops, owns and operates a proprietary technology platform, which it designed to optimize reliability, speed, scalability and versatility across all of Bats' markets.

Bats' trading platforms have experienced very low operational downtime, as demonstrated by the fact that for the nine months ended September 30, 2016 and the years ended December 31, 2015 and 2014, all of Bats' global markets were immediately and automatically accessible (*i.e.*, fully operational) 99.995%, 99.994% and 99.991% of the time, respectively. For the nine months ended September 30, 2016, eight of Bats' 11 global platforms were fully operational 100% of the time. Bats believes that this reliability gives its customers an additional incentive to use Bats' platforms to mitigate trade execution risk, especially in times of extreme market volatility. Including both of the matching engines operated under the Bats Hotspot Platform, Bats either launched or moved data centers for eight out of ten trading platforms in 2015 with no significant operational downtime.

Bats uses the same technology platform across all of its equities and options markets, which optimizes efficiency, versatility, resiliency and scalability and maximizes uniformity of customer experience. Bats acquired an additional proprietary trading platform with the Bats Hotspot acquisition in March 2015, and it is evaluating its migration to the existing Bats technology platform in the coming years. In order to continuously implement new enhancements to Bats' trading platforms, new software releases are deployed to Bats' markets multiple times per month.

Bats' average latency, which measures the time that it takes for Bats to process an order message, has decreased 94% from over 930 microseconds in January 2007 to approximately 52 microseconds for the nine months ended September 30, 2016.

Highly Attractive Operating Model. The scalability of Bats' technology platforms and the efficiency of Bats' operations allow it to continue to grow with limited additional capital investment. Bats uses technology to leverage its products and employees across multiple asset classes and geographies. As a result, Bats is able to operate with lower overhead than many competing exchanges. In addition, unlike competing exchanges, Bats is not burdened by legacy infrastructure. With 326 employees globally as of September 30, 2016, Bats has captured substantial market share from traditional exchanges in the United States and Europe while maintaining substantially lower fixed costs. This scalability and low cost structure have driven Bats' net income to \$76.5 million for the nine months ended September 30, 2016, compared to \$60.5 million for the nine months ended September 30, 2015, and driven Normalized EBITDA margin to 65.8% for the nine months ended September 30, 2016, compared to 60.4% for the nine months ended September 30, 2015. Along with the substantial amount of non-transaction revenue it generates, Bats' operating leverage provides opportunities to continuously improve operating margins and generate significant operating cash flows.

Commitment to Competitive and Market-leading Pricing. Due to Bats' operating leverage, it is able to profitably employ an aggressive, low-spread pricing strategy, which Bats believes provides an important competitive advantage. In addition, Bats has employed market-leading, and in some cases, disruptive pricing strategies to increase its market share and improve net capture across markets.

Proven Ability to Rapidly Execute on Market Opportunities. Since Bats' inception, it has demonstrated a unique ability to efficiently expand into new products and new markets, through Bats' effective navigation of dynamic regulatory environments and identification and successful

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execution of transformational acquisitions. Bats does so by leveraging its vast industry expertise and through a continuous dialogue with regulators and key market participants. For example:

Bats' launched trading in the United States within seven months of its initial incorporation, executed its first trades in the European market within seven months of receiving Bats board approval, began trading listed equity options within eight months of receiving Bats board approval and launched its first ETF listings within three months of receiving final approval from the SEC;

Bats' successfully executed the transformational acquisitions of Chi-X Europe, Direct Edge and Bats Hotspot in 2011, 2014 and 2015, respectively, in an effort to accelerate its expansion into new products and geographies. Bats' rapid integration of these businesses and realization of synergies from them have strengthened its competitive position and improved its financial results; and

with the Chi-X Europe acquisition in 2011, Bats has realized approximately \$14 million in annualized synergies through December 31, 2012. With the Direct Edge acquisition, Bats has realized approximately \$42.0 million in annualized synergies through September 30, 2016, and with the Bats Hotspot acquisition, it has realized approximately \$7.6 million in annualized synergies through September 30, 2016. Bats expects to realize an additional \$4.6 million and \$1.7 million in annualized synergies through December 31, 2016 from the Direct Edge and Bats Hotspot acquisitions, respectively. For additional information on the realized and expected synergies, see "Bats Management's Discussion and Analysis of Financial Condition and Results of Operation Acquisition Synergies."

Unique Partnership-Driven Product Design and Delivery. Bats is structured and committed to deliver a differentiated experience to its customers, through its offering of innovative order types, risk management tools and other products and services. In part due to its strong relationships with its significant stockholders and their affiliates, which include affiliates of KCG Holdings, Deutsche Börse, Spectrum Equity Investors, TA Associates and Credit Suisse, Bats benefits from access to the strategic insights and industry expertise of some of the most active market participants. For example, Bats offers several products that enable its customers to monitor their order handling on its markets in real-time, such as its user dashboard and latency reports, both of which are web-based tools designed to provide customers with real-time information about their connectivity to Bats' platform and the speed at which their orders are processed and executed within its markets. Bats also operates one of the few market centers in Europe that offers routing services to other venues that publicly display quotes, or lit venues, which Bats believes provides an added incentive to use its market. Additionally, EDGX has typically been the preferred exchange destination for retail limit orders as Bats provides a service model for the retail trading community's unique needs, competitive rates and a general advocacy and support for retail investors.

Seasoned Management Team with a Core Focus on Technology. Bats' management team has extensive experience in financial market operations with a strong background in technology. In addition, a significant portion of Bats' management team has worked together for several years, and several of its founding employees continue to be employed with Bats. Bats believes that its management team has demonstrated its ability to grow its business through continued product and technological innovations and that its team of technology professionals is among the best in the industry.

Bats' Growth Strategies

Bats believes that it is well-positioned to leverage its competitive strengths to enhance its market position, develop new products and services and continue expanding into new asset classes and

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geographies. Bats continually analyzes new opportunities and, in particular, intend to pursue the following growth strategies:

Increase Penetration in U.S. Options with New Products and Services. Bats believes there are significant opportunities to generate additional revenue from U.S. listed options by expanding the functionality and pricing models available on its exchanges to attract order flow from new customer segments. In November 2015, Bats launched its second options exchange, EDGX Options, with a customer-priority, "pro rata" market model as a complement to its existing BZX Options exchange featuring a price-time-priority model. Bats intends to compete in the larger "pro rata" segment of the options market with EDGX by offering very competitive pricing, a robust technology platform and superior customer service. Bats plans to develop new functionality on the platform to specifically target more marketable flow from retail customers, more auction flow and growing complex order flow from institutional investors. In addition, Bats is continuing to explore the development of index and other higher-margin proprietary options products to trade on its exchanges.

Expand Global Spot FX Platform into Other Currency Instruments. In March 2015, Bats acquired the Bats Hotspot Platform, which expanded its reach into FX, the world's largest asset class. The September 2015 launch of the Bats Hotspot matching engine in the United Kingdom has provided Bats with better access to Asian-and European-based customers and therefore allowed it to compete more directly against other platforms in London, the center of global spot FX trading. Bats intends to leverage this expanded footprint in institutional spot FX trading to offer Bats Hotspot customers other non-spot FX instruments such as deliverable and non-deliverable forwards, swaps and options that make up the majority of the over \$5 trillion in global daily notional value traded. Specifically, in June 2016, Bats announced plans to launch outright deliverable forwards in the second half of 2016, and in November 2016, Bats acquired Javelin, with plans to operate a SEF to launch non-deliverable forwards. As regulatory and other structural changes continue to evolve in the FX industry, Bats intends to enhance its offering to support additional automation and algorithmic trading, enhance client workflow and execution quality and increase penetration into new customer segments.

Grow U.S. Equities by Leveraging Position in ETPs to Expand Listings. Bats was the number one market by volume for ETP trading for every month of 2015 while remaining the number two U.S. market by volume for overall listed cash equity trading during the same period. Bats believes this trading market share leadership can be used to attract new ETP listings to Bats or transfers to Bats of existing ETPs listed on other exchanges in both the United States and Europe. In addition to generating more revenues from increased trading volume in ETPs during the trading day, Bats believes listing ETPs offers the opportunity to generate higher-margin fees from opening and closing auctions, as well as value-added market data and analytics. In Europe, Bats intends to capitalize on expected changes to regulatory transparency requirements that can encourage ETP trading to migrate from the more opaque OTC market to regulated exchange markets like Bats Europe. Bats also expects continued global industry expansion in ETP launches, trading volumes and assets, which it hopes will create additional opportunities for Bats to serve issuers, liquidity providers and investors.

Fully Monetize the Value of Market Data and Connectivity. As market share and volumes on Bats' exchanges and trading platforms continue to rise, Bats believes that additional proprietary market data, analytics and connectivity revenues can be generated while continuing to be a leader on price versus competing platforms across all of its segments. In Bats' Global FX segment, Bats has introduced market data products and began charging connectivity fees to the Bats Hotspot Platform in July 2016. In Europe, Bats intends to leverage its position as the leading exchange and OTC reporting facility to use its market data to develop indices and other information services.

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Pursue Strategic Opportunities. Subject to its obligations under the merger agreement, Bats intends to seek additional opportunities to grow through strategic alliances or acquisitions that are complementary to its business or that enable Bats to enter new markets or provide new products or services. Bats' focus will be on opportunities that it believes can enhance or benefit from its technology platform, offer significant cost synergies and operational efficiencies, and are consistent with its corporate culture.

Bats' Markets

U.S. Equities. Bats owns and operates four national securities exchanges in the United States for the trading of listed cash equity securities and ETPs, such as ETFs, and is the second largest exchange operator in the United States based on volume of shares traded with a 20.8% share of the U.S. listed cash equity market for the nine months ended September 30, 2016.

**U.S. Equity Market
Nine Months Ended September 30, 2016**

Source:

Data as published through the UTP Plan and CTA Plan feeds.

The notional value of ETP volume traded in the United States is significant and has generally been increasing during the last two years and into the third quarter of 2016.

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U.S. ETP Notional Value as a Percentage of U.S. Equity Notional Value 2014-2016

Source:

Bloomberg, L.P.

As the largest venue for ETP trading, Bats believes it is well-positioned to take advantage of this trend as more volume gravitates to ETPs.

**U.S. ETP Market
Nine Months Ended September 30, 2016**

Source:

Data as published through the UTP Plan and CTA Plan feeds.

European Equities. Bats offers pan-European trading across 15 European countries from a single location in London. For the nine months ended September 30, 2016, Bats Europe had a 23.2% share of

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European trading in the securities available for trading on Bats Europe. As of September 30, 2016, there were over 4,000 securities and ETPs available for trading on Bats Europe and over 12,000 securities reportable through Bats Europe Trade Reporting, or "**BXTR**."

**European Equity Market
Nine Months Ended September 30, 2016**

Source:

Data internally compiled by Bats utilizing direct feeds from European trading venues and third-party market data vendors. Data excludes OTC trades.

(1)

Market share for Xetra and Deutsche Börse are presented on a combined basis.

U.S. Options. Bats operates two separate markets for the trading of listed equity options to participate in the growing market for the trading of derivative products as a result of recent regulatory and market developments, including the shift to penny-increment pricing and the significant increase in the popularity of the maker-taker pricing model. For the nine months ended September 30, 2016, Bats had a 11.0% share of the U.S. equity options market.

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**U.S. Equity Options Market
Nine Months Ended September 30, 2016**

Source:

Data as published by OPRA.

Global FX. Bats Hotspot, which was acquired in March 2015, operates an independent, transparent marketplace in institutional spot FX for more than 60 currency pairs and spot gold and silver. The Bats Hotspot Platform includes true price competition with full depth of book display, centralized price discovery and tailored liquidity solutions. Bats Hotspot's model provides full market transparency and greater control of the trading process, enabling better trade execution and lower execution costs. The Bats Hotspot Platform uses a price-time-priority model. The Bats Hotspot Platform consists of a mixture of both firm and non-firm liquidity provided by both clients and dedicated liquidity providers and enables Bats Hotspot to offer its clients customized liquidity solutions. Bats Hotspot clients are charged either a flat or tiered commission rate based upon the notional amount traded on the Bats Hotspot Platform. These rates are expressed as U.S. dollars per million notional U.S. dollars traded. The flat commission rate or tiers applicable to each client are determined on a client-by-client basis by Bats Hotspot management and sales in light of market forces and client activity.

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**Global FX Market
Nine Months Ended September 30, 2016**

Source:

Data internally compiled by Bats utilizing publicly reporting spot FX venues.

Marketing

Bats' marketing strategy is focused primarily on educating market participants about its value proposition and raising brand awareness through selected media. Through Bats' website and targeted communications aimed at reaching current and potential customers, as well as its presence at industry trade shows and participation in industry forums, Bats focuses on educating customers about the changing dynamics of its industry and the benefits of using its markets.

This is often accomplished through Bats' senior executives via conversations with the media and appearances at major industry events. Bats is also focused on raising brand awareness through its sponsorship of a major league baseball team, the Kansas City Royals. Bats believes enhancing brand awareness within the financial community and among current and potential customers is an important part of its marketing effort.

Bats also developed and now publishes a market volume page on its website that provides extensive detail about trading volume on the various execution venues in the United States and Europe. Bats believes that its market volume pages have become an important resource for market participants to track execution volumes across trading venues and, as a result, have enhanced its brand awareness. In addition, in October 2015, Bats launched The Bats ETF Marketplace, specifically structured and designed for ETF issuers and their investors. The Bats ETF Marketplace provides market participants with unique ETF market data and analytics, information on issuers with ETPs listed on BZX and valuable information about issuer and market maker incentive programs offered for ETPs listed on BZX.

Technology

The technology powering Bats' matching engine and its smart-order routing service was created in-house, is wholly-owned and maintained by Bats and supports trading on all of its markets. As demonstrated by the rapid entry into European listed cash equities and U.S. listed equity options trading, Bats' technology platform is extremely adaptable to new geographies and asset classes within a short period of time.

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Trading Platform. Bats develops, owns and operates the Bats trading platforms, which is designed to optimize reliability, speed, scalability and versatility. Bats has developed its platforms to be both robust and reliable.

Bats' trading platforms have experienced very low operational downtime, as demonstrated by the fact that for the nine months ended September 30, 2016 and the years ended December 31, 2015 and 2014, all of its global markets, including its four U.S. equity exchanges, two U.S. options exchanges, two FX markets, and two European equities markets and trade reporting facility, were immediately and automatically accessible to customers 99.995%, 99.994% and 99.991% of the time, respectively. For the nine months ended September 30, 2016, eight of these eleven markets were immediately and automatically accessible 100% of the time. Bats believes that this reliability gives its customers an additional incentive to use its platform to mitigate trade execution risk, especially in times of extreme market volatility.

Bats' platforms have also demonstrated its scalability. For the nine months ended September 30, 2016, BZX Options processed a total of 175.2 billion order messages. At times, BZX and BZX Options have processed as many as 850,000 order messages per second, and in testing, Bats' platform has demonstrated its ability to process more than two million order messages per second on a sustained basis.

Bats' platform is also versatile. Bats uses readily available hardware, thereby minimizing capital outlays required for each new market entry. Its team of technology professionals primarily resides in the Kansas City area which provides greater development efficiency at a relatively lower overhead compared to competitors. Also, in order to continuously implement new enhancements to Bats' platform, new releases of software are deployed multiple times per month. Given that Bats use the same technology platform across all of its markets, except Bats Hotspot FX software, new releases can be deployed simultaneously in all of those markets.

Listings Auctions. Bats also offers fully-automated opening, closing and halt reopening auctions for its listed securities, which are designed to maximize the efficiency of the price discovery process. Except for Bats, currently all of Bats' listed securities are ETPs, and it has successfully run dozens of new issue opening auctions as well as thousands of additional opening, closing and halt reopening auctions. Upon the completion of the IPO, Bats became Bats' first corporate listing, and as such, was the first corporate listing to run through Bats' new issue corporate listings opening auction processes. Prior to the IPO, on March 23, 2012, Bats experienced a serious technical failure on BZX, forcing it to cancel its previously planned initial public offering. The failure resulted from a software bug that appeared during the Bats new issue opening auction. Since that technology failure, Bats has extensively investigated, identified and corrected the root cause, and has adopted certain policies, procedures and controls to mitigate a future instance. For example, since March 2012, Bats has implemented an independent quality assurance program for software engineering as well as implemented permutation testing for software changes. Moreover, to reduce the complexity associated with a new issue corporate listing opening auction, Bats has limited the order types that will be accepted in such auctions to limit and market orders only, and Bats conducted extensive additional internal and industry-wide testing of its new issue corporate listing opening auction in advance of its initial public offering.

Market Data. Bats' platform offers industry-leading market data for a fee, including Multicast PITCH and TCP PITCH, both of which provide real-time depth of book quotations and execution information, and TOP, which only shows top of book quotes and trades (not depth of book information or hidden or routed orders) but, in doing so, offers a significant reduction in required bandwidth and processing. In addition, Bats offers a "Last Sale Feed," which is a real-time, intra-day feed that disseminates matched trade price, volume and execution time on Bats' book, and its Historical Data product offering, which allows customers to access its historical PITCH, TOP and Last Sale Data feeds through Bats' website or on a drive that is provided. In June 2015, Bats began offering the Bats One

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market data feed in the United States, which provides a consolidated view of aggregate quoting activity and transactions on all four of Bats' U.S. listed equity exchanges. Bats Europe provides clients access to market data either through a network of data vendors or direct from the Exchange. Direct connectivity to Bats Europe can be via the internet or through physical connection and is fee liable. Bats Europe market data consists of data from the BXE, CXE lit and dark order books and the Trade Reporting Facility. Both on book and OTC trades are published using the standardized Market Model Typology codification. Data provided direct from the Exchange is depth of book with the data in either the Multicast PITCH or TCP PITCH format. Historical Data product offering can be accessed through the website or on a drive that Bats Europe provides. Bats Europe introduced market data fees for distribution, display and non-display usage in October 2012.

Order Routing. Bats also offers customers a low-latency, full-featured smart-order routing service to access other markets when insufficient liquidity exists in its markets to fulfill an order. This proprietary smart-order routing technology is currently common among BZX, BYX, EDGX and EDGA and Bats' displayed books in Europe.

Resiliency, Disaster Recovery and Business Continuity. Bats' technology includes rigorously engineered matching engine resiliency to ensure markets operate in a fair and orderly manner, especially for Bats-listed securities. Bats-listed products trade on a dedicated matching engine, and each matching engine has a primary and secondary instance. If the primary instance fails (software or hardware), the secondary instance automatically takes over continuous trading in approximately 45 seconds. This matching engine failover process has handled 50-plus matching engine failovers globally in production and each time has worked as designed to prevent undue disruption to trading. Bats also offers "cancel on disconnect" to members. This automatically cancels members' orders on that session if they disconnect. However, Bats' system gives members the option to persist auction orders through a session disconnect to ensure they participate in the auction even if their session is down. This provides members maximum flexibility to ensure they are participating in all continuous trading and auction periods they desire, especially in the Bats-listed securities. Bats matching engine resiliency also applies during BZX auction periods. Bats has a detailed auction resiliency matrix that automatically drives matching engine recovery during critical auction periods.

In the United States, Bats' primary trading and order routing platform operates out of two separate data centers, one as a primary data center in Secaucus, New Jersey and the other as a geographically diverse back-up data center in Chicago, Illinois. Each operates on a separate electrical grid and water supply system and is owned and operated by a different company. Bats has tested its back-up trading center under live trading conditions and it believes that it would be able to quickly initiate trading out of its back-up data center in the event of an outage at Bats' primary data center. Bats believes that its recovery time in the event of an outage is comparable to or better than that of its competitors. In fact, on September 26, 2013, Bats switched BYX to Chicago intraday without issue. Bats regularly tests its data center recovery scripts and periodically carries out weekend tests where Bats invokes its back-up data center, as well as an annual test with its U.S. trading participants and simulated orders.

In Europe, Bats' primary data center is in Slough, England. The back-up data center is at Park Royal, London, England, which is over 15 miles away from the primary data center. The back-up data center runs live processes and is continually monitored to ensure availability. Bats regularly tests its data center recovery scripts and periodically carries out weekend tests where Bats invokes its back-up data center, as well as an annual test with its European trading participants and simulated orders.

To ensure business continuity of operations in the United States, Bats has a business continuity office space in Kansas City, Missouri, where key operations personnel report to operate the U.S. markets one day each month. Starting in 2013, on a semiannual basis, the Kansas City

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headquarters has been taken completely offline for an entire trading day. Bats associates in Kansas City report to the business continuity office to ensure readiness. Bats has a similar business continuity office in the London area which it tests on a live trading day semiannually as it does in the United States.

Bats' Customers

Bats' equities and options customers in the United States include members of BZX, BYX, EDGX and EDGA, which are SEC-registered broker-dealers, and the sponsored access clients of those broker-dealers. Similarly, Bats' equities customers in Europe are FCA-registered brokerage firm participants of Bats Europe, as well as sponsored access clients of these brokerage firms and certain unregistered direct access participants. Bats' institutional spot FX customers include banks, broker-dealers, institutions, hedge funds, asset managers, proprietary trading firms, Commodity Trading Advisors and corporates. In the United States as of September 30, 2016, Bats had 183 members of BZX, 137 members of BYX, 125 members of EDGX and 134 members of EDGA. Bats Europe has approximately 184 participants from 17 countries. As of September 30, 2016, Bats Hotspot has 181 clients from around the world.

Various affiliates of Bats' significant stockholders are significant customers. For example, for the nine months ended September 30, 2016, 21.6% of Bats' total transaction fees were generated by affiliates of its significant stockholders. For the years ended December 31, 2015, 2014 and 2013, approximately 44.1%, 47.7%, and 28.0% of Bats' total transaction fees, respectively, were generated by affiliates of these significant stockholders. For the nine months ended September 30, 2016 and the years ended December 31, 2015, 2014 and 2013, approximately 26.5%, 53.1%, 44.3%, and 35.2% of Bats' total liquidity payments, respectively, were generated by affiliates of these stockholders. For the nine months ended September 30, 2016 and the years ended December 31, 2015 and 2014, no stockholder accounted for more than 10% of total liquidity rebates paid. For the year ended December 31, 2013, one stockholder accounted for 11% of total liquidity rebates paid. Affiliates of Bats' stockholders also make up a significant portion of the volume traded on its equities trading platform.

For the nine months ended September 30, 2016 and the years ended December 31, 2015, 2014 and 2013, one customer accounted for 11%, 11%, 12% and 10%, respectively, of Bats' transaction fees.

Intellectual Property

Bats owns, has filed applications for or has licensed from third parties rights to trade names, trademarks, community trademarks, domain names and service marks that it uses in conjunction with its operation and services. Bats has registered, or has filed applications pending registration for, many of its most important trademarks in the United States and in the United Kingdom, including, for example, "Bats," "Bats Global Markets," "Making Markets Better," "Bats Trading, Inc." "BYX," "BZX," "EDGA," "EDGX," and "Hotspot FX."

Bats owns patents covering its proprietary business processes related to the Bats 1000 Index and its proprietary business processes related to its now defunct European market-on-close product, and Bats has filed patent applications covering its NBBO Setter pricing (incentive for setting the NBBO) and Joiner pricing (incentive for joining the NBBO when Bats is not at the NBBO), Bats' auction processes associated with its primary listings business, the business process related to operating an exchange based on the net asset value of an ETP, its CLP program and its Retail Price Improvement Program. See "Risk Factors Risks Relating to Bats *Bats' inability to protect its intellectual property rights and claims by others that Bats infringes their intellectual property rights could adversely affect Bats' business*" for a discussion of the risk factors associated with its intellectual property.

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Competition

The market for execution services is intensely competitive in the asset classes and geographies in which Bats operates. See "Risk Factors Risks Relating to Bats *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.*"

Securities market participants have multiple venues for the execution of orders. In addition to national securities exchanges, in the United States, these venues include numerous ATSS, many of which operate as dark pools owned by certain of Bats' stockholders and broker-dealers who internalize orders for execution. In Europe, these alternate venues include MTFs that operate lit books and/or dark pools, broker crossing networks and other broker-dealers who internalize orders for execution.

Bats competes in the U.S. listed cash equity securities market against Intercontinental Exchange, Inc.'s NYSE, NASDAQ, other regional exchanges and several ATSS. In Europe, Bats' major competitors include LSE, Turquoise, Euronext, Deutsche Börse, NASDAQ OMX, SIX Swiss Exchange and BME. Bats competes in the United States in listed equity options against CBOE, NYSE, NASDAQ, ISE, MIAX and BOX. Bats competes in the institutional spot FX market against EBS, Reuters Matching, FXall, FX Connect, CME Group, Currenex, 360T, Bloomberg, FastMatch and Gain GTX, among others.

Bats faces competition based on technology, customer experience and price. Bats also faces competition based on products and services offered, such as order types and risk management tools. Bats believes that it competes favorably with respect to these factors. However, many of its current and potential competitors are more established and substantially larger than Bats is, and have a substantially greater market presence, as well as greater financial, technical, marketing and other resources. In addition, many of Bats' competitors have broader name recognition, offer a wider range of services and products and have a larger customer base than Bats does. Some of them may be able to respond more quickly to new or evolving opportunities, technologies and customer requirements than Bats can and may be able to undertake more extensive promotional activities.

Corporate Culture and Employees

Bats prides itself on fostering a corporate culture that encourages its employees to work together to meet its corporate goals and to be active participants in the community. As a result, Bats actively encourages teamwork in part through its compensation structure, which entitles all employees to quarterly bonuses if Bats meets certain corporate goals, and in part through less formal practices, such as Bats' weekly all-staff meetings during which its employees are kept informed of recent business and regulatory developments and priorities. Moreover, Bats believes that people are attracted to organizations that focus on more than just financial incentives. As a result, Bats fully supports its employees' pursuit of community and charitable causes, including through paid leave for community service, a corporate charity matching program and a wellness program. In addition, Bats is a strong believer in the importance of good corporate citizenship and support a variety of charitable causes.

As of September 30, 2016, Bats employed 326 employees globally, 234 of whom are based in the United States, 75 of whom are located in London, 15 of whom are located in Ecuador, and two of whom are located in Singapore. None of Bats' employees is subject to a collective bargaining agreement. Overall, Bats considers its relations with its employees to be good.

Facilities

Bats' principal office is located at 8050 Marshall Drive, Suite 120, Lenexa, Kansas, where it leases approximately 42,500 square feet of space, with an expansion of approximately 19,000 square feet

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expected to be added in the second half of 2017. The lease on this space expires in February 2027 and contains two five-year renewal options. Bats has an office located at 17 State Street, New York, New York, where it leases approximately 21,000 square feet of space, which expires in April 2024. Bats has an office at 200 S. Wacker Drive, Chicago, Illinois, where it leases approximately 200 square feet of space, which expires in June 2018. Bats has an office located at 16 Collyer Quay, Singapore, where it leases approximately 200 square feet of space, which expires in July 2017. In addition, since the acquisition of ETF.com, Bats has had an office located at 222 Sutter Street, Suite 700, San Francisco, California where it leases approximately 1,200 square feet of space, which will continue month-to-month until either party provides notice of termination upon no less than 60 days prior written notice, and an office located at Almagro Plaza, Suite 508, Pedro Ponce Carrasco, E8-06 y Diego de Almagro, Quito, Ecuador, where it leases approximately 2,600 square feet of space, which will automatically renew in March 2017, unless either party provides no less than 60 days prior written notice. The Bats disaster recovery sites in the United States are located in Kansas City, Missouri and Secaucus, New Jersey. In addition, Bats has agreements with a primary data center in Secaucus, New Jersey and a secondary data center in Chicago, Illinois. Bats' principal offices in the U.K. are at 10 Lower Thames Street, London, where it leases approximately 9,100 square feet of office space, which expires in December 2017. Bats' work area recovery space is available on invocation with a specialist provider. In Europe, Bats' primary data center is in Slough, England. The secondary data center for Bats in Europe is in Park Royal, London. Bats operates a back-up location for its London operations in the U.K.

Bats believes that its properties are in good operating condition and adequately serve its current business operations. Bats also anticipates that suitable additional or alternative space will be available at commercially reasonable terms for future expansion to the extent necessary.

Legal Proceedings

On April 18, 2014, the City of Providence, Rhode Island filed a securities class action lawsuit in the Southern District of New York against Bats and Direct Edge, as well as 14 other securities exchanges. The action purports to be brought on behalf of all public investors who purchased and/or sold shares of stock in the United States since April 18, 2009 on a registered public stock exchange ("*Exchange Defendants*") or a U.S.-based alternate trading venue and were injured as a result of the misconduct detailed in the complaint, which includes allegations that the defendants committed fraud through a variety of business practices associated with, among other things, what is commonly referred to as high frequency trading. On May 2, 2014 and May 20, 2014, American European Insurance Company and Harel Insurance Co., Ltd. each filed substantially similar class action lawsuits against the Exchange Defendants which were ultimately consolidated with the City of Providence, Rhode Island securities class action lawsuit. On June 18, 2015, Judge Jesse Furman of the Southern District of New York held oral argument on the pending Motion to Dismiss and thereafter, on August 26, 2015, the court issued an Opinion and Order granting Defendant's Motion to Dismiss, dismissing the Complaint in full. Plaintiff filed a Notice of Appeal of the dismissal on September 24, 2015 and its appeal brief on January 7, 2016. Respondent's brief was filed on April 7, 2016 and oral argument was held on August 24, 2016. Given the preliminary nature of the proceedings, Bats is unable to estimate what, if any, liability may result from this litigation. However, Bats believes that the claims are without merit and intends to litigate the matter vigorously.

On May 23, 2014 and May 30, 2014, Harold R. Lanier filed three class action lawsuits in the Southern District of New York against Bats and other securities exchanges. The complaints were identical in all substantive respects, but each related to the dissemination of market data under a different market system: (i) the NASDAQ UTP Plan Market System; (ii) the Options Price Reporting Authority ("*OPRA*") Market System; and (iii) the CQS and the Consolidated Tape System. Each of the actions purported to be brought on behalf of all subscribers who entered into contracts with the

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exchanges for the receipt of market data and were injured as a result of the misconduct detailed in the complaints, which includes allegations that the defendants did not provide market data services in a non-discriminatory manner or provide subscribers with "valid" data (*i.e.*, data that is accurate and not stale). On January 16, 2015, Judge Katherine Forrest of the Southern District of New York held oral argument on the pending Motion to Dismiss and thereafter, on April 28, 2015, the court filed an Opinion and Order granting the Exchange Defendants' Motion to Dismiss, terminating all three class action lawsuits with prejudice. On May 20, 2015, Plaintiff filed a Notice of Appeal of the dismissal and on September 1, 2015, Appellant filed its appeal brief. Respondent's brief was filed on November 24, 2015 and Appellant's reply brief was filed on December 8, 2015. Oral arguments were held on March 3, 2016. On September 23, 2016, the court filed a judgment affirming the district court's dismissal of all three class action lawsuits. Applicant thereafter filed a petition for a rehearing before the panel or the entire appellate court on October 7, 2016. On November 4, 2016, the Court denied the Appellant's petition for a rehearing en banc. Given the potential for further appeal, Bats is unable to estimate what, if any, liability may result from this litigation. However, Bats believes that the claims are without merit and intends to litigate the matter vigorously.

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 ALJ regarding fees proposed by NASDAQ and the 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 examine more closely exchange market data fees, which in turn could result in Bats having to reduce the fees it charges for market data.

From time to time Bats is also involved in various legal proceedings arising in the ordinary course of its business. 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. However, litigation is subject to many uncertainties, and the outcome of any litigated matters is not predictable with assurance.

As a self-regulatory organization under the jurisdiction of the SEC, Bats is subject to reviews and inspections by the SEC, and Bats Trading is subject to reviews and inspections by FINRA. 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 Division of Enforcement seeking information about Bats' compliance with the federal securities laws as well as its members' compliance with the federal securities laws. In addition, while Bats Trading Limited and Chi-X Europe have not been the subject of any material litigation or regulatory investigation in the past, there is always the possibility of such action in the future. As both companies are domiciled in the U.K., it is likely that any action would be taken in the U.K. courts in relation to litigation or by the FCA in relation to any regulatory enforcement action.

Regulation

United States

Overview of SRO Regulation and BZX's, BYX's, EDGX's and EDGA's SRO Status

Effective regulatory oversight is important to Bats' reputation. U.S. stock exchanges and European MTFs must run fair, well-regulated marketplaces, and broker-dealers seek to trade on markets that are fair and orderly. Bats' trading platforms are designed to facilitate fair and orderly markets, and Bats deploys cutting-edge regulatory surveillance technology in the United States and Europe to monitor its

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customers' trading. Bats is committed to maintaining strong and effective regulation, and Bats is an active participant in ongoing dialogue regarding regulatory and market structure issues in both the United States and Europe. Each of Bats' national securities exchanges, BZX, BYX, EDGX and EDGA, has its own board of directors. A majority of directors of each exchange's board are non-industry directors in accordance with each exchange's bylaws. These boards of directors are primarily responsible for overseeing Bats' national securities exchanges' discharging of their regulatory responsibilities.

U.S. federal securities laws have established a two-tiered system for the regulation of securities markets and market participants. The first tier consists of the SEC, which has primary responsibility for enforcing federal securities laws and regulations. The second tier consists of SROs, which include national securities exchanges, such as BZX, BYX, EDGX and EDGA. To the extent common rules and common members exist between SROs, these supervisory duties can be delegated by SEC-approved plans among SROs. An SRO can also contractually outsource these supervisory duties to another SRO through an RSA; however, in such cases, the SRO outsourcing the duties remains ultimately responsible and liable for the performance of the supervisory duties. BZX, BYX, EDGX and EDGA are SROs and are registered with and subject to oversight by the SEC.

Exchanges are an essential component of the regulatory scheme of the Exchange Act for providing fair and orderly markets and protecting investors. To be registered as a national securities exchange, an exchange must successfully undergo a rigorous application and review process with the SEC before beginning operations. Among other things, the SEC must determine that the exchange has the capacity to carry out the purposes of the Exchange Act. A national securities exchange must comply with the Exchange Act and have the ability to enforce compliance by its members and persons associated with its members with the provisions of the Exchange Act, the rules and regulations thereunder and the rules of the exchange.

Virtually all facets of Bats' exchange operations are subject to SEC oversight. The Exchange Act and the rules thereunder impose on Bats many regulatory and operational responsibilities, including the day-to-day responsibilities for market and broker-dealer oversight, such as evaluating and authorizing broker-dealer applicants for exchange membership, conducting automated surveillance of trading occurring on BZX, BYX, EDGX and EDGA, performing on-site examinations of members, conducting investigations when potential misconduct is identified, bringing disciplinary actions against members when warranted and providing a forum for investors and members to arbitrate disputes in connection with securities transactions. In connection with these responsibilities and obligations, Bats is potentially subject to regulatory and/or legal action by the SEC or other interested parties. The SEC also has broad enforcement powers to censure, fine, issue cease-and-desist orders, prohibit Bats from engaging in some of Bats' businesses, suspend or revoke BZX's, BYX's, EDGX's or EDGA's designation as a registered securities exchange or remove or censure any of Bats' officers or directors who violate applicable laws or regulations.

Bats is also subject to the record-keeping requirements of Section 17 of the Exchange Act, including the requirement pursuant to Section 17(b) of the Exchange Act to make records available to the SEC for examination. In addition, BZX, BYX, EDGX, EDGA and Bats Trading are each subject to periodic inspection by staff of the SEC and, in the case of Bats Trading, FINRA, and will continue to be subject to such inspection in the future. To the extent such reviews and inspections result in adverse findings, Bats may be required to modify the manner in which Bats conducts its business, which may adversely affect Bats' competitive position.

Under Section 19 of the Exchange Act and the terms of Bats' organizational documents, BZX, BYX, EDGX and EDGA must submit to the SEC proposed changes to any of their respective rules, policies and practices, including certain revisions of the certificates of incorporation or bylaws of each of BZX, BYX, EDGX and EDGA, Bats, and each intermediate holding company.

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The SEC will typically publish the proposal for public comment, after which the SEC may approve or disapprove the proposed rule change. The SEC's review is designed to ensure that each national securities exchange's rules, policies and practices are consistent with the Exchange Act and the rules and regulations thereunder. Certain changes can be designated as effective upon filing with the SEC, but the SEC retains the ability to suspend or reject such filings within a prescribed period of time.

BZX, BYX, EDGX and EDGA are parties to RSAs with FINRA, pursuant to which FINRA performs certain regulatory functions on their behalf, including for Bats' U.S. listed equity options markets. BZX, BYX, EDGX and EDGA retain ultimate responsibility for the regulatory activities performed under these agreements. BZX, BYX, EDGX and EDGA remain responsible for surveillance and enforcement with respect to trading activities or practices involving their markets. Bats operates a cutting-edge, real-time surveillance system that conducts all aspects of the daily surveillance of trading and market activities, including monitoring trading on BZX, BYX, EDGX and EDGA. Bats' automated system produces alerts established by pre-defined criteria and ad hoc reports, which Bats' Chief Regulatory Officer and Bats' Chief Regulatory Officer's regulatory team analyze and review. Bats refers investigations into potential violations of BZX, BYX, EDGX or EDGA rules and federal securities laws to FINRA. Bats also refers investigations to FINRA based on customer complaints.

To avoid conflicts of interest that can arise from "self-listing," BZX files quarterly reports with the SEC detailing Bats' trading and BZX's monitoring of Bats' compliance with BZX's listings requirements. These reports include a summary of any related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data of Bats' publicly listed security. In addition, on an annual basis, BZX engages an independent accounting firm to review and prepare a report on Bats' publicly listed security to ensure that Bats is in compliance with the BZX listings requirements, and BZX provides the SEC with a copy of such report.

Section 6 of the Exchange Act requires national securities exchanges to provide fair representation to their members. To comply with this requirement, BZX, BYX, EDGX and EDGA have adopted structural and governance standards, including that their bylaws require a certain number of directors to be representatives of their members.

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.

While the global institutional spot FX market is largely unregulated, the enactment of Dodd-Frank and its related regulations in the United States and the ongoing implementation of MiFID II and MiFIR in Europe have impacted the regulatory landscape for currency derivative products. For example, certain standardized currency derivative products are expected to be required to trade on a regulated trading venue such as a SEF or DCM in the United States, or on an MTF or organized trading facility, or "*OTF*," in Europe. Expansion into such derivative FX products and the operation of regulated trading venues would potentially require registration with and supervision by the CFTC and/or the FCA, as the case may be.

Rule 17d-2 Agreements Among SROs

Section 17(d) of the Exchange Act and the related Exchange Act rules permit SROs to allocate among themselves certain regulatory responsibilities to avoid duplicative oversight and regulation. Under Exchange Act Rule 17d-1, the SEC designates one SRO to be the Designated Examining Authority, or "*DEA*," for each broker-dealer that is a member of more than one SRO. The DEA is

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responsible for the regulatory oversight of the financial aspects of that broker-dealer. None of BZX, BYX, EDGX or EDGA is a DEA for any of its members.

Exchange Act Rule 17d-2 permits SROs to enter into agreements which are approved by the SEC and concern the enforcement of laws and rules applicable to all of those SROs and relating to members those SROs have in common. In September 2008, the SEC approved a Rule 17d-2 agreement for the surveillance, investigation and enforcement of common insider trading rules among all equity marketplaces for all NYSE MKT-, NYSE Arca-, NYSE- and NASDAQ-listed stocks and Chicago Stock Exchange solely-listed stocks. The agreement has been amended from time to time, including in December 2011 to also cover all stocks listed on BZX. In addition, the participants entered into associated RSAs, the Insider Trading RSAs, with FINRA to provide for investigations and enforcement against certain broker-dealers and their associated persons. BZX, BYX, EDGX and EDGA are participants in these agreements solely in relation to their respective activities.

In addition, Bats, BZX, BYX, EDGX and EDGA have entered into a Rule 17d-2 agreement with FINRA under which FINRA has examination and enforcement responsibility relating to compliance by BZX, BYX, EDGX or EDGA members that are also FINRA members with the rules of the exchanges that are substantially similar to the applicable rules of FINRA, as well as certain provisions of the federal securities laws and the rules and regulations thereunder.

All of the options exchanges and FINRA are party to an Options Sales Practices Agreement, originally approved in September 1983, as amended from time to time, and which is a Rule 17d-2 agreement. Under the Options Sales Practice Agreement, FINRA is the only SRO responsible for enforcing rules related to options sales practices for any options exchange member that is a member of FINRA. Under the Options Sales Practice Agreement, BZX and EDGX are relieved of regulatory responsibility for their members with respect to options sales practices covered by the Options Sales Practice Agreement.

In December 2007, the SEC approved a different Rule 17d-2 agreement, the Options Surveillance 17d-2 Agreement, entered into by all of the options exchanges and FINRA, which allocated responsibility to each of the participants for ensuring that their allocated common members complied with the rules governing the submission of expiring exercise declarations. The Options Surveillance 17d-2 Agreement has been amended from time to time, for example, to cover rules governing options position limits, large options position reporting and position adjustments.

In December 2010, the SEC approved a Rule 17d-2 agreement, the Regulation NMS 17d-2 Agreement, that allocates certain responsibilities under Regulation NMS to FINRA or, in some cases, to an SRO member's DEA, subject to conditions. In October 2015, the SEC approved an amendment to the Regulation NMS 17d-2 Agreement, which added Regulation NMS Rules 606, 607 and 611(c) and (d) to the scope of the Regulation NMS 17d-2 Agreement. BZX, BYX, EDGX and EDGA are all party to the Regulation NMS 17d-2 Agreement.

Broker-Dealer Regulation

In addition to the regulations described above, one of Bats' subsidiaries, Bats Trading, is a registered broker-dealer regulated by the SEC, FINRA, other SROs of which it is a member and various state securities regulators.

Bats Trading currently operates as Bats' routing broker-dealer for sending orders from BZX, BYX, EDGX and EDGA to other venues for execution, including routing orders among BZX, BYX, EDGX and EDGA. Bats Trading is considered a "facility" of BZX, BYX, EDGX and EDGA as that term is defined in the Exchange Act. As such, in one sense its activities are legally considered activities of Bats' four national securities exchanges. The consequence of this is that Bats Trading's permissible conduct is defined by the rules of Bats' exchanges and any expansion or contraction of that conduct, or changes to

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fees charged for its services, require BZX, BYX, EDGX and EDGA to submit rule filings with the SEC and, in many cases, obtain approval of such filings.

The inbound routing function of Bats Trading is subject to specific BZX, BYX, EDGX and EDGA rules designed to ensure that Bats Trading is not given preferential treatment as a routing broker-dealer over other members of BZX, BYX, EDGX and EDGA offering competing services. While BZX, BYX, EDGX and EDGA are responsible for enforcing Bats Trading's compliance with these specific rules, those rules also require Bats to enter into a RSA with a non-affiliated SRO and further require BZX, BYX, EDGX and EDGA to provide that non-affiliated SRO with any automated surveillance information indicating that Bats Trading may have violated the rules of the exchanges or the federal securities laws. BZX, BYX, EDGX and EDGA have entered into an RSA with FINRA in connection with fulfilling this obligation.

The SEC, FINRA and other SROs of which Bats Trading is a member adopt rules and examine broker-dealers and require strict compliance with their rules and regulations. The SEC, SROs and state securities commissions may conduct administrative proceedings which can result in censures, fines, the issuance of cease and desist orders or the suspension or expulsion of a broker-dealer, its officers or employees. The SEC and state securities regulators may also institute proceedings against broker-dealers seeking an injunction or other sanction. The SEC and SRO rules cover many aspects of a broker-dealer's business, including capital structure and withdrawals, sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, recordkeeping, the financing of customers' purchases, broker-dealer and employee registration and the conduct of directors, officers and employees. All broker-dealers have an SRO that is assigned by the SEC as the broker-dealer's DEA. The DEA is responsible for examining a broker-dealer for compliance with the SEC's financial responsibility rules. FINRA is the current DEA for Bats Trading.

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. As of September 30, 2016, Bats Trading was in compliance with all of the applicable capital requirements.

Options Regulatory Surveillance Authority

On June 5, 2006, the SEC approved a national market system plan named the Options Regulatory Surveillance Authority, or "*ORSA*" plan. The purpose of the ORSA plan is to permit the U.S. securities options exchanges to act jointly in the administration, operation and maintenance of a regulatory system for the surveillance, investigation and detection of the unlawful use of undisclosed, material information in trading in one or more of their markets. Through the sharing of the costs of these regulatory activities and the sharing of the regulatory information generated under the ORSA plan, the ORSA plan is intended to enhance the effectiveness and efficiency with which the exchanges regulate their respective markets and the national market system for options and to avoid duplication of certain regulatory efforts. The ORSA policy committee had previously delegated the operation of the surveillance and investigative facility contemplated by the ORSA plan to CBOE Holdings. The exchanges also entered into an RSA with CBOE Holdings, as service provider, pursuant to which

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CBOE Holdings performed certain regulatory and surveillance functions under the ORSA plan and used its automated insider trading surveillance system to perform these functions on behalf of the exchanges. Effective January 1, 2015, however, the ORSA policy committee delegated the operation of the ORSA plan facility to FINRA, and FINRA became the service provider under the RSA.

CTA Plan, CQS Plan, UTP Plan and OPRA Plan

BZX, BYX, EDGX and EDGA participate in the CTA Plan, the CQS Plan and the UTP Plan, which disseminate certain core trading information, such as last sale reports and quotations for the U.S. equities markets. NYSE Technologies, formerly the Securities Industry Automation Corporation, acts as the "processor" for CTA and the CQS Plan. Intercontinental Exchange, Inc. owns NYSE Technologies. NASDAQ acts as the processor for the UTP Plan. Bats is also a member of OPRA, the designated securities information processor for market information that is generated through the trading of exchange-listed securities options in the United States. OPRA disseminates certain core trading information, such as last sale reports and quotations. The OPRA agreement, which has been approved by the SEC, sets forth a system for reporting options information that is administered by the member exchanges through OPRA, a limited liability company consisting of representatives of the member exchanges. NYSE Technologies acts as the processor for OPRA.

Options Intermarket Linkage Plan

The options markets were linked pursuant to an agreement of the exchanges in the Options Intermarket Linkage Plan, approved by the SEC in 2000. The Options Intermarket Linkage Plan facilitated the routing of orders between exchanges in furtherance of a national market system. One of the principal purposes of a national market system is to assure that brokers may execute investors' orders at the best market price. The Options Intermarket Linkage Plan generally was designed to preclude options exchanges and their members from executing a trade at a price inferior to the best price displayed by any of the options exchanges, referred to as a trade-through, by providing exchange market makers with electronic access to the automatic execution systems of the other options exchanges.

The options exchanges, through the Intermarket Linkage Committee, have developed a new linkage plan, which was approved by the SEC on July 30, 2009 and launched on August 31, 2009 and which replaced the original linkage plan. The new linkage plan replaced a centralized inter-exchange order routing hub with private order routing linkages established through broker-dealers and introduced new requirements to maintain policies and procedures reasonably designed to assure orders are executed at the best market price.

Options Listing Procedures Plan and Symbology Plan

Bats is a party to the Options Listing Procedures Plan, which sets forth the procedures that the options exchanges must follow to list new options, and a party to the National Market System Plan for the selection and reservation of securities symbols.

Europe

The current United Kingdom regulatory system was established by the Financial Services Act 2012, or FSA12, which amended the Financial Services and Markets Act 2000, or FSMA. The legislation replaced the previous financial services regulator, the Financial Services Authority, with three new bodies: The Financial Policy Committee, or "**FPC**," The Prudential Regulation Authority, or "**PRA**" and the FCA. The FPC is a committee of the Bank of England and sets policy for financial regulation. It is made up of the Governor and other senior figures within the Bank, along with the chief executives of the PRA and FCA and senior industry figures. The PRA is responsible for the prudential regulation of

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banks, insurance companies and other systemically important institutions. Financial conduct of markets, including activity on, and the operation of, is regulated by the FCA, which is an independent non-governmental body, given statutory powers by the FSA12. The FCA has three statutory objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the U.K. financial system; and to promote effective competition in the interests of consumers in the markets for financial services. The FCA is accountable to Her Majesty's Treasury Ministers and, through them, to Parliament.

FSMA, as amended by FSA12, governs the regulation of financial services and markets in the U.K. Under Section 19 of FSMA, any person who carries on a regulated activity in the U.K. must be authorized by the appropriate authority or exempt. Recognised Bodies, which include exchanges and clearing houses, are exempt. Breach of Section 19 may be a criminal offence and punishable on indictment by a maximum term of two years imprisonment and/or a fine. The FSMA (Regulated Activities) Order 2001 which is secondary legislation under FSMA, details regulated activities and specified investments.

Once a firm is authorized or recognized by the FCA, it is required to meet the standards set out in its Handbook of Rules and Guidance and to supply the FCA with information so that the FCA can monitor the firm's business. The FCA supervises the firm according to the risks that it poses to the FCA's statutory objectives.

Much of the U.K. financial services regulation originates in the European Union. On November 1, 2007, MiFID, which replaced the Investment Services Directive came into force, and was implemented by EEA member states. MiFID aims to harmonize European financial services businesses by setting out provisions governing organizational and conduct of business requirements that apply to firms and the requirements applicable to RMs (for example, stock exchanges) and MTFs. MiFID also aims to facilitate cross-border business by extending the concept of "passporting," which allows firms authorized to carry on business in one EEA member state to carry on business in other EEA member states.

As an RIE that operates both an RM and an MTF, Bats Trading Limited (trading as Bats Europe) is required to comply with the relevant U.K. requirements as set out in the FCA Handbook, including where applicable relevant European Directives and Regulations, as implemented, or which apply directly in the U.K. These requirements include organizational requirements, capital resources requirements and the specific requirements for RMs and MTFs. MiFID sets out requirements for RMs and MTFs with respect to the establishment of transparent and non-discretionary rules and procedures governing access and for fair and orderly trading and the efficient execution of orders, as well as to facilitate the efficient settlement of transactions conducted on RMs and MTFs and monitoring compliance with the rules. The regulatory functions required of Bats Europe by MiFID are performed by in-house staff. Bats Europe utilizes the same state-of-the-art, real-time surveillance system that Bats uses to monitor trading and market activities on BZX, BYX, EDGA, EDGX, BZX Options and EDGX Options.

The onward routing service offered by Bats Europe is performed by Chi-X Europe Limited, a wholly owned subsidiary of Bats Europe that is authorized as an investment firm with agency broker permissions.

MiFID is currently in the process of being updated and the new legislation, known as MiFID II and MiFIR, which is scheduled to apply beginning January 3, 2018 and will generally tighten the requirements placed on both exchanges and investment firms. In particular, use of certain waivers from pre-trade transparency will be capped as a percentage of total market volume and a general trading obligation will require almost all equity trades to be conducted on a duly registered trading venue. Furthermore, MiFID II and MiFIR will extend mandatory transparency requirements to non-equity markets, such as fixed income.

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Recent Developments

Policy makers, including legislators and regulatory agencies in both the United States and Europe, are responsible for enacting laws and regulations that govern the manner in which Bats operates its businesses and the market structure under which Bats operates. Policy reviews of these laws and regulations and market structures are on-going and Bats cannot predict the final outcome of these reviews or their impact on its businesses. Since the financial crisis of 2008, the focus on many of these laws and regulations as well as overall market structure has intensified, resulting in several new policy proposals and initiatives. Although Bats is an active participant in communicating its views on these issues to the relevant policy makers, Bats cannot predict the final outcome of any pending initiatives, including the rule proposals discussed below, or fully assess the potential impact on Bats' businesses of any future rules. However, it is possible that the costs and other effects of the proposals discussed below could negatively impact trading volumes, which could, in turn, have a negative impact on Bats' business. Some recent regulatory developments in the United States and Europe include:

United States

The Dodd-Frank Act. On July 21, 2010, President Obama signed Dodd-Frank. Dodd-Frank introduces numerous significant changes to the regulation of the U.S. financial system, including new regulation of markets for the trading of financial instruments and the participants in those markets. Title VII of Dodd-Frank regulates the market for certain OTC derivatives, known as swaps and security-based swaps, and the participants in those markets, including requiring registration, clearing and exchange trading, capital and margin, adherence to business conduct standards, reporting and recordkeeping. Implementation of Dodd-Frank in relation to the OTC derivative markets is largely complete in the United States with respect to swaps regulated by the CFTC, though a number of rules relating to SEC-regulated security-based swaps are yet to be finalized.

Equity Market Structure Concept Release. In January 2010, the SEC published a concept release regarding equity market structure. The concept release requests comment on a variety of market structure topics, including, among other things, high frequency trading, co-location, and dark pool markets. It requested comment on possible further requirements to give trading priority to displayed prices on other markets. This could significantly change the existing equity market structure by prohibiting a trading venue from trading at prices displayed on other markets, unless that trading venue was first publicly displaying a quote at that price. In light of significant regulatory and technological changes in the equities markets in recent years, the SEC is seeking to assess through this concept release the extent to which the current market structure serves the interests of long-term investors and the promotion of capital formation.

Tick Size Pilot Program. In May 2015, the SEC 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 incent 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

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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.

Oversight of Active Proprietary Trading Firms. In March 2015, the SEC proposed amendments to Rule 15b9-1 that would narrow an exemption that currently exempts registered broker-dealers from FINRA membership if they are a member of a national securities exchange, carry no customer accounts, and have annual gross income of no more than \$1,000 that is derived from securities transactions effected otherwise than on a national securities exchange of which they are a member. Under the current rule, income derived from proprietary trading conducted with or through another broker-dealer does not count against the \$1,000 limit. Among other things, the proposed amendments would eliminate the \$1,000 income limit (including the proprietary trading exception to the limit) and replace it with more targeted exemptions, such as for off-exchange transactions by a floor-based dealer that are solely for the purpose of hedging the risks of its floor-based activities. If adopted, a number of active proprietary trading firms that are registered broker-dealers would be required to become FINRA members. The SEC is also considering, but has not yet formally proposed, a rule that would effectively require more firms engaged in high-frequency trading to register as broker-dealers.

Algorithmic Trading. In recent years, regulators have been increasingly focused on the use of automated trading algorithms. For example, in March 2015, FINRA issued guidance concerning the supervision and control practices for the development and deployment of algorithmic trading programs. In addition, on April 7, 2016, the SEC approved a FINRA proposal to require associated persons of its members that are primarily responsible for the design, development or significant modification of algorithmic trading strategies, or who are responsible for the day-to-day supervision or direction of such activities, to register with FINRA as "securities traders." The SEC is also considering, but has not yet formally proposed, rules in the areas of recordkeeping and risk controls that address specific aspects of algorithmic trading.

Off-Exchange Trading Transparency. In January 2014, the SEC approved new FINRA rules (i) requiring ATSS to report to FINRA weekly volume information and number of securities transactions within the ATS, and (ii) providing for FINRA's publication of this data on a delayed basis. In January 2016, FINRA filed a rule for immediate effectiveness to end ATSS' self-reporting obligation, but continuing to provide for FINRA publication of the same data from trade report information otherwise provided to FINRA. In October 2015, the SEC approved a new FINRA rule pursuant to which FINRA will also publish information about the volume of each FINRA member's off-exchange trading of equity securities other than on an ATS. In November 2015, the SEC proposed amendments to Regulation ATS and related rules under the Exchange Act to impose new operational transparency and SEC oversight requirements on ATSS that facilitate transactions in Regulation NMS stocks. If adopted, a broker-dealer operating an ATS that facilitates transactions in NMS stocks would be required, among other things, to file a public registration form containing extensive disclosures regarding the design and operations of the ATS as well as potential conflicts of interest arising from the

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broker-dealer operator and its affiliates' other activities. If adopted, these ATs would also not be permitted to engage in operations unless the SEC ordered this registration form effective.

Consolidated Audit Trail Initiative. In 2012, the SEC adopted a rule directing FINRA and the national securities exchanges to submit a plan to create, implement and maintain a CAT which would serve as a comprehensive audit trail of orders that will allow regulators to efficiently and accurately track all activity in Regulation NMS securities in the U.S. market. The regulation requires, among other things, that, upon implementation of a plan, data be reported to a central repository the following day by each exchange and broker dealer. Bats is working with the other exchanges and FINRA to develop the plan to implement a CAT, which is required to detail technological and compliance aspects of the plan and the costs to implement the plan, among other details. The exchanges and FINRA submitted an initial plan to the SEC on September 30, 2014, an amendment to the plan on February 27, 2015 and an amended and restated plan on December 23, 2015. On April 27, 2016, the SEC voted to publish the proposed plan for a 60-day comment period. The comment period expired on July 18, 2016. Once the plan is approved by the SEC and becomes effective, there will be a phased implementation over three years.

Large Trader Reporting. In July 2011, the SEC adopted a large trader reporting rule that requires "large traders" of exchange-listed stocks and options to register with the SEC and obtain a large trader identification number. Large traders are required to provide their identification number to their registered broker-dealers with every order. Large traders include those traders that exercise investment discretion and effect transactions by or through a registered broker-dealer in an amount equal to or greater than either (i) two million shares or shares with a fair market value of \$20 million in a single day; or (ii) twenty million shares or shares with a fair market value of \$200 million in a single month. Large traders were required to register with the SEC by December 1, 2011. The rule's recordkeeping, reporting and large trader activity monitoring requirements applicable to registered broker-dealers have been implemented in phases, beginning on November 30, 2012, with the final effective date for these requirements on November 1, 2017.

Options Fee Caps. In April 2010, the SEC published for comment a proposal to amend Rule 610 of Regulation NMS to prohibit an exchange from imposing discriminatory terms for access to quotations in listed equity options on its exchange and establish limits on access fees that an exchange would be permitted to charge for access to its best bid and offer for listed equity options on its exchange. This proposed rule mirrors rules already in place in the equities markets, and reflects an outgrowth of the options exchanges adopting other Regulation NMS-like features, such as trade through prohibitions. Although Bats' U.S. listed equity options market's current fee structure is in line with the fee caps proposed by the SEC, passage of this rule would affect Bats' ability to raise fees in the future. The SEC has not yet taken any action on this proposal.

Limit Up/Down Plan. As part of an initiative to restore investor confidence in the wake of the "flash crash" on May 6, 2010, in April 2011, the national securities exchanges and FINRA jointly filed a proposed industry plan pursuant to Section 11A of the Exchange Act and Rule 608 thereunder to address extraordinary market volatility. The plan sets forth proposed procedures that provide for market-wide limit up-limit down requirements that would be designed to prevent trades from occurring outside of specified price bands that would be continuously recalculated throughout the trading day. The plan was initially approved for a one-year pilot period, which began on April 8, 2013. The pilot period has since been extended through April 21, 2017 to provide additional time for the public, the participants in the plan and the SEC to assess the operation of the plan. The participants in the plan have also recommended that the plan be adopted permanently with certain modifications.

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Market Maker Obligations. The SEC has undertaken a review of market maker obligations in the context of the 2010 equity market structure concept release, and in light of the events of May 6, 2010. In November 2010, the SEC approved rule changes by the exchanges and FINRA that effectively require market makers to continuously maintain two-sided quotations within some minimum percentage away from the national best bid or offer, effectively 8% away from the national best bid or offer for the most actively traded securities and certain ETFs. The SEC has not yet proposed additional rule-making associated with market maker activity.

Risk Management Controls for Broker-Dealers. In November 2010, the SEC adopted Rule 15c3-5 under the Exchange Act, which requires broker-dealers with market access to adopt financial and regulatory risk management controls and supervisory procedures designed to, among other things, prevent the routing of orders that exceed appropriate pre-set credit or capital thresholds, appear to be erroneous, and prevent the routing of orders unless there has been compliance with all regulatory requirements that must be satisfied on a pre-order basis. Rule 15c3-5 provides certain limited exemptions for broker-dealers, such as Bats Trading, that are routing orders on behalf of an exchange or ATS for the purpose of accessing other trading centers with protected quotations on behalf of the exchange or ATS in order to comply with Rule 611 of Regulation NMS. Compliance with Rule 15c3-5 was required as of July 14, 2011, although the SEC extended the compliance date for particular aspects of the rule until November 30, 2011.

Amendments to Regulation SHO. In February 2010, the SEC adopted amendments to Regulation SHO to adopt a short sale circuit breaker rule, under which a security whose price has declined by more than 10% or more from the prior day's closing price may only be sold short for the remainder of that day and the following trading day at one price increment above the national best bid. The rule contains limited exceptions. The amendments went into effect on February 28, 2011.

Regulation of Non-Public Trading Interest. In November 2009, the SEC proposed a rule change to define "bid" and "offer" to include actionable indications of interest. In addition, the SEC proposed to substantially lower the trading volume threshold that triggers the obligation for an ATS to publicly display the best priced bids and offers on such ATS. The SEC also proposed to require real-time disclosure of the identity of each ATS that executes a trade. Thus, if these rules were adopted, dark pools that have as little as 0.25% market share and display quotes to subscribers or use actionable indications of interest would be required to publicly display their bids and offers, and disclose transaction information that is not disclosed today. Approval of this rule proposal could have the effect of encouraging more trading on publicly displayed markets such as Bats'; however, Bats cannot predict what action the SEC may take on this proposal, when the SEC may take such action and what the actual impact could be on Bats. The SEC has not yet taken any further action on this proposal.

Regulation SCI. In November 2014, the SEC adopted a new regulation, Regulation Systems Compliance and Integrity, or Reg SCI, replacing and codifying the current Automation Review Policy. Reg SCI, which came into effect in November 2015, requires "*SCI Entities*," which includes self-regulatory organizations like BZX, BYX, EDGX and EDGA, to comply with security and capacity requirements with respect to their systems and accompanying compliance procedures. Reg SCI also requires SCI Entities to establish written policies and procedures reasonably designed to ensure that their systems have adequate integrity to ensure a resilient market in the event of a disruption. This includes, for example, ensuring that it has adequate disaster recovery facilities that are geographically diverse from the exchange's systems and that facilitate the ability to resume trading within specified timeframes when critical and non-critical SCI systems are rendered inoperable. It also requires timely and substantial notification to be made to the SEC in the event an exchange experiences any system interruption or interference. The SEC has also established various working groups of exchanges to focus on improving market

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resiliency, including regarding regulatory halts, trade nullification and additional market protections. Reg SCI and the other SEC mandated working group initiatives are very complex, and, as such, compliance with the rules have required Bats to expend significant resources.

Equity Market Structure Advisory Committee. In January 2015, the SEC announced the formation of an Equity Market Structure Advisory Committee, or EMSAC, which is designed to focus on the structure and operations of the U.S. equities markets. According to the SEC, the EMSAC is intended to provide a formal mechanism through which the SEC can receive advice and recommendations specifically related to equity market structure issues. The EMSAC is composed of 17 members designed to represent a cross-section of those directly affected by, interested in, and/or qualified to provide advice to the SEC on matters related to equity market structure. Bats' Chairman, Joe Ratterman, and one of its directors, Jamil Nazarali, were appointed by the SEC to the EMSAC. The EMSAC has held six public meetings since it was created. Issues under consideration by the EMSAC relate to Regulation NMS, the regulation of trading venues, including exchanges and ATSS, customer issues and market quality. Through these six public meetings, the EMSAC has since heard presentations and debated issues associated with the continued viability of the Order Protection Rule, or Rule 611 of Regulation NMS, the merits of reducing the access fee cap in Rule 610 of Regulation NMS, or banning the payment of rebates, as well as the merits of implementation of a so-called "trade-at" rule, which would generally constrain the ability of over-the-counter trading venues, such as dark pools, from transacting OTC or off-exchange, unless the execution price is better than that being publicly displayed on exchanges, the U.S. equity market volatility events of August 24, 2015 and certain issues affecting customers in the current U.S. equity market structure. The EMSAC is part of a broader review of equity market structure undertaken by the SEC. The EMSAC makes policy recommendations to the SEC, which the SEC will take under consideration. For example, during the July 8, 2016 meeting, the EMSAC recommended that the SEC propose a pilot program to adjust the access fee cap under Rule 610 of Regulation NMS. The SEC is not bound by these recommendations and has yet to engage in rule-making associated with the recommendations.

Europe

MiFID Review. The overarching objective of MiFID II and MiFIR is to further the stability, integration, transparency and efficiency of E.U. financial markets, as well as to enhance investor protection. The "Level 1" legislation was approved in July 2014 and detailed "Level 2" regulatory technical standards, drafted by the European Securities and Markets Authority, or ESMA, and Delegated Acts have been adopted by the Commission during the second half of 2016; "Level 3" interpretive work remains ongoing. MiFID II and MiFIR are currently scheduled to apply beginning in January 2017, although there is a proposal for a delay until January 2018. This legislation will result in a significant change in the European Union regulatory landscape for trading and clearing.

Capital Markets Union. The E.C. has highlighted one of its top priorities as being the establishment of a fully functioning, well-regulated Capital Markets Union by 2019. In February 2015, the E.C. adopted a Green Paper outlining its possible scope and included five short-term priority areas: securitization, updating the Prospectus Directive, SME credit information, private placements and finalization of the European Long Term Investment Funds. An Action Plan of concrete steps was set out in September 2015, and an update of the list of initiatives was published in September 2016.

Orderly Markets. ESMA has implemented "Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities." The purpose of the guidelines is to ensure common, uniform and consistent application of MiFID and the Market Abuse Directive as they apply to the systems and controls required of:

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(i) trading platforms and investment firms in an automated trading environment; and (ii) trading platforms and investment firms in relation to the provision of direct market access and sponsored access. These requirements will be further enhanced by MiFID II and MiFIR and the new Market Abuse Regulation, or MAR. MAR extends the scope of the market abuse framework to new markets, new behaviors and new platforms. It became effective on July 3, 2016.

OTC Derivatives, Central Counterparties and Trade Repositories. The European Market Infrastructure Regulation sets out new rules relating to OTC derivatives markets, central counterparties and trade repositories. The new rules introduce a reporting obligation for OTC derivatives markets, a clearing obligation for eligible OTC derivatives markets, measures to reduce counterparty credit and operational risk for bilateral OTC derivatives markets, CCPs, and for trade repositories, and rules on the establishment of interoperability between CCPs. The Regulation became effective August 2012, with the first obligations effective beginning March 2013. In addition, a new Regulation governing the authorization and supervision of Central Securities Depositories was approved in September 2014, with the adoption of "Level 2" Regulatory Technical Standards still pending and possible delays to implementation; and a recovery and resolution framework is being proposed for CCPs.

Financial Transaction Tax. On February 14, 2013, the E.C. published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, or the participating Member States. The proposed FTT has very 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 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. In October 2016, Finance Ministers of the participating countries agreed on the core principles behind the FTT, which were subsequently discussed at a full E.U. Economic and Financial Affairs Council meeting. The FTT proposal may be altered prior to any implementation, the timing of which remains unclear. Additional E.U. Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Some Member States, specifically France and Italy, have themselves introduced domestic FTTs in the interim.

Global FX

While the global institutional spot FX market remains largely unregulated, the enactment of Dodd-Frank and its related regulations in the United States and the ongoing implementation of MiFID II and MiFIR in Europe have impacted the regulatory landscape for currency derivative products. For example, certain standardized currency derivative products are expected to be required to trade on an organized trading venue such as a SEF or DCM in the United States or on an MTF or OTF in Europe. This transformation has also been enabled by technological developments that facilitate the electronic trading of institutional spot FX and currency derivatives. Moreover, this movement is highlighted by the recent publication of the Fair and Effective Markets Review Final Report and the March 2015 Global Preamble: Codes of Best Market Practice and Shared Global Principles, which may lead to additional oversight and regulation in the global FX market.

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Management

Executive Officers

Chris Concannon, 49, is a director and serves as Bats' President and Chief Executive Officer, as well as President and Chief Executive Officer of BZX, BYX, EDGX and EDGA, Chairman of the board of directors of BZX, BYX, EDGX and EDGA, President of Bats Hotspot and a director of Bats Trading. Mr. Concannon joined Bats as President in December 2014 and immediately made an impact by playing a lead role in the acquisition of Bats Hotspot and the expansion of Bats into the FX market. Appointed CEO on March 31, 2015, he has more than 20 years of experience as an exchange executive, trading participant and regulator. Prior to joining Bats, Mr. Concannon was most recently a president and chief operating officer at Virtu Financial, a global electronic market maker, from 2009 to 2014. Mr. Concannon holds a bachelor's degree from Catholic University, an MBA from St. John's University and a JD from Catholic University's Columbus School of Law. He also holds Series 7 and 24 licenses.

Tony Barchetto, 43, serves as Bats' Executive Vice President, Head of Corporate Development. Immediately prior to his current role, Mr. Barchetto served as Senior Vice President, Business Development after joining Bats via the Direct Edge acquisition in January 2014. Prior to joining Bats, Mr. Barchetto was the Head of Corporate Strategy at Direct Edge, from 2011 to 2014. Mr. Barchetto has over 17 years of experience in electronic trading and product development, with senior roles in corporate strategy, product management, sales and operations. He holds a bachelor's degree in international economics from Georgetown University. Mr. Barchetto also holds Series 7, 24, 55 and 63 licenses and is a Chartered Financial Analyst.

Bryan Harkins, 39, serves as Bats' Executive Vice President, Head of U.S. Markets. Prior to the Direct Edge acquisition in January 2014 when Mr. Harkins first joined Bats, Mr. Harkins served as Chief Operating Officer of Direct Edge, where he worked since 2007. Mr. Harkins holds a B.A. from the University of Notre Dame, and an MBA from New York University's Stern School of Business. Mr. Harkins also holds Series 7, 24, 55 and 63 licenses.

Mark Hemsley, 54, serves as Bats' Executive Vice President, Chief Executive Officer of Bats Europe, a position he has held since November 2011. He initially joined Bats in April 2008 as Chief Executive Officer and Chairman of Bats Europe. Prior to joining Bats, Mr. Hemsley founded Belvedere Hill Limited, a corporate advisory firm, where he worked from 2005 to 2008, and is currently a non-shareholder director. Mr. Hemsley holds a master of business administration from City University Business School.

Chris Isaacson, 38, is a founding employee and serves as Bats' Executive Vice President and Global Chief Information Officer, overseeing all technology and market operations for the company globally, as well as Executive Vice President and Global Chief Information Officer of BZX, BYX, EDGX and EDGA and a director of BZX, BYX, EDGX, EDGA and Bats Trading. Previously, Mr. Isaacson served as Bats' Senior Vice President and Chief Operating Officer from 2007 until February 2014. He was instrumental in the architecture and implementation of the Bats trading platform, and was Bats' Treasurer from June 2007 to February 2012 and served as the Vice President of Operations of Bats Trading from 2005 until 2007. Mr. Isaacson was a software developer at Tradebot Systems, Inc. from 2003 to 2005. Mr. Isaacson began his career as a software engineer at Cerner Corp., a publicly traded, Kansas City-based healthcare information systems supplier. Mr. Isaacson holds a bachelor's degree in information systems with a minor in math from Nebraska Wesleyan University and a master of business administration from the University of Nebraska-Lincoln, as well as Series 4, 7, 24, 27, 55, 63 and 65 licenses.

Tami Schademann, 40, is a founding employee and has led Bats' regulatory and compliance department since Bats' began operations and currently serves as Bats' Executive Vice President and Chief Compliance Officer, as well as the Executive Vice President and Chief Regulatory Officer of

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BZX, BYX, EDGX and EDGA and director of Bats Trading. Ms. Schademann served as Senior Vice President of Bats from May 2011 until February 2014. Prior to joining Bats, Ms. Schademann was chief compliance officer at Tradebot Systems, Inc. from 2001 to 2005. Previously, she was also a manager at Security Investment Company of Kansas City from March 2001 to October 2001 as well as in the trust divisions of Firststar Bank (now U.S. Bank), Commerce Bank and Security Bank of Kansas City from 1994 to 2001. Ms. Schademann holds Series 7, 24 and 63 licenses.

Brian N. Schell, 51, has been Bats' Executive Vice President and Chief Financial Officer since February 2014 and 2011, respectively, and Treasurer since 2012. Mr. Schell also serves as the Executive Vice President, Chief Financial Officer and Treasurer of BZX, BYX, EDGX, and EDGA, director of Bats Trading and Treasurer of Bats Hotspot. Immediately prior to his current role, Mr. Schell was Bats' Senior Vice President from March 2011 to February 2014. Mr. Schell is a 20-year veteran of the financial industry. He spent 16 years at H&R Block Inc. from 1994 to 2010 where he held various senior leadership positions, concluding his tenure as senior vice president, operations, support and development for the firm's Tax Services division. Mr. Schell also served separately as chief financial officer of the Tax Services and H&R Block Financial Advisors units from 2002 to 2010, holding the former position for seven years. From 1997 to 2002, he was vice president and corporate treasurer and director of investor relations. Mr. Schell holds a bachelor's degree in business administration with an emphasis in finance from the University of Notre Dame and a master of business administration from The George Washington University, as well as a Series 27 license.

Eric Swanson, 49, serves as Bats' Executive Vice President, General Counsel and Secretary, as well as the Executive Vice President, General Counsel and Secretary of BZX, BYX, EDGX and EDGA and the Secretary of Bats Hotspot. Immediately prior to Mr. Swanson's current position, he served as Bats' Senior Vice President, General Counsel and Secretary from February 2010 until February 2014 and has served as the General Counsel for BZX and BYX since their inception in 2008. From 2006 to 2008, Mr. Swanson served as chief counsel and vice president of regulatory strategy at Ameriprise Financial. From 1996 to 2006, Mr. Swanson served at the SEC, including as an assistant director in the Office of Compliance, Inspections and Examinations' market oversight unit in Washington, D.C. His duties included supervising the SEC's inspection program responsible for regulatory oversight of trading on securities exchanges and ECNs. He holds a bachelor's degree in economics from the University of Minnesota and earned his law degree at Hamline University School of Law.

Directors

Messrs. Freudenstein, Jones, McCarthy, Mitchell, Reardon and Richter are independent directors for purposes of BZX's listing standards.

Joe Ratterman, 50, one of Bats' founders in 2005, has served as Chairman since March 2015. Mr. Ratterman also served as Chairman from June 2007 until July 2012, as President from June 2007 until November 2014 and as Chief Executive Officer from June 2007 until March 2015. Mr. Ratterman initially served as Bats' Executive Vice President and Chief Operating Officer from 2005 until June 2007. Prior to joining Bats, from July 2004 to December 2005, Mr. Ratterman was vice president of business development at Tradebot Systems, Inc., an electronic market maker. Mr. Ratterman is a member of the SEC's Equity Market Structure Advisory Committee. Mr. Ratterman holds a bachelor's degree in mathematics and computer science from Central Missouri State University, as well as Series 7, 24, 27, 55 and 66 licenses.

Alan H. Freudenstein, 52, has served as a director since 2010. Mr. Freudenstein is a managing director of Credit Suisse in the Asset Management business and Managing Partner of Credit Suisse NEXT Investors, LLC, based in New York. He sits on the board of Actiance, Ensyn, US Health Group and VITEOS. Prior to his current role, Alan led the bank's Principal Investment Group within the Investment Banking division. Alan joined Credit Suisse in 2000 from Bankers Trust Company where he

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was a Managing Director responsible for incubation and venture investments within the New World Ventures Group. Previously, he was a management consultant at Booz Allen & Hamilton and an equity research analyst at Salomon Brothers. Alan holds a bachelor's in economics from Johns Hopkins University and an M.B.A. from the University of Chicago.

Robert W. Jones, 66, has served as a director since 2013. Mr. Jones is currently the sole owner of Turtle Rock Group, LLC, a financial advisory consulting firm founded in 2009. From 1974 until 2009, Mr. Jones held various management positions including managing director and vice chairman investment banking at Morgan Stanley, a global provider of financial services to companies, governments and investors. Mr. Jones has also acted as a senior advisor to Morgan Stanley since 2009. Previously, Mr. Jones served on the board of directors of Progress Energy from 2007 until its merger with Duke Energy in 2012 and currently is a member of the board of directors of the Electric Power Research Institute. Mr. Jones holds a bachelor's degree from Colgate University and a master of business administration from Harvard Business School.

John McCarthy, 52, has served as a director since 2010. Since 2006, Mr. McCarthy has been the general counsel at GETCO Holding Company, LLC (now KCG Holdings). KCG Holdings is one of Bats' strategic investors. Previously, Mr. McCarthy served as an associate director at the SEC and as head of the Market Oversight Unit at the Office of Compliance Inspections and Examinations from 2000 to 2006, where he was responsible for regulatory oversight inspections of trading on stock and options exchanges. Mr. McCarthy holds a bachelor of science degree in engineering and a bachelor of arts degree in economics from the University of Michigan, a master's degree in finance from the London School of Economics and a law degree from the University of Maryland.

Chris Mitchell, 45, has served as a director since 2013. Mr. Mitchell is a Managing Director of Spectrum Equity, a growth equity investment firm that provides capital and strategic support to innovative companies in the information economy. He serves or has served on the board of directors of a number of public and private financial technology companies, including Business Monitor, EagleView, Ethoca, RiskMetrics, Seisint, Trintech, Verafin and World-Check. Prior to joining Spectrum Equity in 2001, Mr. Mitchell worked at TA Associates, Monitor Clipper and SG Warburg. He holds a bachelor's degree from Princeton University.

Jamil Nazarali, 49, has served as a director since 2014. Mr. Nazarali is Senior Managing Director and Head of Citadel Execution Services. Mr. Nazarali oversees Citadel Securities' client market making offerings in Equities, Options and spot FX. Prior to joining Citadel Securities in 2011, Mr. Nazarali was Global Head of Electronic Trading at Knight Capital Group. Previously, he was a management consultant at both Ernst and Young and Bain and Company. He is also a member of the SEC Equity Market Structure Advisory Committee and the NASDAQ Quality of Markets Committee. Mr. Nazarali holds a bachelor's degree from the University of Western Ontario and a master of business administration from the University of Chicago.

Frank Reardon, 28, has served as a director since September 2015. Mr. Reardon is a certified public accountant as well as a member of the AICPA and Missouri Society of CPAs. Prior to his current role, Mr. Reardon was a senior audit associate with CBIZ Mayer Hoffman McCann P.C. where he specialized in running attest engagements for the construction and manufacturing/distribution industries. Mr. Reardon holds a bachelor's and master's degree in accountancy from the Trulaske College of Business at the University of Missouri-Columbia.

Michael Richter, 69, has served as a director since 2009. Mr. Richter has had an extensive managerial career in international banking and brokerage firms. He was co-founder in 2000 of Lime Brokerage Holdings LLC and served as its chief financial officer until Lime Brokerage Holdings LLC was dissolved in 2016. Prior to joining Lime Brokerage Holdings LLC, Mr. Richter was president of Citicorp Securities Services. Mr. Richter is qualified as a Certified Public Accountant and holds a

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bachelor of science degree in engineering from Rensselaer Polytechnic Institute and a master's degree from MIT Sloan School of Management.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis section of this joint proxy statement/prospectus explains how Bats' 2015 executive compensation programs were designed and operated with respect to the following 2015 named executive officers, who Bats refers to as the "NEOs:"

Joe Ratterman (Former President and Chief Executive Officer; current non-executive Chairman);

Chris Concannon (President and Chief Executive Officer);

Brian N. Schell (Executive Vice President, Chief Financial Officer, Treasurer);

Mark Hemsley (Executive Vice President, Chief Executive Officer of Bats Europe);

Chris Isaacson (Executive Vice President, Global Chief Information Officer); and

Bryan Harkins (Executive Vice President, Head of U.S. Markets).

Introduction

Bats' compensation discussion and analysis discusses the compensation program for its NEOs in 2015 and describes its overall compensation philosophy, objectives and practices. As this section relates to Bats' 2015 executive compensation program, this section does not describe the impact of the proposed merger. See "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers" for information about the impact of the proposed merger on the compensation arrangements with Bats' NEOs.

Bats' compensation philosophy and objectives generally apply to all of its employees and the majority of its employees are eligible to participate in the main components of its compensation program consisting of:

base salary; and

quarterly cash bonuses.

Bats' senior leaders, which include its NEOs and most officers of its subsidiaries, are eligible to participate in Bats' equity award program. In addition, in 2015, Bats' senior leaders and certain employees providing services to Bats Hotspot were eligible to receive an annual bonus, which in the case of Bats' senior leaders is payable in cash and equity. The relative value of each of these components for individual employees varies based on job role and responsibility.

In addition, Bats provides its NEOs with benefits that are generally available to Bats' employees in the country in which the NEO is employed, including retirement savings and health and welfare benefits.

Compensation Philosophy and Objectives

Bats' compensation philosophy is to offer its executive officers, including its NEOs, compensation and benefits that are competitive and meet its goals of attracting, retaining and motivating highly skilled management who share its desire to achieve its financial and strategic objectives and create long-term value for Bats' stockholders. Accordingly, Bats' executive officer compensation program is designed to link annual cash incentives and long-term stock incentives to the achievement of company and individual performance goals and to align the interests

of executive officers with the creation of stockholder value.

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Bats believes compensation should be determined within a framework that is intended to reward individual contribution and the achievement of company objectives. Within this overall philosophy, Bats' objectives are to:

attract, retain and motivate Bats' executive officers by providing a total compensation program that takes into consideration competitive market requirements and strategic business needs;

align the financial interests of executive officers with those of Bats stockholders;

encourage behavior consistent with Bats' values and reinforce ethical business practices;

provide incentives for achieving and exceeding performance goals; and

appropriately reward executive officers for creating long-term stockholder value.

Role of Directors and Executive Officers in Setting Compensation

Bats' CEO has discretion to recommend both the contractual and discretionary compensation of the NEOs (other than himself and Joe Ratterman, Chairman of the Bats board), which he considers in consultation with the Compensation Committee of the Bats board (the "***Bats Compensation Committee***"). The Bats Compensation Committee has overall responsibility for overseeing Bats' executive compensation policies, and the compensation committees of the boards of directors of Bats' subsidiary registered securities exchange companies have ultimate responsibility for setting the compensation of Bats' CEO, which responsibility they fulfill in consultation with the Bats Compensation Committee. The Bats Compensation Committee further has overall responsibility for overseeing Bats' compensation plans and programs, reviewing Bats' achievements as a company and the achievements of Bats' executive officers and providing input and guidance to Bats' CEO in the determination of the specific type and level of compensation of Bats' NEOs. Effective January 1, 2016, the compensation structure for each of the NEOs is set forth in his respective employment agreement.

Bats believes the levels of compensation it provides should be competitive, reasonable and appropriate for Bats' business needs and circumstances. In addition to the information provided by Bats' compensation consultant, Meridian Compensation Partners, LLC, referred to as "***Meridian***," with respect to executive officer and director compensation matters (discussed below), Bats has informally considered the competitive market for corresponding positions within comparable geographic areas and companies of similar size and stage of development. Bats' CEO, in consultation with the Bats Compensation Committee, has applied subjective discretion to make compensation decisions rather than using a specific formula or matrix to set total compensation in relation to compensation paid by other companies. Bats' historical approach has been to consider competitive compensation practices and other factors, such as how much compensation was necessary to recruit and retain an executive officer, as well as individual performance. As Bats continues to gain experience as a public company, it expects that the specific direction, emphasis and components of Bats' executive compensation program will continue to evolve. For example, over time, Bats may reduce its reliance upon subjective determinations in favor of a more empirically based approach that could involve, among other practices, benchmarking the compensation paid to Bats' NEOs against peer companies. The Bats Compensation Committee administers Bats' executive compensation program in accordance with its charter.

For the NEOs (other than Bats' CEO), Bats' CEO has historically considered such NEOs' responsibilities, performance and historical compensation in determining their compensation. Bats' CEO then consults with the Compensation Committee on his recommendations to the Bats Compensation Committee regarding base salary increases, discretionary bonus amounts and equity award amounts, and advises the Bats Compensation Committee regarding the compensation program's ability to attract, retain and motivate executive talent. These recommendations reflect compensation levels that Bats' CEO believes are commensurate with such NEO's individual qualifications, experience,

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responsibility level, functional role, knowledge, skills, and individual performance, as well as company performance and competitive offerings. Through consultation with the Bats Compensation Committee, Bats' CEO may adjust up or down specific compensation for all the NEOs (other than himself and the Chairman of the Bats board). The amount of prior year annual bonus awards and equity awards generally is a factor in compensation decisions with respect to the NEOs. In determining Bats' CEO's compensation, the boards of directors of Bats' subsidiary registered securities exchange companies, in consultation with the Bats Compensation Committee, take into consideration Bats' performance, the contributions of Bats' CEO to that performance and the desire to retain and motivate Bats' CEO.

Bats' CEO and certain of Bats' other NEOs may attend Compensation Committee meetings, as requested by the Bats Compensation Committee.

Role of Compensation Consultant

In August 2015, the Bats Compensation Committee engaged Meridian to render advisory services to the Bats Compensation Committee relating to executive officer and director compensation matters. Specifically, Meridian has conducted a comprehensive review of Bats' executive compensation program which included:

identification of a peer-group of publicly traded companies;

review of compensation levels to assess the competitive positioning of Bats' executive compensation programs relative to Bats' peer group and the industry generally; and

review of the historical use of equity awards, peer data on share usage and assistance with development of long-term incentive plan strategy and guidelines.

For 2015, the peer group of publicly traded companies selected by Meridian included the 16 companies listed below:

BGC Partners Inc.	Interactive Brokers Group, Inc.	MarketAxess Holdings Inc.
CBOE Holdings Inc.	Intercontinental Exchange, Inc.	MSCI Inc.
CME Group Inc.	Investment Technology Group, Inc.	The NASDAQ OMX Group Inc.
Deutsche Börse AG	KCG Holdings Inc.	TD Ameritrade Holding Corp.
DST Systems Inc.	London Stock Exchange Group plc	TMX Group Ltd.

E*Trade Financial Corp.

In 2015, the Bats Compensation Committee reviewed peer-group data but did not benchmark against it.

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Meridian does not currently provide Bats with any additional services other than the services it provides to the Bats Compensation Committee relating to executive and director compensation and related governance. The Bats Compensation Committee did not direct Meridian to perform its work in any particular manner or under any particular method. The Bats Compensation Committee has the sole authority to retain and terminate Meridian or any other consultant. In connection with Meridian's retention, the Bats Compensation Committee conducted an assessment of potential conflicts of interest of Meridian and determined that the services rendered by Meridian did not raise any potential conflicts of interest.

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Elements of Bats' Executive Compensation Program

The principal elements of Bats' executive compensation program to date have been base salary, performance-based quarterly cash bonus, discretionary cash bonus and long-term equity compensation. Each of these compensation elements satisfies one or more of Bats' compensation objectives. Bats combines the compensation elements for each NEO in a manner it believes is consistent with the NEO's contributions to the company and its overall goals with respect to executive compensation.

Base Salary

Bats believes that a competitive base salary is an important component of compensation as it provides a degree of financial stability for its NEOs and is critical to recruiting and retaining its NEOs. Base salary is also designed to recognize the scope of responsibilities placed on each NEO and reward each executive for his unique leadership skills, management experience and contributions, which are described below under "2015 Named Executive Officer Compensation Decisions." Bats makes a subjective determination of base salary after considering such factors collectively.

The base salaries paid to Bats' NEOs for 2015 are set forth below in the Summary Compensation Table. See "2015 Summary Compensation Table."

Cash Bonuses

Bats believes that a meaningful portion of annual cash compensation should be contingent upon successful company performance. Therefore, subject to satisfaction of certain eligibility requirements, during 2015 Bats' non-sales employees, including each of Bats' NEOs, participated in the Bats Milestone Bonus Plan, or the "**Milestone Bonus Plan**." Bats operates the Milestone Bonus Plan in the United States and Europe in a nearly identical manner. The Milestone Bonus Plan is designed to reward achievement of meaningful company milestone goals that support Bats' objectives of company growth, enhancement of stockholder value and motivation of executive officers to achieve superior performance in their areas of responsibility. Bats' sales employees supporting the U.S. Equities and U.S. Options markets and European Equities markets participate in the Sales Milestone Bonus Plan, which is a unique plan designed to reward market share growth and sales-related performance. The sales employees providing services to Bats Hotspot participate in unique plans designed to reward transaction revenue and volume growth.

The Milestone Bonus Plan assigns to each milestone goal a number of milestone points that are earned upon achievement of such milestone goal. Although some of the milestone goals are assigned a fixed number of milestone points, the number of milestone points that may be earned with respect to certain milestone goals (for example, monthly global normalized EBITDA) is uncapped. Normalized EBITDA is calculated as EBITDA before acquisition-related costs, IPO costs, loss of extinguishment of debt, debt restructuring costs, intangible asset impairment charges, gain on extinguishment of revolving credit facility and an unusually large regulatory assessment charged to a member in 2013. At the beginning of the plan year, each Milestone Bonus Plan participant is assigned a number of bonus plan units determined by Bats based on the participant's position, expected contributions and seniority.

Payouts under the Milestone Bonus Plan are made following each quarter, based on the milestones achieved (and therefore, the milestone points earned) for such quarter. Payout amounts are determined by multiplying the number of milestone points earned for the quarter by the value per milestone point (which for 2015 was determined to be \$10 per milestone point in the United States and £10 per milestone point in the United Kingdom), with such product multiplied by the number of bonus plan units assigned to each plan participant. For the majority of 2015, the NEOs were assigned the following

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number of bonus plan points, which points are determined by dividing each NEO's base salary by 10,000:

Joe Ratterman 90

Chris Concannon 120

Brian N. Schell 45

Mark Hemsley 48

Chris Isaacson 50

Bryan Harkins 45

The milestone goals were established after considering Bats' historical financial performance and internal strategic objectives. The milestone goals and the points awarded for achievement of goals are similar for Bats' United States and United Kingdom employees. Additionally, an employee's milestone goals include both company-wide goals that apply to all company employees (either in the United States or United Kingdom) and specific department milestone goals that apply to only those employees in that employee's respective department. For 2015, all employees are eligible for the Milestone Bonus Plan, except for those employees who primarily provide services to Bats Hotspot. However, such employees began participating in the Milestone Bonus Plan for 2016.

The company-wide milestone goals relate to monthly profitability, market share, operational up-time sustained for the month and completion of certain revenue producing projects:

Monthly profitability

1 point for every \$3.86 million in consolidated Normalized EBITDA for U.S. employees

1 point for every £0.47 million in European Equities Normalized EBITDA for U.K. employees

Market share

1 point for every month equal to or better than 2nd in combined U.S. Equities market share for U.S. employees

2 points for every month 1st in combined U.S. Equities market share for U.S. employees

1 point for every month equal to or better than 6th in U.S. Options market share for U.S. employees

2 points for every month equal to or better than 4th in U.S. Options market share for U.S. employees

2 points for every month 1st in European Equities market share for U.K. employees

Operational up-time

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1 point for every month in U.S. Equities for U.S. employees

1 point for every month in U.S. Options for U.S. employees

2 points for every month for European Equities for U.K. employees

Completion of revenue producing projects

10 points for first live trade on EDGX Options for U.S. employees

8 points for first live trade on ICAP for U.K. employees

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8 points for first live trade on Exchange Trade Report for U.K. employees

5 points for new billing rollout for U.K. employees

5 points for first office disaster recovery day for U.K. employees

Departmental goals for 40 points in total

Department goals, organized by functional group, represent the completion of other significant projects that contribute to Bats' success, such as the migration of the EDGX and EDGA exchange operations onto the Bats technology platform, or the "**Direct Edge Integration**," the migration to the Equinix NY5 datacenter, the Bats Hotspot acquisition, the launch of EDGX Options and incremental profitability.

In addition to quarterly cash bonuses payable under the Milestone Bonus Plan, each of Bats' NEOs is also eligible to earn a discretionary performance bonus, payable as a combination of compensatory equity awards and cash, based on the achievement of company goals and individual performance, and a spot bonus (generally ranging from \$1,000 to \$25,000) based on individual performance that can be paid anytime during the year. The discretionary bonuses for the NEOs are determined by the Bats Compensation Committee in consultation with the CEO, and, in the case of the CEO, determined by the compensation committees of the boards of directors of Bats' subsidiary registered securities exchange companies in consultation with the Bats Compensation Committee, with a target amount of the combined bonus value to equal a specific percentage of the executive's base salary. For the factors considered in determining 2015 bonuses, see the section entitled "2015 Named Executive Officer Compensation Decisions." In general, the annual performance bonus is intended to be consistent with the company's applicable bonus programs, which are based on the achievement of individual initiatives as well as company performance for the year to which they relate. In 2015, the annual performance bonus as a percentage of the base salary for each NEO was:

Name	Annual Performance Bonus as Percentage of Base Salary
Chris Concannon	220%
Joe Ratterman	200%
Brian N. Schell	132%
Mark Hemsley	162%
Chris Isaacson	135%
Bryan Harkins	149%

Long-Term Equity Compensation

Bats' equity awards provide long-term incentives to its NEOs. Bats believes that equity grants align the interests of its NEOs with its stockholders, provide its NEOs with incentives linked to long-term performance and create an ownership culture. Bats' equity incentives have been granted in the form of non-statutory stock options and restricted stock. The vesting features of Bats' stock option and restricted stock grants support Bats' retention goals, as time-vesting provides an incentive to Bats' NEOs to remain in Bats' employ and grow the value of the company during the vesting period. In 2015, restricted stock awards were granted to the NEOs.

Restricted stock and stock options granted to the NEOs under the Bats Global Markets, Inc. 2009 Stock Option Plan (the "**2009 Plan**") and the Bats Global Markets, Inc. 2012 Equity Incentive Plan (the "**2012 Plan**") vest in equal annual installments over four years. Under the 2009 Plan, all unvested stock options fully vest upon the earlier of a change of control event or April 14, 2017 (the first anniversary of the effectiveness of Bats' registration statement on Form S-1 covering Bats common

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stock (the "*Form S-1*"). Under the 2012 Plan, restricted stock and stock options are not subject to accelerated vesting upon termination of employment absent any change of control event. Restricted stock and stock options granted under the 2012 Plan and held by the NEOs are subject to accelerated vesting upon the death or disability of the NEO or upon termination of the NEO's employment by the company without cause within twelve (12) months following a change of control event, unless otherwise set forth in an individual employment agreement.

In 2015, Bats did not establish criteria for granting equity awards to the NEOs, either with respect to timing or amount, in keeping with its historical practice. Rather, in determining the amount of restricted stock to be granted to the NEOs in 2015, Bats' board of directors took into account the following factors:

the value of such awards;

the NEO's level of current and potential job responsibility;

Bats' desire to retain the NEO over the long term;

the retention value of the NEO's existing equity awards;

the NEO's performance during the year, as described below under " 2015 Named Executive Officer Compensation Decisions;" and

the performance of the company during the year.

Other Benefits

Bats' NEOs are eligible to participate in the same benefit programs, perquisites and other fringe benefits that are broadly available to other senior executives in the country where they are employed, and under the same terms and conditions and at the same levels as other employees, subject to any limitations required by the benefit plans themselves such as compensation limits imposed by the IRS.

Retirement Savings Opportunity

All employees in the United States are eligible to participate in a 401(k) plan, which Bats refers to as the U.S. Retirement Plan. Under the U.S. Retirement Plan, Bats matches employee contributions dollar for dollar up to 5% of eligible compensation (not to exceed the IRS deferral contribution limit). Participants are 100% vested in all plan contributions. All employees of Bats Europe are eligible to participate in a stakeholder or self-invested personal pension arrangement, which Bats refers to as the Bats Europe Retirement Plans. Under the Bats Europe Retirement Plans, Bats matches contributions up to 5% of annual salary and plan participants are 100% vested in all plan contributions. The U.S. Retirement Plan and the Bats Europe Retirement Plans are defined contribution pension plans.

Health and Welfare Benefits

All full-time employees, including Bats' NEOs, may participate in Bats' health and welfare benefit programs including gym memberships. In addition, Bats provides, and pays the premiums for, life insurance, accidental death and dismemberment and long-term disability coverage.

Perquisites

As a general matter, Bats does not offer perquisites to any executive officer, including the NEOs, with an aggregate value in excess of \$10,000 annually because it believes it can provide better incentives for desired performance with compensation in the forms described above. Bats recognizes that, from time to time, it may be appropriate to provide some perquisites or other benefits in order to attract, motivate and retain Bats' executive officers, and may do so in the future.

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2015 Named Executive Officer Compensation Decisions

Consistent with the processes described above, the discretionary cash bonus component of the total 2015 compensation for Bats' NEOs (other than the CEO and Chairman of the Bats board) was subjectively determined by the CEO in consultation with the Bats Compensation Committee based on the achievement of individual initiatives as well as Bats' performance for the year to which they relate. In the case of the CEO, this compensation element was subjectively determined by the Bats Compensation Committees of the boards of directors of Bats' subsidiary registered securities exchange companies in consultation with the Bats Compensation Committee, and based on the achievement of individual initiatives as well as company performance for the year to which they relate. These payouts were not based on a specific formula or individual performance targets. The Bats Compensation Committee and the CEO considered each individual's performance and contributions to Bats' performance, as described below. In the case of the Chairman of the Bats board, this compensation element was subjectively determined by the Bats Compensation Committee based on the overall results of the company and the successful transition of the new CEO.

Joe Ratterman served as Chairman of the Bats board from June 2007 until July 2012, as President from June 2007 until November 2014 and as Chief Executive Officer from June 2007 until March 2015. He currently serves as non-executive Chairman, which became effective March 2015. Mr. Ratterman's talents and leadership have been, and continue to be, critical to Bats' success. Under his leadership, Bats acquired Bats Europe in 2011, which when combined with Bats' existing European operations became the largest pan-European equities trading venue, and Direct Edge in 2014, which when combined with Bats' existing U.S. operations became the second largest U.S. listed cash equities trading venue. He developed a CEO succession plan in 2014 and oversaw its implementation in 2015. Mr. Ratterman's compensation reflects his 2015 role in these efforts. Mr. Ratterman's leadership was instrumental in enabling Bats' revenues less cost of revenues and Normalized EBITDA to increase from 2010 to 2014.

Chris Concannon joined Bats in 2014 as President and became CEO in March 2015. He also serves as a director on the Bats' board. Mr. Concannon was the principal architect of the Bats Hotspot acquisition and helped guide Bats to record high revenues less costs of revenues, as well as Normalized EBITDA.

Brian N. Schell joined Bats as Chief Financial Officer in March 2011. Mr. Schell is responsible for Bats' overall financial management and human resources and administrative support activities. He also oversees the marketing and communications activities, as well as other administrative functions, including Bats' office space lease negotiations. During 2015, Mr. Schell negotiated key aspects of the Bats Hotspot acquisition, as well as arranging the financing to complete the acquisition. He also led Bats' readiness to become compliant with the Sarbanes-Oxley Act of 2002 and directed the improved quality and timing of Bats' financial information and reporting.

Mark Hemsley joined Bats in April 2008 as Chief Executive Officer and Chairman of Bats Europe. Mr. Hemsley played a critical role in the acquisition and subsequent integration of Bats Europe, which when combined with Bats' existing European operations became the largest pan-European market venue. As the Chief Executive Officer of Bats Europe since November 2011, Mr. Hemsley also maintained Bats Europe's ranking as the largest exchange operator in Europe by market share as well as introduced a number of new products, including BXTR, Europe's largest OTC trading reporting facility. He was also responsible for the acquisition of 25% of EuroCCP and a key contributor to the launch of the Bats Hotspot London matching engine.

Chris Isaacson is a founding employee and served as Bats' Chief Operating Officer from June 2007 to February 2014 and has served as Global Chief Information Officer, from February 2014. As Global Chief Information Officer, he oversees all technology and market operations for Bats globally, including technology strategy, software engineering and quality, as well as IT infrastructure and security. During

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2015, he led the flawless launch or migration of eight of Bats' ten markets with no material operational downtime. This included the Direct Edge equities exchanges to the Bats technology platform, migrating the U.S. equities and option exchanges to a new data center, the launch of a new U.S. options exchange, which included new matching engine technology, a new spot FX matching engine in London and migrating the existing spot FX platform in the United States to a new data center. Mr. Isaacson was also instrumental in achieving the cost synergy targets associated with the Chi-X Europe acquisition, Direct Edge acquisition and Bats Hotspot acquisition.

Bryan Harkins was a founding employee of Direct Edge and served as its COO from 2011 until the Direct Edge acquisition. In February 2014 he joined Bats and was named Head of U.S. Markets, overseeing sales, product development, new listings and competitive strategy for Bats' U.S. equities and options exchanges. He also led the expansion of Bats' U.S. suite of market data and access services as well as Bats' push to be the number one ETP marketplace. In addition, he led the development and implementation of strategic pricing initiatives in Bats' U.S. Equities and U.S. Options segments, which resulted in record market share levels in each of those markets 21.7% in the U.S. Equities segment and 10.9% in the U.S. Options segment during the third quarter of 2015. These operating segments also reached record levels of profitability as a direct result of these pricing changes and market share gains. See "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.

Each of these achievements and goals was taken into account when establishing each NEO's compensation (*e.g.*, base salary and equity grants) in 2015.

Allocation Between Current and Long-Term Compensation

Historically, Bats has not adopted any policies with respect to current compensation versus long-term compensation, but believed that both elements are necessary for achieving its compensation objectives. Current compensation consists of base salary and quarterly and annual cash bonuses. Long-term compensation has been provided with grants of equity in the form of stock options and restricted stock. Base salary provides financial stability for each of Bats' NEOs and increases in base salary, as determined by Bats' CEO in consultation with the Bats Compensation Committee, provide a reward for short-term company and individual performance. Annual cash bonuses likewise provide a reward for short-term company and individual performance. Long-term equity compensation rewards achievement of strategic long-term objectives and contributes toward overall stockholder value.

Allocation Between Cash and Non-Cash Compensation

Historically, Bats has not adopted any policies with respect to cash versus non-cash compensation (or among different forms of non-cash compensation). Bats has determined that it is important to encourage or provide for a meaningful amount of equity ownership by its NEOs to help align their interests with those of stockholders, one of its compensation objectives. The allocation between cash and non-cash compensation has been based on a number of factors, including each NEO's performance objectives and Bats' retention objectives and may vary from year to year. In 2015, the allocation was 65% non-cash compensation for Mr. Concannon and ranged from 30% to 40% for the NEOs other than Mr. Concannon.

Employment Agreements

Through December 31, 2015, each of the NEOs in the United States was a party to an employment agreement, each of which was replaced by a new employment agreement effective January 1, 2016. The prior employment agreements, to the extent that they provide severance benefits, are described below under "Potential Payments Upon Termination or Change in Control."

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Each of the NEOs, except for Mr. Ratterman, is a party to an employment agreement effective January 1, 2016, which Bats refers to collectively as the Employment Agreements. The duration of each Employment Agreement is three (3) years, with automatic one year annual extensions, provided neither party gives the requisite advance notice to the other party. Notwithstanding the foregoing, the Employment Agreement and the corresponding employment relationship between Bats and its NEOs may be terminated at any time by either party with or without cause or advance notice.

The Employment Agreements provide that during the employment period and for the twelve (12) months following termination of employment, the NEO will not engage in competitive activities or solicit Bats' employees, customers or customer prospects. Additionally, the Employment Agreements assign ownership of inventions and work product to Bats and requires the NEO to protect Bats' confidential information. The Employment Agreements also provide for certain severance benefits, as further described under the section " Potential Payments Upon Termination or Change in Control."

Severance and Change of Control Arrangements

Bats' employees and executive officers may be eligible to receive certain severance benefits upon the involuntary termination of their employment without cause. Bats' NEOs, except for Mr. Ratterman, are generally entitled to certain contractual severance benefits as set forth in their respective Employment Agreements.

Bats' United States-based employees are eligible for severance pay and benefits under an adopted severance policy once they have been employed for a period not less than one year. The terms of the severance pay and benefits are derived by the respective employee's years of service and include severance payments ranging from three to six months' base salary plus COBRA benefits during the applicable coverage period. Bats' United Kingdom-based employees are generally entitled to basic salary and contractual benefits during any Garden Leave Period (or payment in lieu thereof). Payment of severance is conditioned on the execution of a release of claims in favor of the company.

Bats' employees and executive officers are eligible for certain accelerated vesting of their equity awards in connection with certain terminations of employment and a change of control event pursuant to the terms of the applicable equity plan. Such protections are provided to minimize uncertainty for Bats' executive officers and employees. Further terms of these agreements are described below under " Potential Payments Upon Termination or Change in Control."

Additional information on the severance policy and treatment of equity awards is provided below under the section " Potential Payments Upon Termination or Change in Control."

Stock Ownership Guidelines

Historically, Bats' NEOs have not been subject to mandated stock ownership or stock retention guidelines. However, Bats believes it is important for its NEOs to be owners in the company to ensure the alignment of goals with the best interests of its stockholders. Bats has established guidelines of equity ownership for the CEO equivalent to five times his base salary and for Executive Vice Presidents equivalent to three times their respective base salaries. Each has a transition period of five years to achieve the guidelines. Until the guidelines are achieved, the CEO and the NEOs will not be permitted to reduce their respective equity ownership unless approved by the Bats Compensation Committee.

Tax Deductibility of Executive Compensation

Section 280G of the Code, as amended to the date hereof, or the Code, provides that executive officers, certain stockholders and certain other service providers could be subject to significant additional taxes if they receive payments or benefits in connection with a change in control of Bats that exceed certain limits. Section 409A of the Code also imposes additional significant taxes on the

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individual for deferred compensation that does not meet the requirements of Section 409A. Bats does not provide any NEO with a gross-up or other reimbursement for tax amounts the executive officer might pay pursuant to Section 280G or Section 409A of the Code.

Section 162(m) of the Code imposes a \$1.0 million cap on federal income tax deduction for compensation paid to Bats' CEO and to certain other highly compensated officers during any fiscal year unless the compensation is "qualified performance-based compensation" under Section 162(m). Under a special Section 162(m) exception, subject to certain conditions, compensation paid pursuant to a compensation plan in existence before the effective date of Bats' IPO will not be subject to the \$1.0 million limitation until the earliest of: (i) the expiration of the compensation plan, (ii) a material modification of the compensation plan (as determined under Section 162(m)), (iii) the issuance of all the employer stock and other compensation allocated under the compensation plan, or (iv) the first meeting of stockholders at which directors are elected after the close of the third calendar year following 2016.

While Bats cannot predict how this deductibility limit may impact its compensation program in future years, it intends to maintain an approach to executive compensation that strongly links pay to performance. Although deductibility of compensation is preferred, tax deductibility is not a primary objective of Bats' compensation programs. Bats believes that achieving its compensation objectives set forth above is more important than the benefit of tax deductibility, and it reserves the right to maintain flexibility in how it compensates its NEOs, which may result in limited deductibility of amounts of compensation from time to time.

Subsequent Events

2016 Equity Awards

Following the completion of the 2015 fiscal year, the Compensation Committee granted 2016 annual equity awards under the 2012 Plan to each of Bats' NEOs (other than Mr. Concannon) in the form of restricted shares of Bats common stock, as follows: Mr. Schell (93,120); Mr. Hemsley (72,750); Mr. Isaacson (101,850); and Mr. Harkins (101,850). Consistent with previous awards granted to Bats' NEOs under the 2012 Plan, the 2016 annual equity awards are scheduled to vest ratably on each of the first four anniversaries of the date of grant.

For a discussion of the treatment of the equity awards held by Bats' NEOs in connection with the merger, see the section entitled " Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards" in this joint proxy statement/prospectus.

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The following table sets forth information concerning the annual and long-term compensation for services to Bats earned by the Bats NEOs in 2015.

2015 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Restricted Stock Awards ⁽²⁾ (\$)	Non-Equity	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
					Incentive Plan Compensation ⁽³⁾ (\$)		
Chris Concannon <i>President and Chief Executive Officer</i> ⁽⁵⁾	2015	\$ 1,200,000	\$	\$ 2,639,965	\$ 225,600	\$ 14,299	\$ 4,079,864
Joe Ratterman <i>Former President and Chief Executive Officer, current Chairman</i> ⁽⁵⁾	2015	900,000	1,500,000	299,969	169,200	14,509	2,883,678
Brian N. Schell <i>Executive Vice President; Chief Financial Officer; Treasurer</i>	2015	454,167	264,750	335,243	85,650	14,551	1,154,361
Mark Hemsley <i>Executive Vice President, Chief Executive Officer of Bats Europe</i> ⁽⁶⁾	2015	716,254	343,868	817,232	120,784	13,508	2,011,646
Chris Isaacson <i>Executive Vice President; Global Chief Information Officer</i>	2015	500,000	337,500	337,494	119,000 ⁽⁶⁾⁽⁷⁾	27,006	1,321,000
Bryan Harkins <i>Executive Vice President, Head of U.S. Markets</i>	2015	454,167	198,000	476,983	78,750	15,257	1,223,157

- (1) Amounts represent discretionary cash bonus amount payable to each of the NEOs, as further described in "Information About Bats Compensation Discussion and Analysis Elements of Bats' Executive Compensation Program Cash Bonuses."
- (2) Compensation for restricted stock is computed in accordance with the provisions of Financial FASB Accounting Standards Codification Topic 718, *Compensation Stock Compensation*. Amounts represent the grant date fair value as described further in "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Stock-Based Compensation."
- (3) Amounts represent non-equity incentive plan compensation paid in accordance with the Milestone Bonus Plan, as further described in "Information About Bats Compensation Discussion and Analysis Elements of Bats' Executive Compensation Program Cash Bonuses."
- (4) Amounts included in the "All Other Compensation" column for 2015 are as follows:

Name	Retirement Plan Match ⁽⁸⁾ (\$)	Life Insurance Premiums (\$)	Gym Membership (\$)	Payout for Earned Vacation (\$) ⁽⁹⁾	Gifts/Awards (\$)	Total (\$)
Chris Concannon	\$ 13,250	\$ 945	\$	\$	\$ 104	\$ 14,299
Joe Ratterman	13,250	1,155			104	14,509
Brian N. Schell	13,250	1,197			104	14,551
Mark Hemsley ⁽⁶⁾	6,962	5,658	888			13,508
Chris Isaacson	13,250	756		12,896	104	27,006
Bryan Harkins	13,250	1,103	800		104	15,257

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The aggregate amount of perquisites and other personal benefits did not exceed \$10,000 for any of the NEOs.

- (5) In March 2015, Bats appointed Chris Concannon as Bats' President and Chief Executive Officer. Mr. Ratterman remained an employee through December 31, 2015 following his resignation as Chief Executive Officer in March 2015.

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Mr. Ratterman's salary and bonus reflect his role as Chief Executive Officer through March 2015 and as an employee assisting with Mr. Concannon's transition during the remainder of 2015.

(6) Mr. Hemsley receives his cash compensation in British pounds. The amounts reported above for 2015 were converted to U.S. dollars using a rate of £1.00 to \$1.480, which was the exchange rate as of December 31, 2015.

(7) Amount includes a \$25,000 spot bonus based on individual performance.

(8) Amounts represent Bats' matching contributions under Bats' U.S. Retirement Plan and Bats Europe Retirement Plans, which are defined contribution pension plans, as further described in "Information About Bats Compensation Discussion and Analysis Elements of Bats' Executive Compensation Program Retirement Savings Opportunity."

(9) Bats' paid time off policy allows associates to carry-over five days of paid time off from one year to the next. Any unused days exceeding the five carry-over days were paid to associates at 50% of their base salary.

Grants of Plan-Based Awards

The following table sets forth information concerning grants of plan-based awards made to the executive officers named in the Summary Compensation Table during Bats' fiscal year ended December 31, 2015. The awards set forth in the table below do not reflect the reclassification and 1-for-2.91 stock split described in the Form S-1.

2015 Grants of Plan-Based Awards

Name	Grant Date	Date of Board Action	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units# ⁽³⁾	Grant Date Fair Value of Stock and Option Awards
			Threshold ⁽¹⁾ (\$)	Target ⁽²⁾ (\$)	Maximum ⁽¹⁾ (\$)		
Chris Concannon	12/1/2015	11/11/2015	N/A	\$ 180,000	N/A	57,478	\$ 2,639,965
Joe Ratterman	12/1/2015	11/11/2015	N/A	135,000	N/A	6,531	299,969
Brian N. Schell	12/1/2015	11/11/2015	N/A	68,125	N/A	7,299	335,243
Mark Hemsley ⁽³⁾	12/1/2015	11/11/2015	N/A	107,438	N/A	17,793	817,232
Chris Isaacson	12/1/2015	11/11/2015	N/A	75,000	N/A	7,348	337,494
Bryan Harkins	12/1/2015	11/11/2015	N/A	68,125	N/A	10,385	476,983

(1) Payouts under the Milestone Bonus Plan are not subject to threshold performance or maximum limits.

(2) Amounts represent target payouts under the Milestone Bonus Plan, as further described in "Information About Bats Compensation Discussion and Analysis Elements of Bats' Executive Compensation Program Cash Bonuses."

(3) These restricted stock grants vest in equal installments over four years from the grant date.

(4) Mr. Hemsley receives his cash compensation in British pounds. The amounts reported above were converted to U.S. dollars using a rate of £1.00 to \$1.480, which was the exchange rate as of December 31, 2015.

Table of Contents***Outstanding Equity Awards at Fiscal Year End***

The following table sets forth information concerning unexercised options, stock that has not vested and equity incentive plan awards for the executive officers named in the Summary Compensation Table as of the end of Bats' fiscal year ended December 31, 2015. The outstanding awards set forth in the table below do not reflect the reclassification and 1-for-2.91 stock split described in the Form S-1.

Outstanding Equity Awards at 2015 Fiscal Year-End

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Number of shares that have not vested	Market value of shares that have not vested
Chris Concannon	54,884	164,654	\$ 36.44	11/28/2024	98,641	\$ 4,530,581
Joe Ratterman			N/A	N/A	6,531	299,969
Brian N. Schell			N/A	N/A	23,782	1,092,307
Mark Hemsley	10,837		28.63	1/30/2020	48,250	2,216,123
Chris Isaacson	10,837		16.38	4/29/2019	15,626	717,702
	43,349		28.63	1/30/2020	N/A	N/A
Bryan Harkins			N/A	N/A	25,687	1,179,804

(1)

All stock options and restricted stock issued vest in equal annual installments over four years. Under the 2009 Plan, all unvested stock options fully vest upon the earlier of a change of control event or April 14, 2017 (the first anniversary of the effectiveness of the Form S-1). Under the 2012 Plan, restricted stock and stock options are not subject to accelerated vesting upon termination of employment absent any change of control event. Restricted stock and stock options granted under the 2012 Plan and held by the NEOs are subject to accelerated vesting upon the death or disability of the NEO or upon termination of the NEO's employment by the company without cause within twelve (12) months following a change of control event, unless otherwise set forth in an individual employment agreement.

None of Bats' NEOs held stock awards (other than stock options and restricted stock) during the fiscal year ended December 31, 2015.

Option Exercises

There were no options exercised by any NEO during the fiscal year ended December 31, 2015.

Pension Plans

Other than Bats' U.S. Retirement Plan and the Bats Europe Retirement Plans, which are defined contribution plans, Bats does not have any plan that provides for payments or other benefits at, following, or in connection with, retirement.

Nonqualified Deferred Compensation Table

Bats does not have any plan that provides for the deferral of compensation on a basis that is not tax qualified.

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Potential Payments Upon Termination or Change in Control

As of December 31, 2015, none of the NEOs, except for Mr. Harkins and Mr. Hemsley, was covered by an employment agreement that addresses payment upon a termination or change in control.

Under Mr. Harkins' employment agreement, upon a termination of Mr. Harkins' employment by Bats involuntarily without cause or by Mr. Harkins for good reason, he is entitled to: (i) 100% of his annual base salary, (ii) an amount equal to 100% of his average annual incentive (as defined in his employment agreement), (iii) the cost of COBRA premiums payable over twelve (12) months, and (iv) his pro rata bonus as of the date of termination. Mr. Harkins is also entitled to certain severance compensation and benefits upon a change in control. Under his employment agreement, if, within the eighteen (18) month period occurring immediately after a change in control, Mr. Harkins is involuntarily terminated by Bats without cause or Mr. Harkins voluntarily terminates his employment for good reason, he is entitled to: (i) 150% of his annual base salary, (ii) an amount equal to 150% of his target bonus, (iii) the cost of twelve (12) months of COBRA premiums payable in a lump sum and (iv) his pro rata bonus as of the date of termination.

Under Mr. Hemsley's Service Agreement, a U.K. governed document, other than termination due to ill health or injury or events where an immediate termination is permitted under the agreement, Bats must provide him with 90 days' written notice of termination of employment. In the event he is unable to work due to ill health or injury for an aggregate period of 130 working days in a 12-month period, his employment may be terminated with notice of the statutory minimum plus one week. During the period following provision of notice of termination, the Garden Leave Period, Mr. Hemsley is entitled to his basic salary and contractual benefits. In Bats' discretion, it may pay Mr. Hemsley basic salary and other contractual benefits in lieu of all or part of any notice period.

Effective as of January 1, 2016, each of the NEOs, except for Mr. Ratterman, is party to an Employment Agreement providing for severance and other termination benefits. Upon a termination of an NEO's employment by Bats involuntarily without cause (in the case of Mr. Hemsley, following Bats' provision of 90 days' written notice) or by the NEO for good reason, he is entitled to: (i) 100% of his annual base salary, (ii) an amount equal to 100% of his target bonus, (iii) the cost of COBRA premiums (or, in case of Mr. Hemsley, reimbursement for insurance premiums) payable over twelve (12) months, and (iv) his pro rata bonus as of the date of termination based on actual performance. Upon a voluntary termination of an NEO's employment without "Good Reason," he is entitled to 100% of his annual base salary during such time that the company elects to enforce the NEO's covenant not to compete. For a fuller description of this and other restrictive covenants see " Employment Agreements" above. Each of the NEOs is entitled to certain severance compensation and benefits upon a change in control. The Employment Agreements provide that if, within the twenty-four (24) month period occurring immediately after a change in control, an NEO is involuntarily terminated by Bats without cause or the NEO voluntarily terminates his employment for good reason, he is entitled to: (i) 200% of his annual base salary, (ii) an amount equal to 200% of his (A) target annual bonus and (B) 15% of his annual base salary (as an approximate milestone bonus payment), (iii) the cost of twelve (12) months of COBRA premiums (on, in the case of Mr. Hemsley, reimbursement for insurance premiums) payable in a lump sum, (iv) his pro rata bonus as of the date of termination based on target performance, and (v) the accelerated vesting of all outstanding equity awards held by the NEO.

If an NEO retires, dies or becomes disabled, or an NEO's employment is terminated for cause, the NEO will not receive any cash severance benefits (except for the payment of the NEO's pro rata bonus based on actual performance as of the date of termination due to the NEO's death or disability). The NEOs may choose to continue medical and dental benefits through COBRA or their respective insurance at their own cost.

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Pursuant to the terms of the Milestone Bonus Plan, employees who terminate employment with Bats for any reason are entitled to receive payment for milestone points earned during their period of employment for which no payment had been made prior to termination.

Under the 2009 Plan, all unvested stock options fully vest upon a change of control event. Under the 2012 Plan, restricted stock and stock options are not subject to accelerated vesting upon termination of employment absent any change of control event. Restricted stock and stock options granted under the 2012 Plan and held by the NEOs are subject to accelerated vesting upon the death or disability of the NEO or upon termination of the NEO's employment by the company without cause within twelve (12) months following a change of control event, unless otherwise set forth in an individual employment agreement.

Quantification of Payments

The table below reflects the amount of compensation payable to Bats' NEOs as of December 31, 2015 in the event of a termination of employment on the terms described in the footnotes. Bats has assumed that all expenses for which the NEO might be entitled to reimbursement have already been paid as of December 31, 2015, and that no mitigating circumstances exist that would allow it to decrease the payments. Amounts that have been paid or are payable in all events, such as the amounts earned with respect to fiscal year 2015 under the Milestone Bonus Plan and disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above, are not included. For information on the amount of compensation payable to Bats' NEOs in connection with the proposed merger, see the section entitled "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers" of this joint proxy statement/prospectus.

Name	Base Salary	Annual Bonus	Annual Incentive ⁽¹⁾	Contractual Benefits	Total
Chris Concannon					
Joe Ratterman					
Brian N. Schell					
Mark Hemsley ⁽²⁾	\$ 176,610			\$ 4,513	\$ 181,123
Chris Isaacson					
Bryan Harkins ⁽³⁾	500,000	\$ 500,000	\$ 450,000		1,450,000

(1) The Annual Incentive is defined as the average of the annual bonus for the past three years.

(2) Amounts represent the value of base salary and contractual benefits payable to Mr. Hemsley during a 90 day Garden Leave Period. Mr. Hemsley receives his cash compensation in British pounds. The amount reported above was converted to U.S. dollars using a rate of £1.00 to \$1.480, which was the exchange rate as of December 31, 2015.

(3) Amounts represent the value of base salary, annual bonus and annual incentive payable upon a termination of Mr. Harkins' employment by Bats involuntarily without cause or by Mr. Harkins for good reason.

The table below reflects the amount of compensation payable to Bats' NEOs as of December 31, 2015 in the event of a change of control. Bats has assumed that all expenses for which the NEO might be entitled to reimbursement have already been paid as of December 31, 2015, and that no mitigating circumstances exist that would allow it to decrease the payments. Amounts that have been paid or are payable in all events, such as the amounts earned with respect to fiscal year 2015 under the Milestone

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Bonus Plan and disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above, are not included.

Name	Base Salary	Unvested Equity Compensation ⁽¹⁾	Annual Bonus	Total
Chris Concannon		\$ 671,566		\$ 671,566
Joe Ratterman				
Brian N. Schell				
Mark Hemsley				
Chris Isaacson				
Bryan Harkins				

(1) These amounts are composed of the value associated with the acceleration of unvested stock options and restricted stock. Amounts represent the fair market value of the underlying common stock on December 31, 2015 less the strike price times the number of shares accelerated.

The table below reflects the amount of compensation payable to Bats' NEOs as of December 31, 2015 in the event of a termination in connection with change of control. Bats has assumed that all expenses for which the NEO might be entitled to reimbursement have already been repaid as of December 31, 2015, and that no mitigating circumstances exist that would allow it to decrease the payments. Amounts that have been paid or are payable in all events, such as the amounts earned with respect to fiscal year 2015 under the Milestone Bonus Plan and disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above, are not included.

Name	Base Salary	Unvested Equity Compensation ⁽¹⁾	Annual Bonus	Total
Chris Concannon		\$ 6,093,193		\$ 6,093,193
Joe Ratterman		299,969		299,969
Brian N. Schell		1,092,307		1,092,307
Mark Hemsley		2,216,123		2,216,123
Chris Isaacson		717,702		717,702
Bryan Harkins	\$ 750,000 ⁽²⁾	1,179,804	\$ 500,000	2,429,804

(1) These amounts are composed of the value associated with the acceleration of unvested stock options and restricted stock. Amounts represent the fair market value of the underlying common stock on December 31, 2015 less the strike price times the number of shares accelerated.

(2) Amount is defined in the employment agreement as one and a half times current base salary.

Director Compensation

None of Bats' employee directors receives compensation for their board service. Effective January 1, 2016, Bats has adopted the Bats Global Markets, Inc. Non-Employee Directors Compensation Policy, which it refers to as the Directors Compensation Policy, which establishes compensation to be paid to each of Bats' non-employee directors. Bats' board of directors may amend, revise, suspend, discontinue or terminate the Director Compensation Policy at any time.

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Under the Director Compensation Policy, all non-employee directors will receive the following annual retainers:

	Retainer (Annualized) (\$)
Board Service	
Board Retainer	180,000
Chairman Retainer (inclusive of Board Retainer)	360,000
Audit Committee Chair Fee	40,000
Audit Committee Member Fee	20,000
Compensation Committee Chair Fee	20,000
Compensation Committee Member Fee	10,000
Nominating and Corporate Governance Committee Chair Fee	15,000
Nominating and Corporate Governance Committee Member Fee	7,500

The retainers are payable in the form of a combination of cash and restricted stock, ranging from 50% to 100% restricted stock, at the non-employee director's election. The cash component of retainers and committee fees are payable quarterly in arrears, and the restricted stock component of retainer and committee fees is scheduled to be granted on the date of Bats' annual general meeting of stockholders. The number of shares underlying such grants of restricted stock will be determined by dividing the portion of the annual retainer that the non-employee director elects to take in the form of restricted stock by the fair market value of a share of Bats' common stock on the grant date. The restricted stock will vest 100% on the first anniversary of the grant date, subject to the terms and conditions of the Bats Global Markets, Inc. 2016 Non-Employee Directors Compensation Plan (the "**Directors Compensation Plan**"). If any non-employee director fails to make such an election prior to the initial cash payment date of each year, such non-employee director will receive 50% of his or her retainer in the form of restricted stock, with all remaining compensation payable in cash.

The committee fees are payable in the form of a combination of cash and restricted stock, ranging from 0% to 100% restricted stock, at the non-employee director's election. The number of shares underlying such grants of restricted stock will be determined by dividing the portion of the committee fees that the non-employee director elects to take in the form of restricted stock by the fair market value of a share of Bats' common stock on the grant date. The restricted stock will vest 100% on the first anniversary of the grant date, subject to the terms and conditions of the Directors Compensation Plan.

Restricted stock awards granted to Bats' non-employee directors under the Directors Compensation Plan will fully vest in the event of a change of control of Bats. For information on the treatment of restricted stock awards held by Bats' non-employee directors in connection with the proposed merger, see the section entitled "The Merger Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers" of this joint proxy statement/prospectus.

Any non-employee director who commences service on Bats' board of directors on a date other than the date of Bats' annual general meeting of stockholders will receive retainers and committee fees pro-rated as of such start date and payable only in cash.

If any non-employee director ceases to be a member of Bats' board of directors before the expiration of his or her term, all unvested restricted stock will be forfeited and he or she will be paid a pro-rata portion of his or her retainer and committee fees.

Subsequent Events2016 Equity Awards

Each of Bats' non-employee directors was granted an award of 3,529 restricted shares of Bats common stock (or, in the case of Mr. Ratterman, 7,058 restricted shares) under the Directors

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Compensation Plan in May 2016 for their service on the Bats board. These awards will fully vest on the first anniversary of the date of grant.

For a discussion of the treatment of the equity awards held by Bats' non-employee directors in connection with the merger, see the section entitled "Interests of Directors and Executive Officers in the Merger Bats Directors and Executive Officers Treatment of Bats Equity Awards" in this joint proxy statement/prospectus.

Risk Analysis of Compensation Program

Bats does not believe that its compensation programs encourage excessive or unnecessary risk taking. Bats' base salaries are fixed in amount; therefore it does not view them as encouraging risk taking. All employees are eligible to participate in the Milestone Bonus Plan. Quarterly cash bonuses are awarded under the Milestone Bonus Plan and represent a small portion of each employee's total compensation. These awards are tied to both company and department performance. Bats believes its Milestone Bonus Plan is designed to focus on achieving meaningful milestones that help Bats grow and appropriately balance risk with goals that promote the overall success of Bats' company. Each NEO is also eligible for an annual discretionary bonus that is tied to his or her short-term and long-term performance and achievements. Because the bonuses are designed to focus eligible employees on Bats' corporate success, Bats believes the bonus programs do not encourage excessive or unnecessary risk taking.

Bats also at times provides equity awards, subject to multi-year vesting schedules, that help further align the interests of its employees with the interests of its stockholders.

The Bats Compensation Committee, which is composed entirely of independent directors, reviews Bats' compensation plans and policies periodically to ensure proper alignment with overall company goals and objectives. The Bats Compensation Committee also reviews the risks arising from Bats' compensation policies and practices and assesses whether any such risks are reasonably likely to have a material adverse effect on us. The Bats Compensation Committee has concluded that Bats' compensation programs do not encourage excessive or unnecessary risk taking.

Compensation Committee Interlocks and Insider Participation

Each member of the Bats Compensation Committee is an independent, non-management director, no member of the Bats' Compensation Committee has ever been an officer or employee of Bats or any of its subsidiaries and no member of Bats' Compensation Committee had any relationship requiring disclosure under Item 404 of Regulation S-K. None of Bats' executive officers has served as a member of any board of directors or compensation committee of any other company for which any of Bats' directors served as an executive officer at any time since January 1, 2015.

Certain Relationships and Related Transactions

Certain of Bats' principal investors are the beneficial owners of more than 5% of its capital stock, and certain affiliates of these principal investors are also Bats' customers. Bats' principal investors include affiliates of KCG Holdings, Deutsche Börse, Spectrum Equity Investors, TA Associates and Credit Suisse.

Trading Activity

As a result of equity trading activity by these parties, Bats receives transaction fees related to trades that removed liquidity from BZX and EDGX or added liquidity to BYX and EDGA and for routing fees. Since November 2008, these fees have been assessed by BZX and BYX, and since March 2009, these fees have been assessed by EDGA and EDGX, pursuant to standardized fee schedules that are published and effective upon filing with the SEC under Section 19 of the Exchange Act and Rule 19b-4 thereunder. In addition, Bats passes along Section 31 fees, which are calculated based on a rate set by the SEC, to BZX, BYX, EDGA and EDGX customers, and recognizes an equivalent amount as regulatory transaction fee revenue. Finally, Bats' receives other fees from its BZX, BYX, EDGA and EDGX customers, including port fees for access to its platform and market data products revenues.

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Bats also pays, as a result of such equity trading activity, liquidity payments for trades that added liquidity to BZX and EDGX or removed liquidity from BYX and EDGA and routing and clearing payments for routing to other markets and clearing services. Since November 2008, these payments have been made by BZX and BYX, and since March 2009, these fees have been made by EDGA and EDGX, pursuant to standardized fee schedules that are published and effective upon filing with the SEC under Section 19 of the Exchange Act and Rule 19b-4 thereunder.

Bats receives transaction fees and pays liquidity payments related to trading in Europe. BTL charges transaction fees and pays liquidity payments based on a published fee schedule. Bats also receives other fees in Europe from its customers, including port fees and market data products.

As a result of FX activities by these related parties, Bats receives transaction fees related to trades that execute on the Hotspot foreign currency market.

The transaction fees and regulatory transaction fees that Bats received from related parties and the liquidity payments and routing and clearing payments that Bats made to related parties are summarized in the charts below. These numbers include fees from and payments to entities that have merged with or were acquired by affiliates of Bats' principal investors. These numbers also include Direct Edge and Hotspot activity from the date of their respective acquisitions, January 31, 2014 and March 13, 2015, respectively. Such fees and payments have at all times been on terms no more favorable than those given to customers who are not related parties.

Fees Received from Related Parties	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Transaction fees	\$ 582.4	\$ 436.4	\$ 222.3
As a percentage of total transaction fees	45.1%	43.2%	36.3%
Regulatory transaction fees	\$ 129.8	\$ 158.5	\$ 63.4
As a percentage of total regulatory transaction fees	47.1%	58.3%	49.8%

Payments to Related Parties	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Liquidity payments	\$ 558.5	\$ 427.9	\$ 241.0
As a percentage of total liquidity payments	52.2%	51.5%	50.8%
Routing and clearing	\$ 43.6	\$ 25.8	\$ 30.3
As a percentage of total routing and clearing	91.9%	54.5%	71.1%

Bats also maintains brokerage accounts with affiliates of certain of its principal investors, including BofA Merrill Lynch, J.P. Morgan, Morgan Stanley and Wedbush Securities. As of the years ended December 31, 2015 and 2014, approximately \$51.3 million and \$101.5 million, respectively, in cash and cash equivalents and financial instruments were held in such accounts.

Procedures for Related Person Transactions

In conjunction with the IPO, the Bats board adopted a written related person transaction policy. The policy was not in effect when Bats entered into the transactions discussed above. Under the policy, an independent committee of the Bats board, which initially is the Nominating and Corporate Governance Committee, must approve or ratify any transaction involving Bats in which any of its executive officers, directors, director nominees, beneficial owners of more than 5% of its voting securities or the immediate family members of such persons has a direct or indirect material interest. Bats refers to such persons as related persons and to such transactions as related person transactions. In addition, each director, director nominee and executive officer must promptly report any transactions involving Bats and a related person to Bats' corporate secretary, as provided in the policy.

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The corporate secretary will present any new related person transactions and proposed transactions involving related persons to the Nominating and Corporate Governance Committee, which will determine whether the related person involved has a direct or indirect material interest in the transaction. If the Nominating and Corporate Governance Committee determines that a transaction is a related person transaction, it will review the transaction, considering all of the relevant facts and circumstances, including the commercial reasonableness of the terms, the benefit and perceived benefit, or lack thereof, to Bats, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. In addition, the Nominating and Corporate Governance Committee will periodically review previously approved related person transactions. The Nominating and Corporate Governance Committee will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, the transaction is in, or not inconsistent with, the best interest of Bats and its stockholders.

There are certain types of transactions, set forth below, that will not be deemed to create or involve a material interest on the part of the related person and will not be reviewed or require approval or ratification under the policy:

transactions involving the purchase or sale of products or services in the ordinary course of business, not exceeding \$120,000;

transactions involving the purchase or sale of products or services in the ordinary course of business involving a related person who is a related person by virtue of its ownership of Bats' common stock;

transactions in which the related person's interest derives solely from his or her service as a director of another corporation or organization that is a party to the transaction;

transactions in which the related person's interest derives solely from his or her ownership of less than 10% of the equity interest in another person (other than a general partnership interest) which is a party to the transaction;

transactions in which the related person's interest derives solely from his or her ownership of a class of Bats' equity securities and all holders of that class of equity securities received the same benefit on a pro rata basis;

compensation arrangements of any executive officer, other than an individual who is an immediate family member of a related person, if such arrangements have been approved by the Bats Compensation Committee;

director compensation arrangements, if such arrangements have been approved by the Bats board; or

indemnity payments made to directors and executive officers in accordance with the Bats charter, bylaws and applicable laws.

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**BATS MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Please read the following discussion in conjunction with Bats' audited consolidated financial statements and related notes and Bats' unaudited condensed consolidated financial statements and related notes included elsewhere in this joint proxy statement/prospectus. This Bats Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected or implied in the forward-looking statements. See "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" for a discussion of 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.

For purposes of the discussion contained in this section of this joint proxy statement/prospectus entitled "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations," references to Bats means Bats and its consolidated subsidiaries, unless the context otherwise requires, and references to "market share," "share of the market" or "share of trading" means:

(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 MTFs reported as having been matched during such period. The total notional value of all such trades does not include the notional value of 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 the inclusion of market data from additional European national securities exchanges or MTFs. Due to the lack of a consolidated European reporting tape, Bats Europe's share of European trading is based on public data provided by third-party sources and represents Bats' best estimate of market share.

Overview

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. Its asset class focus currently comprises listed cash equity securities in the United States and Europe, listed equity options in the United States and institutional spot FX globally, as well as ETPs, including ETFs, in the United States and Europe. For the nine months ended September 30, 2016, trade execution comprised 44.2% of Bats' revenues less cost of revenues, and non-transaction revenues comprised 55.8% of its revenues less cost of revenues.

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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 September 30, 2016. In addition, for each of the nine consecutive months ended September 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.

Bats improves markets by maximizing efficiency and mitigating trade execution risk, in part by offering low-cost, market-leading pricing and low-latency trade execution enabled by resilient and robust proprietary technology. For example, during the nine months ended September 30, 2016, Bats' net capture, including auctions, in the U.S. equities market was approximately 44% of the rate reported by NASDAQ OMX Group's U.S. equities operations and Intercontinental Exchange, Inc.'s NYSE operations, while Bats' net capture, including auctions, in the European listed equity securities market was approximately 23% of the rate reported by the London Stock Exchange's European equities operations. During the nine months ended September 30, 2016, Bats' net capture in the U.S. listed equity options market was 16% to 42% of the rate reported by CBOE, NYSE Arca, NYSE MKT, NASDAQ Options Market and NASDAQ PHLX. Bats offers the same low-cost, market-leading pricing for its market data products. During the nine months ended September 30, 2016, Bats' pricing for market data for the U.S. equities market was a combined \$12,500 per month for data from BZX, BYX, EDGX and EDGA. This is approximately 8% of the prices reported by NYSE and NASDAQ operations to receive data for all of their respective markets during the same period. Bats' market data pricing in Europe was €59.50 per month for pan-European data during the nine months ended September 30, 2016. This is approximately 11% of the cost of receiving data from the other exchanges across Europe during the same period. Participants can also purchase Bats' spot FX market data for \$5,000 per month. This is approximately 8% of the price currently charged by the EBS Market platform.

Bats develops, owns and operates the Bats trading platforms, which deploy its proprietary technology designed to offer some of the fastest and most reliable trading systems available.

For the nine months ended September 30, 2016, Bats had a 20.8% share of the overall U.S. equity market, a 25.1% share of the trading of ETPs and a 11.0% share of the U.S. equity options market. In Europe, for the nine months ended September 30, 2016, Bats had a 23.2% share of European trading in the securities available for trading on Bats Europe. In addition, Bats had \$27.0 billion ADNV in its Global FX segment for the nine months ended September 30, 2016 and a 11.9% share of the publicly reported institutional spot FX market for the same period. For the nine months ended September 30, 2016, Bats derived 77.9% of its total revenues from the trading of U.S. listed cash equities securities, 14.1% of its total revenues from the trading of U.S. listed equity options, 5.8% of its total revenues from the trading of European listed cash equities securities and 2.2% of its total revenues from trading globally of institutional spot FX.

Bats' revenue is primarily tied to the volume of securities traded on its markets and its market share of trading in the overall U.S. and European equity markets, the U.S. equity options market and the global FX market. Trading volume on its markets can be influenced by a number of factors, including overall market volatility. Bats' revenue increased from \$926.6 million in 2011 to \$1,778.7 million in 2015. This revenue growth is attributable to Bats' increased market share and increased overall market volume, the introduction of new products and services, and strategic acquisitions of Chi-X Europe, Direct Edge and Bats Hotspot.

Bats' revenue consists primarily of transaction fees, regulatory fees, market data fees and connectivity fees. On a consolidated basis, Bats' revenues less cost of revenues were \$330.5 million for the nine months ended September 30, 2016, which represents a 15.6% increase from the \$285.8 million

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generated for the nine months ended September 30, 2015. Non-transaction revenues were 55.8% of revenues less cost of revenues for the nine months ended September 30, 2016. Adjusting for growth through acquisitions, Bats' organic growth rate of revenues less cost of revenue for the nine months ended September 30, 2015 compared to 2014 was 12.9%. For the nine months ended September 30, 2016, Bats' net income was \$76.5 million, compared to \$60.5 million for the nine months ended September 30, 2015. For the nine months ended September 30, 2016, Bats' Normalized EBITDA margin was 65.8%, compared to 60.4% for the nine months ended September 30, 2015.

History

Bats was formed in 2005 as an alternative to the NYSE and NASDAQ in response to increased consolidation among U.S. listed cash equity market centers. In January 2006, Bats launched its ECN, a type of ATS, which initially focused on the trading of NASDAQ-listed securities and in May 2006 Bats expanded to include trading of American Stock Exchange (now NYSE MKT)-listed securities. In February 2007, Bats expanded to include trading of NYSE-listed securities.

In November 2008, Bats converted its ECN to a national securities exchange, BZX, which allowed it to participate in and earn market data fees from the U.S. tape plans, reduce its clearing costs and operate a primary listings business. In order to grow its market share of the U.S. equity market, Bats launched BYX, a national securities exchange, in October 2010. Like BZX, BYX offers trading in listed cash equity securities and ETPs, such as ETFs, but BYX targets different market segments than BZX by offering alternative pricing. In January 2014, Bats acquired Direct Edge, which operated two national securities exchanges, EDGX and EDGA. For the year ended December 31, 2015, Bats' exchanges combined had a 21.1% share of the U.S. equity market, and Bats was the second largest exchange operator in the United States after Intercontinental Exchange, Inc. (operator of the NYSE).

In February 2010, in the United States, Bats began trading U.S. listed equity options on BZX. In order to grow its market share of the U.S. listed equity options market, Bats launched an additional options exchange on EDGX in November 2015. For the year ended December 31, 2015, Bats had a 9.6% share of the U.S. options market.

Seeking to compete on a pan-European basis against competing national exchanges, Bats launched its European MTF in October 2008. In November 2011, Bats acquired Chi-X Europe, then the operator of the largest pan-European MTF. The merged entity became an RIE in May 2013, operating both an MTF and an RM. Bats Europe offers secondary trading in over 4,000 European listed cash equity securities, in addition to ETFs, exchange-traded commodities and international depository receipts. In December 2013, Bats acquired a 25% interest in EuroCCP. For the year ended December 31, 2015, Bats Europe had a 24.4% share of European trading in the securities available for trading on Bats Europe and was the largest pan-European equities exchange in terms of notional market share. Bats Europe also offers BXTR, the largest European OTC equities trade reporting facility launched in 2013.

In March 2015, Bats acquired Bats Hotspot and entered into the institutional spot FX market with a New York area based matching engine. In September 2015, Bats launched a second spot FX matching engine near London, complementing Bats Hotspot's New York area matching engine and giving investors two distinct pools of liquidity to drive price formation globally. From the acquisition date of March 13, 2015 to December 31, 2015, Bats' ADNV on the Bats Hotspot market was \$25.8 billion. On April 1, 2016, Bats acquired substantially all of the assets of ETF.com, and subsequently contributed those assets to a new, independent media subsidiary of Bats, Bats ETF.com.

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Business Segments

Bats currently operates along four business segments. Bats management allocates resources, assesses performance and manages its business according to these segments:

U.S. Equities. Bats' U.S. Equities segment includes listed cash equities and exchange-traded product transaction services that occur on BZX, BYX, EDGX and EDGA. It also includes the listed cash equities routed transaction services that occur on its wholly-owned subsidiary, Bats Trading. For the nine months ended September 30, 2016, Bats' U.S. Equities segment represented 77.9% of its total revenues. For the year ended December 31, 2015, Bats' U.S. Equities segment represented 78.0% of its total revenues. Pro forma for the acquisition of Bats Hotspot, Bats' U.S. Equities segment would have represented 77.6% of its total revenues for the year ended December 31, 2015.

European Equities. Bats' European Equities segment includes pan-European cash equities transaction services, ETFs, exchange-traded commodities and international depository receipts that occur on its MTF, and a listing and trading venue on Bats' RM, which together Bats refer to as Bats Europe. Bats' European Equities segment represented 5.8% of its total revenues for the nine months ended September 30, 2016. Bats' European Equities segment represented 6.6% of its total revenues for the year ended December 31, 2015. Pro forma for the acquisition of Bats Hotspot, Bats' European Equities segment would have represented 6.6% of its total revenues for the year ended December 31, 2015.

U.S. Options. Bats' U.S. Options segment includes its listed equity options markets on BZX and EDGX. It also includes the listed equity options routed transaction services that occur on Bats Trading. Bats' U.S. Options segment represented 14.1% of its total revenues for the nine months ended September 30, 2016. Bats' U.S. Options segment represented 13.6% of its total revenues for the year ended December 31, 2015. Pro forma for the acquisition of Bats Hotspot, Bats' U.S. Options segment would have represented 13.5% of its total revenues for the year ended December 31, 2015.

Global FX. Bats' Global FX segment includes the operations of the Bats Hotspot Platform acquired in March 2015. Bats' Global FX segment represented 2.2% of its total revenues for the nine months ended September 30, 2016. Bats' Global FX segment represented 1.8% of its total revenues for the year ended December 31, 2015. Pro forma for the acquisition of Bats Hotspot, Bats' Global FX segment would have represented 2.3% of its total revenues for the year ended December 31, 2015.

Significant Recent Transactions Affecting Bats' Results of Operations

2012 Loan

On December 19, 2012, Bats entered into (i) a term loan agreement in the amount of \$300 million and (ii) revolving loans not to exceed \$50 million, which Bats refers to collectively as the "**2012 Loan**." The proceeds received from the term loan were used to pay a \$298.9 million dividend, or \$13.20 per share, to all Bats stockholders during the fourth quarter of 2012. The term of the loan was six years ending on December 19, 2018 with a variable interest rate based on one-month LIBOR (with a floor of 125 basis points) plus a spread of 575 basis points. The original issue discount was \$12.5 million, or approximately 4.2%. The revolving loans had similar interest rates and a three-year term, ending on December 19, 2015. Bats incurred \$7.1 million of debt issuance costs, which was capitalized and was being amortized over the term of the loans. The 2012 Loan was extinguished with proceeds from the 2014 Loan, as described and defined below.

Table of Contents***Direct Edge Acquisition***

On January 31, 2014, Bats acquired 100% of the ownership interests of Direct Edge. Bats expects to benefit from various synergies as a result of the acquisition, including compensation and benefits expenses and systems and data communication expenses as a result of Bats' recent technology integration migrating the trading platform of the Direct Edge legacy exchanges to the Bats technology, which occurred in January 2015. Bats also intends to benefit from the ability to offer a wider range of pricing options and more valuable market data as its market share increased with the acquisition. Bats incurred approximately \$0.8 million and \$18.5 million in acquisition-related costs during the years ended December 31, 2015 and 2014, respectively.

2014 Loan

Upon consummation of the Direct Edge acquisition on January 31, 2014, Bats entered into (i) a term loan agreement in the amount of \$470 million and (ii) revolving loans not to exceed \$100 million, which Bats refers to collectively as the "**2014 Loan**." The proceeds received from the 2014 Loan were used to extinguish the 2012 Loan, pay a \$132.9 million dividend, or \$4.07 per share, to all Bats stockholders and for other corporate purposes. The 2012 Loan, related debt issuance costs and debt discount were extinguished, resulting in a loss of \$13.6 million that was recorded in non-operating expense on the statement of income. The term of the 2014 Loan is six years ending on January 31, 2020 with a variable interest rate based on one-month LIBOR (with floor of 100 basis points) plus a spread of 400 basis points (375 if Bats' leverage ratio falls below 2.25). The original issue discount was \$1.2 million, or approximately 0.25%. The revolving loans had an interest rate of LIBOR plus 350 basis points and a three-year term, ending on January 31, 2017. The fee on the undrawn portion of the revolver is 0.5% and principal payments on outstanding balances were made on a quarterly basis. In connection with the 2014 Loan, Bats incurred \$8.3 million of debt issuance costs, which was capitalized and was being amortized over the term of the loans.

Upon consummation of the Bats Hotspot acquisition, Bats amended its 2014 Loan (the "**Amended 2014 Loan**"). The Amended 2014 Loan increased the spread on the variable interest rate from 400 basis points to 475 basis points and required a 25 basis point amendment fee. The required annual amortization also increased from 5.0% per annum to 7.5% per annum. In addition, under the Amended 2014 Loan, Bats entered into (i) a new \$150 million three-year term loan, or the "**2015 Term Loan B-1**," and (ii) a new \$228 million five-year term loan, or the "**2015 Term Loan B-2**," both of which were funded immediately prior to the Bats Hotspot acquisition. The 2015 Term Loan B-1 had an interest rate based on one-month LIBOR plus a spread of 375 basis points and a 100 basis point original issue discount, or \$1.5 million. The 2015 Term Loan B-2 had an interest rate based on one-month LIBOR (with a floor of 100 basis points) plus a spread of 475 basis points and a 100 basis point original issue discount, or \$2.3 million. In addition, Bats entered into a new \$100 million revolving credit facility with an interest rate based on one-month LIBOR plus a spread of 350 basis points and an undrawn fee of 50 basis points, replacing the revolving credit facility under the 2014 Loan.

In June 2016, Bats refinanced its Amended 2014 Loan with a new seven-year \$650 million term loan (the "**2016 Term Facility**"). The 2016 Term Facility decreased the spread on the interest rate from 475 basis points to, subject to compliance with a leverage ratio pricing grid, LIBOR plus 350 basis points, and includes 50 basis points of original issue discount. Under the 2016 Term Facility, the required annual amortization also decreased from 7.5% per annum to 1.0% per annum, calculated on the basis of the outstanding principal amount of the 2016 Term Facility. In addition to scheduled amortization payments, Bats may be required to make prepayments of principal based on a percentage of Excess Cash Flow, as defined in the 2016 Term Facility, or with 100% of the net cash proceeds of certain assets sales or debt incurrences. In addition, Bats entered into a new three-year \$100 million revolving credit facility with an interest rate based on, subject to compliance with a leverage ratio grid,

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LIBOR plus 275 basis points, which includes an undrawn fee, subject to compliance with a leverage ratio grid, of 37.5 basis points, replacing the revolving credit facility under the Amended 2014 Loan.

Affiliates of certain of Bats' significant stockholders are lenders under its 2016 Term Facility.

Bats Hotspot Acquisition

On March 13, 2015, Bats completed the acquisition of Bats Hotspot from KCG Holding, Inc. for \$365 million in cash at closing and additional contingent consideration payments with an acquisition-date fair value of \$62.6 million. Bats expects to benefit from various synergies as a result of cost savings from consolidation of technology, operations, compensation and occupancy. Bats also expects to diversify its revenue, while implementing new products and geographies to the Global FX business. Bats has incurred approximately \$7.4 million in acquisition-related costs during the year ended December 31, 2015.

As of the acquisition dates, Direct Edge's and Bats Hotspot's assets, liabilities and operations, including amortization and depreciation expenses, are reported under Bats' U.S. Equities and Global FX segments, respectively. As a result of these acquisitions, Bats acquired goodwill and other indefinite-lived intangible assets of approximately \$648.9 million that will be assessed for impairment under ASC 350. Bats also has approximately \$231.4 million in identifiable acquired intangible assets, which will result in approximately \$22.3 million in amortization expense in 2016. In addition, pursuant to the Bats Hotspot acquisition agreement, a contingent consideration payment will be payable to the former owner of Bats Hotspot to account for a portion of certain tax benefits realized by Bats from the Bats Hotspot acquisition. The payments are contingent on the company generating sufficient taxable income to recognize the tax benefit. Bats and the former owner have an option to early terminate the contingent consideration arrangement in 2018 for a one-time payment of \$50 million from Bats to the former owner. The fair value of the contingent consideration liability will be reassessed each reporting period, and any change in such liability will be recorded in Bats' results of operations.

Initial Public Offering, Reclassification and Stock Split

On April 20, 2016, Bats completed its IPO in which certain of its stockholders sold 15,295,000 shares of existing common stock at a public offering price of \$19.00 per share for an aggregate offering price of \$290.6 million, including the exercise in full by the underwriters of their option to purchase additional shares. In connection with the IPO, Bats effected a 1-for-2.91 stock split, after giving effect to the reclassification of each share of its Class A non-voting common stock to common stock and its Class B non-voting common stock to non-voting Bats common stock.

Acquisition Synergies

With the Chi-X Europe acquisition in 2011, Bats has realized approximately \$14 million in annualized synergies through December 31, 2012. With the Direct Edge acquisition, Bats has realized approximately \$42.0 million in annualized synergies through September 30, 2016, and with the Bats Hotspot acquisition, Bats has realized approximately \$9.3 million in annualized synergies through September 30, 2016. Bats expects to realize an additional \$4.6 million and \$1.7 million in annualized synergies through December 31, 2016 from the Direct Edge and Bats Hotspot acquisitions, respectively.

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The following summarizes the total synergies realized or expected, as applicable, listed by expense category, for each of Bats' acquisitions for the time periods indicated:

	Direct Edge			Bats Hotspot	
	Chi-X Europe Realized as of 9/30/16	Realized as of 9/30/16	Additional Expected through 12/31/16	Realized as of 9/30/16	Additional Expected through 12/31/16
Compensation and benefits	\$ 9.7	\$ 23.8	\$ 0.6	\$ 9.3	\$ 1.7
Depreciation	0.1				
Systems and data communication	4.1	6.1	1.9		
Occupancy	0.5	0.1	0.2		
Professional fees		0.6	(0.2)		
Regulatory costs		(0.7)	0.2		
General and administrative		12.1	1.9		
	\$ 14.4	\$ 42.0	\$ 4.6	\$ 9.3	\$ 1.7

Bats' Model

Like many of Bats' listed cash equity securities and listed equity options competitors, Bats has adopted a price-time-priority system, where the first order to its book takes priority. Bats uses both "maker-taker" and "taker-maker" pricing models on its exchanges. The maker-taker pricing model is designed to incentivize market makers to provide liquidity on a continuous basis. Participants are attracted to markets that have continuous and deep liquidity, which provides more opportunity to buy and sell equities immediately and with minimal adverse effect on prices. Because market makers supply a valuable service to markets by providing liquidity, maker-taker pricing rewards them with a rebate. In addition to maker-taker and taker-maker, Bats uses a "classic" pricing model on its newest equity options exchange, as described below.

Under Bats' "maker-taker" pricing model, on BZX (for both listed cash equity securities and listed equity options), EDGX (for listed cash equity securities) and on certain order books of Bats Europe, a customer posting an order on Bats' book, which Bats refers to as the liquidity maker or liquidity provider, is paid a rebate for an execution occurring against that order, and a customer executing against an order resting on Bats' book, which Bats refers to as the liquidity taker or liquidity remover, is charged a fee. Bats generates a substantial portion of its operating income from the difference between the "maker" rebate and the "taker" fee. Bats believes this type of fee schedule is attractive to customers who regularly provide liquidity. Although customers must pay a fee to access that liquidity, that fee is explicitly disclosed and charged to all customers on a non-discriminatory basis.

The BYX and EDGA listed cash equity securities "taker-maker" pricing model provides that a liquidity taker will be paid a rebate for executing against an order resting on Bats' book, and the liquidity provider will be charged a fee for posting such an order. In this case, Bats generates revenues less cost of revenues from the difference between the "maker" fee and the "taker" rebate. Currently, both the fee and the rebate are significantly less than the rebates and fees in place on BZX and EDGX. Bats believes this appeals to market participants who are primarily interested in the most cost-effective means of accessing resting liquidity, but less concerned about the depth of liquidity available on the market. In addition, Bats believes this model appeals to market participants trading lower-priced securities.

Like two-thirds of the listed equity options market, Bats has adopted a "pro rata" model on listed equity options trading on EDGX. The pro rata model is based on customer priority and pro rata allocations model, meaning orders are given priority based on price, size and capacity rather than simply on price and time. EDGX options employs a "classic" pricing model that charges a fee to

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market makers for access to order flow brought by customers' brokers and a portion of that fee is then provided back to such brokers (known as payment for order flow). The classic pricing model in place on EDGX also provides customers with rebates for executions on the exchange and charges fees to non-customers. In this case, Bats generates revenues less cost of revenues from the difference between the fees charged and the rebates provided. Bats believes this type of fee schedule is attractive to customers who regularly remove liquidity.

For unfilled orders, Bats also provides its customers a smart-order routing service, enabling the onward routing of unfilled orders to other market centers. In the United States, this is facilitated through Bats' wholly-owned broker-dealer subsidiary, Bats Trading. In Europe, Bats Europe operates an order routing facility through Bats' wholly-owned subsidiary Chi-X Europe and is one of the few market centers in Europe that provides such routing services.

The Bats Hotspot Platform uses a price-time-priority model. The Bats Hotspot Platform consists of a mixture of both firm and non-firm liquidity provided by both clients and dedicated liquidity providers and enables Bats Hotspot to offer its clients customized liquidity solutions. Bats Hotspot clients are charged either a flat or tiered commission rate based upon the notional amount traded on the Bats Hotspot Platform. These rates are expressed as U.S. dollars per million notional U.S. dollars traded. The flat commission rate or tiers applicable to each client are determined on a client-by-client basis by management in light of market forces and client activity.

Factors Affecting Results of Operations

In broad terms, Bats' business performance is impacted by a number of drivers including macroeconomic events affecting the risk and return of financial assets, investor sentiment, the regulatory environment for capital markets, geopolitical events, central bank policies and changing technology, particularly in the financial services industry. Bats' future revenues and net income will continue to be influenced by a number of domestic and international economic trends including:

trading volumes in listed cash equity securities and ETPs in both the United States and Europe, volumes in listed equity options and volumes in institutional spot FX trading, which are driven primarily by overall macroeconomic conditions;

the demand for information about, or access to, Bats' markets, which is dependent on the products Bats trades, its importance as a liquidity center and the quality and pricing of its data and access services;

continuing pressure in transaction fee pricing due to intense competition in the United States and Europe;

regulatory changes relating to market structure or affecting certain types of instruments, transactions, pricing structures, capital market participants or reporting or compliance requirements; and

technological advances and members' demand for speed, efficiency and reliability.

Currently Bats' business drivers are defined by investors' and companies' cautiously optimistic outlook about the pace of global economic recovery. The U.S. and European listed cash equity securities markets have historically experienced growth in trading volumes. From time to time, however, volumes have declined due to economic performance, volatility and other related factors.

Recently, volumes in institution spot FX trading have been lower than expected when Bats purchased Bats Hotspot. If these trends continue, the future fair value of Bats' goodwill related to that acquisition could be affected.

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Although some major U.S. market indices reached record levels in 2015 and 2016, European equity markets have not performed as well and many remain below their pre-financial crisis highs. Because a number of significant structural and political issues continue to confront the global economy, instability could return at any time, resulting in an increased level of market volatility, oscillating trading volumes and a return of market uncertainty. In contrast, many of the largest customers of Bats' transactional businesses continue to adapt their business models as they address the implementation of regulatory changes initiated following the global financial crisis.

With the acquisitions of Chi-X Europe in 2011 and Direct Edge in 2014, Bats significantly increased its presence in the European and U.S. listed cash equity securities markets. This lets Bats compete more readily with other large exchanges in Europe and the United States and better manage the macroeconomic factors and industry pressures discussed above. Bats operates the largest pan-European equity exchange by notional value traded and the second largest U.S. cash equities exchange by market share. With the Bats Hotspot acquisition in 2015, Bats entered the market for the world's largest asset class, FX, to further diversify its product offerings. With the acquisition of ETF.com in April 2016, Bats enhanced its strategic positioning within the overall ETF industry.

Components of Revenues*Transaction Fees**General*

Total transaction fees during a period are variable, based on trading volume and pricing per share on Bats' U.S. listed cash equity markets, pricing as a percentage of notional value on Bats' European listed cash equities market, pricing per contract on Bats' U.S. listed equity options market and pricing per million U.S. dollars traded on Bats' institutional spot FX market.

Transaction fees consist of "taker" fees (or in the case of BYX and EDGA, "maker" fees) and routing fees charged on securities that are routed out to another market center. Transaction fees are considered earned upon the execution of the trade and are recognized on a trade-date basis. The "taker" fees (or in the case of BYX and EDGA, "maker" fees) from transactions executed through Bats' markets are recorded on a gross basis in revenues, with "maker" rebates (or in the case of BYX and EDGA, "taker" rebates) recorded on a gross basis in cost of revenues. Transaction fee revenues accounted for 71.3% of Bats' total revenues for the nine months ended September 30, 2016 and 72.5% and 69.3% of Bats' total revenues for the years ended December 31, 2015 and 2014, respectively. Transaction fees from BZX, BYX, EDGX and EDGA were 28.8%, 11.3%, 29.0% and 3.8%, respectively, of Bats' total transaction fees for the nine months ended September 30, 2016, 30.3%, 10.6%, 28.2% and 3.8%, respectively, of Bats' total transaction fees for the year ended December 31, 2015, and 51.0%, 8.3%, 29.6% and 5.0%, respectively, of Bats' total transaction fees for the year ended December 31, 2014. The differences are based on the individual pricing strategies for each exchange and the specific customers to which it is tailored.

Bats earns transaction fees in the United States from the trading of listed cash equity securities on its four national securities exchanges, BZX, BYX, EDGX and EDGA. U.S. listed cash equity securities trading revenues are assessed on a per-share basis. Transaction fees from the U.S. Equities segment accounted for 72.9% of Bats' total transaction fees for the nine months ended September 30, 2016, 72.7% of Bats' total transaction fees for the year ended December 31, 2015 and 80.8% of Bats' total transaction fees for the year ended December 31, 2014. Pro forma for the acquisitions of Direct Edge and Bats Hotspot, Bats' U.S. Equities segment would have represented 72.3% of Bats' total transaction fees for the year ended December 31, 2015 and 78.4% of Bats' total transaction fees for the year ended December 31, 2014. Transaction fees from BZX, BYX, EDGX and EDGA were 39.6%, 15.6%, 39.8% and 5.2%, respectively, of U.S. Equities total transaction fees for the nine months ended September 30, 2016, 41.4%, 14.6%,

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38.8% and 5.2%, respectively, of U.S. Equities total transaction fees for the year ended December 31, 2015 and 46.9%, 10.3%, 36.6% and 6.2%, respectively, of U.S. Equities total transaction fees for the year ended December 31, 2014.

Bats earns transaction fees in Europe from the secondary trading of listed cash equity securities on Bats Europe. European listed cash equity securities trading revenues are assessed on a notional-value basis. Bats launched its European operations in October 2008 and acquired Chi-X Europe on November 30, 2011. Transaction fees from Bats' European operations accounted for 6.4% of Bats' total transaction fees for the nine months ended September 30, 2016, 7.6% of Bats' total transaction fees for the year ended December 31, 2015 and 7.9% of Bats' total transaction fees for the year ended December 31, 2014. Pro forma for the acquisitions of Direct Edge and Bats Hotspot, Bats' European Equities segment would have represented 7.5% of Bats' total transaction fees for the year ended December 31, 2015 and 7.2% of Bats' total transaction fees for the year ended December 31, 2014.

Bats earns transaction fees from the trading of listed equity options on BZX and EDGX. U.S. listed equity options trading revenues are assessed on a per-contract basis. Transaction fees from the U.S. Options segment accounted for 17.9% of Bats' total transaction fees for the nine months ended September 30, 2016, 17.2% of Bats' total transaction fees for the year ended December 31, 2015 and 11.3% of Bats' total transaction fees for the year ended December 31, 2014. Pro forma for the acquisitions of Direct Edge and Bats Hotspot, Bats' U.S. Options segment would have represented 17.1% of Bats' total transaction fees for the year ended December 31, 2015 and 10.2% of Bats' total transaction fees for the year ended December 31, 2014. As of December 31, 2015, all U.S. Options transaction fees were earned by BZX as the EDGX Options platform launched in November 2015. For the nine months ended September 30, 2016, 95.8% and 4.2% of the transaction fees earned by Bats' U.S. Options segment were earned by BZX and EDGX, respectively.

Bats also earns transaction fees for the trading of foreign currency on the Bats Hotspot market based on a fee per million U.S. dollars of notional value traded. Transaction fees from the Global FX segment accounted for 2.8% of Bats' total transaction fees for the nine months ended September 30, 2016. Transaction fees from Global FX accounted for 2.5% of Bats' total transaction fees for the year ended December 31, 2015. Pro forma for the acquisitions of Direct Edge and Bats Hotspot, Bats' Global FX segment would have represented 3.1% of Bats' total transaction fees for the year ended December 31, 2015 and 4.2% of Bats' total transaction fees for the year ended December 31, 2014.

Trading volumes

Transaction fees for all of Bats' markets are primarily dependent on overall market volume and Bats' market share thereof. Each of Bats' markets have historically experienced growth in trading volumes. From time to time, however, volumes have declined due to economic performance, volatility and other related factors.

Pricing

Bats strives to keep its pricing as competitive and market-leading as possible. Bats generally assesses prices on a per-share basis in its U.S. listed cash equities markets, as a percentage of notional value traded in its European listed cash equity securities market, on a per-contract basis in Bats' U.S. listed equity options market and per million U.S. dollars traded in its foreign currency market.

In order to remain competitive in the U.S. listed cash equity securities market, Bats has historically maintained a competitively lower net capture spread between its "taker" fee (or in the case of BYX and EDGA, "maker" fee) and its "maker" rebate (or in the case of BYX and EDGA, "taker" rebate)

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when compared to competing exchanges. In Europe, Bats also uses a low net capture spread "maker-taker" pricing model. Bats regularly monitors the pricing and net capture spread of its competitors and its relative position, and may make pricing changes to reach market share or other targets. Any changes Bats makes to its pricing may significantly impact its revenues and cost of revenues.

Bats Hotspot clients are charged either a flat or tiered commission rate expressed as U.S. dollars per million notional U.S. dollars traded. Rates are determined on a client-by-client basis by Bats Hotspot management and sales in light of market forces and client activity in order to maximize revenue and volume. Additionally, from time to time Bats Hotspot may offer certain special limited duration pricing programs such as free trading of spot gold and silver pairs or free trading for all transactions on Bats Hotspot's London-based matching engine. For example, Bats currently offers new clients connecting to Bats Hotspot's London-based matching engine 90 days of free trading for all transactions on that platform.

Regulatory Transaction Fees

BZX, BYX, EDGX and EDGA, as national securities exchanges, are assessed fees pursuant to Section 31 of the Exchange Act ("**Section 31**"). Bats Europe and Bats Hotspot are not assessed any Section 31 fees because they are not U.S. national securities exchanges. Bats Europe's regulatory fees are assessed by reference to the oversight costs of the FCA relating to RIEs. Section 31 fees are assessed on the notional value of equities and options traded and are designed to recover the costs to the U.S. government of supervision and regulation of securities markets and securities professionals. These fees are paid directly to the SEC by Bats' four exchanges. Bats' exchanges, in turn, collect regulatory transaction fees from its customers that equal the Section 31 fees that it pays to the SEC and recognize these amounts as incurred in revenues and costs of revenues, respectively. Bats is paid these Section 31 fees as principal, and therefore these fees are reported gross in its consolidated statements of income. Regulatory transaction fees received are included in cash and cash equivalents and financial investments in Bats' consolidated statements of financial condition. As required by law, the amounts due to the SEC are remitted semiannually in March and September. Because Bats holds the cash received until payment is remitted to the SEC, Bats earns interest on the related cash balances. Regulatory transaction fees accounted for 15.7% of total revenues for the nine months ended September 30, 2016 and 15.5%, 18.7% and 15.1% of Bats' total revenues in 2015, 2014 and 2013, respectively.

Market Data Fees

Bats earns market data fees from U.S. tape plans, including the UTP Plan, CTA Plan, CQS Plan and OPRA. Fees, net of plan costs, from UTP, CTA and CQS are allocated and distributed to plan participants according to their share of tape fees based on a formula, required by Regulation NMS, that takes into account both trading and quoting activity. Market data fees from OPRA are allocated based upon the share of total options transactions cleared for each of the OPRA members.

Bats also charges data subscribers directly for proprietary market data of its U.S. equities, U.S. options and European equities markets. The proprietary market data fees are recognized as the service is provided. Market data fees accounted for 7.8% of total revenues for the nine months ended September 30, 2016 and 7.4%, 7.6% and 7.1% of total revenues in 2015, 2014 and 2013, respectively.

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Connectivity Fees and Other

Connectivity fees and other revenues consist primarily of logical and physical port fees, which represent fees paid for connectivity to Bats' equities and options markets. Revenues for providing access to Bats' markets are recognized when the service is provided. Connectivity fees and other revenues accounted for 5.2% of total revenues for the nine months ended September 30, 2016 and 4.6%, 4.4% and 5.0% of Bats' total revenues in 2015, 2014 and 2013, respectively.

Components of Cost of Revenues

Liquidity Payments

Liquidity payments are directly correlated to the volume of securities traded on Bats' markets. As mentioned above, Bats records the liquidity rebate paid to market participants providing liquidity, in the case of BZX, EDGX and Bats Europe, as cost of revenue. BYX and EDGA offer a pricing model pursuant to which Bats rebates liquidity takers for executing against an order resting on its book, which is also recorded as a cost of revenue.

Routing and Clearing

Routing and clearing are also correlated to the volume of securities routed to other market venues. Bats offers a multitude of order routing strategies to its customers. These strategies allow customers to access other markets through the use of smart-order routing tools. Most of these strategies first seek to trade against orders resting on Bats' order books and, if filled in full, are not routed to other markets. Therefore, total routing expenses are inversely correlated to the depth on Bats' order books because as the volume of securities traded by its customers that are matched by Bats against orders resting on its books increases, routing expenses decrease. In Europe, Bats is one of the few market centers that provides such routing services to lit venues.

Also, Bats Trading, the routing facility for Bats' U.S. listed cash equities and listed equity options markets, incurs clearing fees on all activity routed to other market centers because it relies on third-party clearing firms to provide this service. Bats continues to seek low cost initiatives for reaching other market centers and periodically negotiate new pricing contracts and methods to reach those markets.

Section 31 Fees

BZX, BYX, EDGX and EDGA are assessed fees pursuant to the Exchange Act designed to recover the costs to the U.S. government of supervision and regulation of securities markets and securities professionals. Bats treats these fees as a pass-through charge to customers executing eligible listed cash equities and listed equity options trades on BZX, BYX, EDGX and EDGA. Accordingly, Bats recognizes the amount that it is charged under Section 31 as a cost of revenues and the corresponding amount that Bats charges customers as regulatory transaction fees revenue. Since the regulatory transaction fees recorded in revenues are equal to the Section 31 fees recorded in cost of revenues, there is no impact on Bats' operating income.

Given that Bats Europe and Bats Hotspot are not U.S. national securities exchanges, they do not pay Section 31 fees.

Components of Operating Expenses

Compensation and benefits represent Bats' largest operating expense and tend to be driven by its staffing requirements and the general dynamics of the employment market. Additional operating expenses generally support the infrastructure of Bats' markets and technology platforms and are primarily fixed in nature. While these expenses do not vary as a direct result of trading volume, they may increase over time as Bats enhances capacity and improves performance. As a public corporation,

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Bats expects general and administrative and professional costs to increase as it satisfies its obligations under the U.S. securities laws and comply with the Sarbanes-Oxley Act of 2002, among others. The increases could include, but are not limited to, an increase in staffing levels to provide support in meeting the operational and regulatory requirements of a public corporation, additional professional fees paid to external auditors, consultants and outside counsel, additional executive risk insurance costs and fees paid to a third-party institution to provide transfer agency services for the maintenance of stockholder records.

Interest Expense, Net

Interest expense, net represents the interest expense related to Bats' long-term debt, offset by interest income on the investment of excess cash. Bats invests its excess cash in highly liquid, capital-preserving and short-term financial investments, such as U.S. Treasury securities.

Other Income (Expense)

Other income (expense) primarily consists of foreign currency gains (losses) and Bats' earnings from equity method investments. Foreign currency gains (losses) are recognized by Bats, as the functional currency of Bats Europe and certain Bats Hotspot operations is the British pound. The functional currency of Bats Hotspot Asia Pte. Ltd. is the Singapore dollar. Earnings from equity method investments represents Bats' ownership in EuroCCP.

Income Taxes

Bats has elected to treat Bats Trading Limited and Chi-X Europe as branches for U.S. federal income tax purposes. As a result, the taxable income or loss of Bats Europe and Chi-X Europe is included in Bats' consolidated U.S. federal income tax return. For U.K. tax purposes, Bats Europe and Chi-X Europe previously incurred tax losses which were fully utilized in 2015. Any U.K. income taxes accrued beginning in 2015 were and will be available to offset Bats' U.S. income taxes as a foreign tax credit. Bats Hotspot Europe Limited and Bats Hotspot Asia Pte. Ltd. are corporations operating in the United Kingdom and Singapore, respectively. Income generated by both companies is considered indefinitely reinvested and is deferred from U.S. tax until repatriated.

Bats is investigating a potential change in its foreign holding company structure. Should this change happen, its future effective tax rate could be impacted, and Bats could incur a material expenditure as a result.

Table of Contents**Results of Operations**

The following table sets forth Bats' consolidated statements of operations data for each of the periods indicated as a percentage of total revenues:

	Nine Months Ended September 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
Revenues:					
Transaction fees	71.3%	72.7%	72.5%	69.3%	72.8%
Regulatory transaction fees	15.7%	15.5%	15.5%	18.7%	15.1%
Market data fees	7.8%	7.4%	7.4%	7.6%	7.1%
Other	5.2%	4.4%	4.6%	4.4%	5.0%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues:					
Liquidity payments	58.7%	60.3%	60.2%	57.0%	56.4%
Section 31 fees	15.7%	15.5%	15.5%	18.7%	15.1%
Routing and clearing	2.3%	2.8%	2.7%	3.2%	5.1%
Total cost of revenues	76.7%	78.6%	78.4%	78.9%	76.6%
Revenues less cost of revenues	23.3%	21.4%	21.6%	21.1%	23.4%
Operating expenses:					
Compensation and benefits	4.8%	4.4%	4.5%	6.0%	4.9%
Depreciation and amortization	2.2%	2.1%	2.3%	1.9%	1.8%
Systems and data communication	1.0%	1.6%	1.5%	1.6%	1.1%
Occupancy	0.1%	0.2%	0.2%	0.3%	0.2%
Professional and contract services	0.7%	0.7%	0.6%	0.4%	1.0%
Regulatory costs	0.6%	0.6%	0.6%	0.8%	0.6%
Change in fair value of contingent consideration liability	0.2%	0.1%	0.2%		
Impairment of assets					0.4%
General and administrative	1.3%	1.6%	1.5%	1.9%	1.3%
Total operating expenses	10.9%	11.3%	11.4%	12.9%	11.3%
Operating income	12.4%	10.1%	10.2%	8.2%	12.1%
Interest expense, net	(2.1)%	(2.6)%	(2.6)%	(1.9)%	(3.1)%
Loss on extinguishment of debt	(1.2)%			(0.9)%	
Other income	0.1%	0.2%	0.2%	0.1%	
Income before income tax provision	9.2%	7.7%	7.8%	5.5%	9.0%
Income tax provision	3.8%	3.2%	3.2%	2.1%	3.4%
Net income	5.4%	4.5%	4.6%	3.4%	5.6%

Table of Contents**Comparison of Nine Months Ended September 30, 2016 and 2015***Overview*

The following summarizes changes in financial performance for the nine months ended September 30, 2016 and 2015:

	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2016	2015		
	(in millions, except trading days, percentages and as noted below)			
Total revenues	\$ 1,418.4	\$ 1,335.2	\$ 83.2	6.2%
Total cost of revenues	1,087.9	1,049.4	38.5	3.7%
Revenues less cost of revenues	330.5	285.8	44.7	15.6%
Total operating expenses	154.6	150.8	3.8	2.5%
Operating income	175.9	135.0	40.9	30.3%
Income before income tax provision	129.8	103.4	26.4	25.5%
Income tax provision	53.3	42.9	10.4	24.2%
Net income	\$ 76.5	\$ 60.5	\$ 16.0	26.4%
Basic earnings per share	\$ 0.81	\$ 0.64	0.17	26.6%
Diluted earnings per share	0.79	0.64	0.15	23.4%
EBITDA ⁽¹⁾	190.9	166.1	24.8	14.9%
EBITDA margin ⁽²⁾	57.8%	58.1%	(0.3)%	*
Normalized EBITDA ⁽¹⁾	217.6	172.5	45.1	26.1%
Normalized EBITDA margin ⁽³⁾	65.8%	60.4%	5.4%	*
Adjusted earnings ⁽⁴⁾	104.8	75.0	29.8	39.7%
Diluted weighted average shares outstanding	96.4	95.2	1.2	1.3%
Diluted adjusted earnings per share ⁽⁵⁾	1.09	0.79	0.30	38.0%
U.S. Equities:				
ADV:				
Matched shares ADV (in billions)	1.6	1.5	0.1	6.7%
Routed shares ADV (in billions)				
Total touched shares ADV (in billions)	1.6	1.5	0.1	6.7%
Market ADV (in billions)	7.4	6.9	0.5	7.2%
Trading days	189	188	1	0.5%
Bats ETPs (in billions of shares)	76.0	68.0	8.0	11.8%
Bats ETPs: launches (number of launches)	47	7	40	571.4%
Bats ETPs: listings (number of listings)	103	33	70	212.1%
European Equities:				
ADNV:				
Matched and touched ADNV (in billions)	€ 10.8	€ 12.7	€ (1.9)	(15.0)%
Market ADNV (in billions)	46.6	52.4	(5.8)	(11.1)%
Trading days	193	192	1	0.5%
Average Euro/British pound exchange rate	£ 0.800	£ 0.727	£ 0.073	10.0%

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	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2016	2015		
(in millions, except trading days, percentages and as noted below)				
U.S. Options:				
ADV:				
Matched contracts	1.7	1.6	0.1	6.3%
Routed contracts				*
Total touched contracts	1.7	1.6	0.1	6.3%
Market ADV	15.8	16.3	(0.5)	(3.1)%
Trading days	189	188	1	0.5%
Global FX:				
ADNV (in billions)	\$ 27.0	\$ 26.9	\$ 0.1	0.4%
Trading days	195	144	51	35.4%
Market share:				
U.S. Equities	20.8%	21.1%	(0.3)%	*
ETPs	25.1%	22.4%	2.7%	*
ETPs: launches	24.6%	3.3%	21.3%	*
ETPs: listings	5.3%	1.8%	3.5%	*
European Equities	23.2%	24.2%	(1.0)%	*
U.S. Options	11.0%	9.9%	1.1%	*
Net capture:				
U.S. Equities (net capture per one hundred touched shares)	\$ 0.021	\$ 0.021		
European Equities (net capture per matched notional value in basis points)	0.150	0.132	0.018	13.6%
U.S. Options (net capture per touched contract)	\$ 0.053	\$ 0.024	\$ 0.029	120.8%
Global FX (net capture per one million dollars traded)	\$ 2.68	\$ 3.00	\$ (0.32)	(10.7)%
Average British pound/U.S. dollar exchange rate	\$ 1.393	\$ 1.532	\$ (0.139)	(9.1)%

*

Not Meaningful

(1)

EBITDA is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, IPO costs, tax restructuring costs, loss on extinguishment of debt, debt restructuring costs and gain on extinguishment of revolving credit facility. EBITDA and Normalized EBITDA do not represent, and should not be considered as, alternatives to net income or cash flows from operations, each as determined in accordance with U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because it considers them important supplemental measures of its performance and believe that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

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The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Nine Months Ended September 30,	
	2016	2015
	(in millions)	
Net income	\$ 76.5	\$ 60.5
Interest	29.9	34.2
Income tax provision	53.3	42.9
Depreciation and amortization	31.2	28.5
EBITDA	190.9	166.1
Acquisition-related costs	5.9	6.4
IPO costs	3.0	0.5
Tax restructuring costs	0.2	
Loss on extinguishment of debt	17.6	
Debt restructuring		0.5
Gain on extinguishment of revolving credit facility		(1.0)
Normalized EBITDA	\$ 217.6	\$ 172.5

- (2) EBITDA margin represents EBITDA divided by revenues less cost of revenues.
- (3) Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.
- (4) Adjusted earnings is defined as net income adjusted for amortization, acquisition-related costs, IPO costs, tax restructuring costs, loss on extinguishment of debt, debt restructuring costs and gain on extinguishment of revolving credit facility, net of the income tax effects of these adjustments. Adjusted earnings does not represent, and should not be considered as, an alternative to net income, as determined in accordance with U.S. GAAP. Bats has presented adjusted earnings because it considers it an important supplemental measure of Bats' performance and Bats uses it as the basis for monitoring its own core operating financial performance relative to other operators of electronic exchanges. Bats also believes that it is frequently used by analysts, investors and other interested parties in the evaluation of companies. Bats believes that investors may find this non-GAAP measure useful in evaluating its performance compared to that of peer companies in the industry. Other companies may calculate adjusted earnings differently than Bats does. Adjusted earnings has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of Bats' results as reported under U.S. GAAP.

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The following is a reconciliation of net income to adjusted earnings:

	Nine Months Ended September 30,	
	2016	2015
	(in millions)	
Net income	\$ 76.5	\$ 60.5
Amortization	20.5	18.4
Acquisition-related costs	5.9	6.4
IPO costs	3.0	0.5
Loss on extinguishment of debt	17.6	
Debt restructuring		0.5
Gain on extinguishment of revolving credit facility		(1.0)
Tax restructuring costs	0.2	
Tax effect of adjustments	(18.9)	(10.3)
Adjusted earnings	\$ 104.8	\$ 75.0

- (5) Diluted adjusted earnings per share represents adjusted earnings divided by diluted weighted average shares outstanding.

Revenues

For the nine months ended September 30, 2016, total revenues increased primarily driven by a 7.2% increase in U.S. equities market ADV compared to the same period of 2015. The following summarizes changes in revenues for the nine months ended September 30, 2016, compared to the nine months ended September 30, 2015:

	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2016	2015		
	(in millions, except percentages)			
Transaction fees	\$ 1,011.1	\$ 970.1	\$ 41.0	4.2%
Regulatory transaction fees	222.8	207.0	15.8	7.6%
Market data fees	110.1	99.4	10.7	10.8%
Connectivity fees and other	74.4	58.7	15.7	26.7%
Total revenues	\$ 1,418.4	\$ 1,335.2	\$ 83.2	6.2%

Transaction Fees

Transaction fees increased for the nine months ended September 30, 2016 compared to the same period in 2015 primarily driven by the U.S. Equities segment. For the nine months ended September 30, 2016, U.S. Equities market ADV increased 7.2% to 7.4 billion shares, contributing \$37.8 million to transaction fees compared to the same period in 2015. The U.S. Options segment contributed \$8.3 million to the increase primarily driven by an increase in market share from 9.9% in 2015 to 11.0% in 2016. The Global FX segment also contributed \$5.0 million to the increase in 2016 revenues compared to 2015 due to the Bats Hotspot acquisition in March 2015. The decrease in the average exchange rate of the British pound to the U.S. dollar contributed \$6.4 million to the decrease in transaction fees from the European Equities segment from 2015 to 2016. Also contributing to the decrease was an 11.1% decrease in market ADV from 2015 to 2016.

Table of Contents*Regulatory Transaction Fees*

For the nine months ended September 30, 2016, regulatory transaction fees increased compared to 2015 driven primarily by a 6.7% increase in U.S. Equities matched shares ADV.

Market Data Fees

Market data fees increased in the nine months ended September 30, 2016 compared to the same period in 2015 due to pricing changes in proprietary market data implemented in the third quarter of 2015 and first quarter of 2016 which contributed \$7.4 million, an audit recovery of \$1.4 million received from the U.S. Tape Plan in the first quarter 2016 and increased U.S. Options market share from 9.9% in 2015 to 11.0% in 2016 contributing \$0.7 million in the nine months ended September 30, 2016.

Connectivity Fees and Other

Connectivity fees and other revenues increased for the nine months ended September 30, 2016 compared to the same period in 2015, primarily due to U.S. Options and Global FX pricing changes to logical ports in the fourth quarter of 2015 and the third quarter of 2016, contributing \$2.9 million and \$1.2 million to revenues, respectively, in the nine months ended September 30, 2016. Also contributing to the increase was incremental revenue from the ETF.com acquisition in April 2016 of \$1.7 million in the nine months ended September 30, 2016.

Cost of Revenues

Cost of revenues increased in the nine months ended September 30, 2016 compared to the same period in 2015 primarily due to a 7.2% increase in U.S. Equities market ADV which increased liquidity payments by \$37.0 million. The following summarizes changes in cost of revenues for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015:

	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2016	2015		
	(in millions, except percentages)			
Liquidity payments	\$ 832.5	\$ 805.7	\$ 26.8	3.3%
Section 31 fees	222.8	207.0	15.8	7.6%
Routing and clearing	32.6	36.7	(4.1)	(11.2)%
Total cost of revenues	\$ 1,087.9	\$ 1,049.4	\$ 38.5	3.7%

Liquidity Payments

Liquidity payments increased in the nine months ended September 30, 2016 compared to the same period in 2015 with the U.S. Equities segment contributing \$37.0 million to the increase, driven by a 7.2% increase in market ADV. This was offset by a decrease in U.S. Options segment liquidity payments of \$1.2 million, primarily driven by a 3.1% decrease in market ADV. The European Equities segment also decreased \$9.0 million due to decreased market ADV of 11.1% and a decrease in the average exchange rate of the British pound to U.S. dollar, which decreased liquidity payments \$6.3 million and \$2.8 million, respectively, for the nine months ended September 30, 2016 compared to the same period in 2015.

Section 31 Fees

Section 31 fees increased for the nine months ended September 30, 2016 primarily due to the 6.7% increase in U.S. Equities matched shares ADV.

Table of Contents*Routing and Clearing*

The decrease in routing and clearing fees for the nine months ended September 30, 2016 was driven by a 17.1% decrease of routed and clearing fees per routed contract in the U.S. Options segment compared to the same period in 2015.

Revenues Less Cost of Revenues

Revenues less cost of revenues increased in the nine months ended September 30, 2016, compared to the same period in 2015 primarily as a result of a 120% increase in U.S. Options net capture contributing \$10.0 million, the pricing changes to U.S. Options and Global FX connectivity fees and U.S. Equities proprietary market data contributing \$12.5 million and \$7.4 million, respectively, a 7.2% increase in U.S. Equities market ADV that contributed \$7.7 million to the increase and an additional \$10.0 million from the additional quarter of Bats Hotspot activity in 2016. Bats Hotspot was acquired on March 13, 2015.

The following tables summarize the components of revenues less cost of revenues for the nine months ended September 30, 2016, presented as a percentage of revenues less cost of revenues and compared to the nine months ended September 30, 2015:

	Nine Months Ended September 30,		Percent Change	Percentage of Revenues Less Cost of Revenues Nine Months Ended September 30,	
	2016	2015		2016	2015
	(in millions)				
Transaction fees less liquidity payments and routing and clearing costs	\$ 146.0	\$ 127.7	14.3%	44.2%	44.7%
Market data fees	110.1	99.4	10.8%	33.3%	34.8%
Connectivity fees	74.4	58.7	26.7%	22.5%	20.5%
Revenues less cost of revenues	\$ 330.5	\$ 285.8	15.6%	100.0%	100.0%

Fluctuations in Revenues Less Cost of Revenues

Fluctuations in revenues less cost of revenues are driven by various factors. Volume variances are driven by changes in overall industry volume and Bats' share of those volumes, while net capture variances are driven primarily by pricing changes. The following table summarizes the fluctuations in

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revenues less cost of revenues for the nine months ended September 30, 2016 compared to the same period in 2015, and attributes the fluctuations to various sources:

	Nine Months Ended September 30,	
	Total (in millions)	Percentage of Total
Market volume	\$ 13.3	29.8%
Market share	0.5	1.1%
Net capture	11.5	25.7%
Connectivity	13.2	29.5%
Proprietary market data	8.1	18.2%
Average British pound/U.S. dollar exchange rate	(5.0)	(11.2)%
Other	3.1	6.9%
Revenues less cost of revenues	\$ 44.7	100.0%

Transaction Fees Less Liquidity Payments and Routing and Clearing Costs

Transaction fees less liquidity payments and routing and clearing costs increased in the nine months ended September 30, 2016 compared to the same period in 2015 primarily driven by an increase in U.S. Options net capture from \$0.024 per contract in 2015 to \$0.053 per contract in 2016 that resulted in a \$10.0 million increase to transaction fees less liquidity payments and routing and clearing costs. Also contributing to the increase was a 7.2% increase in U.S. Equities market ADV that contributed \$4.3 million and Global FX revenue of \$5.0 million due to the Bats Hotspot acquisition in first quarter 2015. Offsetting these increases was a \$3.6 million decrease due to the decreased value of the British pound in 2016.

Market Data Fees

Market data fees increased in the nine months ended September 30, 2016 compared to the same period in 2015 due to pricing changes in proprietary market data that were implemented in the third quarter of 2015 and first quarter of 2016 which contributed \$7.4 million, an audit recovery of \$1.4 million received from the U.S. Tape Plan in the first quarter 2016 and increased U.S. Options market share from 9.9% in 2015 to 11.0% in 2016 contributing \$0.7 million in the nine months ended September 30, 2016.

Connectivity Fees

Connectivity fees and other revenues increased for the nine months ended September 30, 2016 compared to the same period in 2015, primarily due to U.S. Options and Global FX pricing changes to logical ports in the fourth quarter of 2015 and the third quarter of 2016, respectively, contributing \$2.9 million and \$1.2 million to the nine months ended September 30, 2016, respectively.

Operating Expenses

For the nine months ended September 30, 2016, operating expenses increased 2.5% compared to the nine months ended September 30, 2015, primarily driven by the Direct Edge acquisition synergies recognized in systems and data communication expenses offset by increased compensation and benefits expenses due to the Bats Hotspot acquisition in March 2015 and an increased global headcount of 16.0% from December 31, 2015 to September 30, 2016. The following summarizes changes in operating

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expenses for the nine months ended September 30, 2016, compared to the nine months ended September 30, 2015:

	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2016	2015		
	(in millions, except percentages)			
Operating expenses:				
Compensation and benefits	\$ 68.7	\$ 58.4	\$ 10.3	17.6%
Depreciation and amortization	31.2	28.5	2.7	9.5%
Systems and data communication	13.5	21.4	(7.9)	(36.9)%
Occupancy	2.1	2.4	(0.3)	(12.5)%
Professional and contract services	10.5	8.9	1.6	18.0%
Regulatory costs	8.6	8.6		
Change in fair value of contingent consideration liability	2.2	1.7	0.5	29.4%
General and administrative	17.8	20.9	(3.1)	(14.8)%
Total operating expenses	\$ 154.6	\$ 150.8	\$ 3.8	2.5%

Compensation and Benefits

Compensation and benefits increased for the nine months ended September 30, 2016 compared to the same period in 2015 primarily driven by increased global headcount from 281 associates as of September 30, 2015 to 326 associates as of September 30, 2016, offset by the timing of quarterly milestone bonuses achieved in 2016 compared to 2015. The Bats Hotspot acquisition in March 2015 also contributed to the increase for the nine months ended September 30, 2016.

Depreciation and Amortization

For the nine months ended September 30, 2016, depreciation and amortization increased primarily due to an increase in amortization recorded of \$5.2 million for the intangible assets acquired with the Bats Hotspot acquisition in March 2015, offset by a \$1.6 million decrease in the European Equities segment due to the intangible assets amortized using the cash flow method.

Systems and Data Communication

Systems and data communication costs decreased for the nine months ended September 30, 2016 against the prior year, primarily due to synergies achieved from the Direct Edge acquisition as the Direct Edge legacy data center space was terminated in the second quarter of 2015.

Occupancy

Occupancy expenses decreased for the nine months ended September 30, 2016 against the prior year, primarily driven by the termination of the lease of the Direct Edge office space in the second quarter of 2015.

Professional and Contract Services

For the nine months ended September 30, 2016, professional and contracted services fees increased due to \$3.4 million of professional fees incurred in 2016 for the planned merger with CBOE Holdings and \$3.0 million in IPO costs offset by \$4.7 million in Bats Hotspot acquisition costs for the nine months ended September 30, 2015.

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General and Administrative

General and administrative expenses decreased in the nine months ended September 30, 2016 compared to the same period in 2015 primarily due to a \$6.0 million accelerated expense of legacy Direct Edge servers that were no longer being used after the Direct Edge technology integration in January 2015, offset by a \$1.5 million VAT recovery recorded in 2015 and \$0.6 million of additional services that occurred in 2016 in preparation of being a public company.

Operating Income

As a result of the items above, operating income for the nine months ended September 30, 2016 was \$175.9 million compared to \$135.0 million for the nine months ended September 30, 2015, an increase of \$40.9 million, or 30.3%.

Interest Expense, Net

Interest expense, net decreased in the nine months ended September 30, 2016 compared to the same period in 2015 driven by a debt refinancing in 2016 and offset by the additional debt issued in March 2015 to finance the Bats Hotspot acquisition.

Loss on extinguishment of debt

With the refinancing of the debt in second quarter 2016, Bats recorded a \$17.6 million loss on extinguishment of debt.

Other Income

Other income decreased for the nine months ended September 30, 2016 against the prior year due to the foreign currency gain on the revolving credit facility extinguished in March 2015.

Income Before Income Tax Provision

As a result of the above, income before income tax provision for nine months ended September 30, 2016 was \$129.8 million, compared to \$103.4 million for the nine months ended September 30, 2015, an increase of \$26.4 million.

Income Tax Provision

For the nine months ended September 30, 2016, income tax provision was \$53.3 million compared to \$42.9 million for the nine months ended September 30, 2015. The effective tax rate for the nine months ended September 30, 2016 was 41.1% compared to 41.5% for the same period in 2015. The decrease was primarily due to a lower state tax rate.

Bats is investigating a potential change in its foreign holding company structure. Should this change happen, its future effective tax rate could be impacted and Bats could incur a material expenditure as a result.

Net Income

As a result of the items above, net income for the nine months ended September 30, 2016 was \$76.5 million compared to \$60.5 million for the nine months ended September 30, 2015, an increase of \$16.0 million.

Table of Contents**Segment Operating Results**

The following summarizes Bats' total revenues by segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Total Revenues	
	2016	2015		Nine Months Ended September 30,	
	(in millions)			2016	2015
U.S. Equities	\$ 1,105.4	\$ 1,034.6	6.8%	77.9%	77.5%
European Equities	82.5	90.1	(8.4)%	5.8%	6.7%
U.S. Options	200.7	187.3	7.2%	14.1%	14.0%
Global FX	29.8	23.2	28.4%	2.2%	1.8%
Total revenues	\$ 1,418.4	\$ 1,335.2	6.2%	100.0%	100.0%

The following summarizes Bats' revenues less cost of revenues by segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Revenues Less Cost of Revenues	
	2016	2015		Nine Months Ended September 30,	
				2016	2015
U.S. Equities	\$ 216.2	\$ 193.8	11.6%	65.4%	67.8%
European Equities	52.4	50.9	2.9%	15.9%	17.8%
U.S. Options	32.1	17.9	79.3%	9.7%	6.3%
Global FX	29.8	23.2	28.4%	9.0%	8.1%
Total revenues less cost of revenues	\$ 330.5	\$ 285.8	15.6%	100.0%	100.0%

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U.S. Equities

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Equities segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Total Revenues Nine Months Ended September 30,	
	2016	2015		2016	2015
(in millions, except percentages, trading days and as noted below)					
Revenues:					
Transaction fees	\$ 737.3	\$ 699.5	5.4%	52.0%	52.4%
Regulatory transaction fees	217.3	202.4	7.4%	15.3%	15.2%
Market data fees	95.4	86.7	10.0%	6.7%	6.5%
Connectivity fees and other	55.4	46.0	20.4%	3.9%	3.4%
Total revenues	1,105.4	1,034.6	6.8%	77.9%	77.5%
Cost of revenues:					
Liquidity payments	642.0	605.0	6.1%	45.3%	45.3%
Section 31 fees	217.3	202.4	7.4%	15.3%	15.2%
Routing and clearing	29.9	33.4	(10.5)%	2.1%	2.5%
Total cost of revenues	889.2	840.8	5.8%	62.7%	63.0%
Revenues less cost of revenues	216.2	193.8	11.6%	15.2%	14.5%
Operating expenses	70.4	86.9	(19.0)%	5.0%	6.5%
Operating income	\$ 145.8	\$ 106.9	36.4%	10.2%	8.0%
EBITDA⁽¹⁾	\$ 158.6	\$ 120.8	31.3%	11.2%	9.0%
EBITDA margin ⁽²⁾	73.4%	62.3%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 158.8	\$ 121.0	31.2%	11.2%	9.1%
Normalized EBITDA margin ⁽²⁾	73.5%	62.4%	*	*	*
ADV (in billions):					
Matched shares	1.6	1.5	6.7%	*	*
Routed shares				*	*
Total touched shares	1.6	1.5	6.7%	*	*
Market ADV	7.4	6.9	7.2%	*	*
Trading days	189	188	0.5%	*	*
Bats ETPs (in billions of shares)	76	68	11.8%	*	*
Bats ETPs: launches (number of launches)	47	7	571.4%	*	*
Bats ETPs: listings (number of listings)	103	33	212.1%	*	*
Market share	20.8%	21.1%	*	*	*
ETPs: launches market share	24.6%	3.3%	*	*	*
Net capture per one hundred touched shares	\$ 0.021	\$ 0.021		*	*

*
Not meaningful

(1)

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EBITDA is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, IPO costs, tax restructuring costs, loss on extinguishment of debt, debt restructuring costs and gain on extinguishment of revolving credit facility. EBITDA and Normalized EBITDA do not represent,

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and should not be considered as, alternatives to net income or cash flows from operations, each as determined in accordance with U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because it considers them important supplemental measures of its performance and believe that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Nine Months Ended September 30,												
	2016						2015						
	U.S. Equities	European Equities	U.S. Options	Global FX	Corporate	Total	U.S. Equities	European Equities	U.S. Options	Global FX	Corporate	Total	
Net income (loss)	\$ 143.5	\$ 22.0	\$ 15.0	\$ (3.2)	\$ (100.8)	\$ 76.5	\$ 106.4	\$ 26.8	\$ 7.2	\$ (3.6)	\$ (76.3)	\$ 60.5	
Interest					29.9	29.9						34.2	34.2
Income tax provision	2.3	5.3			45.7	53.3	0.6					42.3	42.9
Depreciation and amortization	12.8	4.6	1.5	12.3		31.2	13.8	6.2	1.4	7.1			28.5
EBITDA	158.6	31.9	16.5	9.1	(25.2)	190.9	120.8	33.0	8.6	3.5	0.2	166.1	
Acquisition-related costs	0.2			2.3	3.4	5.9	0.2			6.4	(0.2)	6.4	
IPO costs					3.0	3.0					0.5	0.5	
Tax restructuring costs					0.2	0.2							
Loss on extinguishment of debt					17.6	17.6							
Debt restructuring											0.5	0.5	
Gain on extinguishment of revolving credit facility											(1.0)	(1.0)	
Normalized EBITDA	\$ 158.8	\$ 31.9	\$ 16.5	\$ 11.4	\$ (1.0)	\$ 217.6	\$ 121.0	\$ 33.0	\$ 8.6	\$ 9.9	\$	\$ 172.5	

- (2) EBITDA margin represents EBITDA divided by revenues less cost of revenues while Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of EBITDA margin and Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.

For the nine months ended September 30, 2016, U.S. Equities operating income increased \$38.9 million to \$145.8 million compared to the same period in 2015. The increase in revenues less cost of revenues was driven by a pricing change in proprietary market data in first quarter 2016 and incremental revenue from the ETF.com acquisition in April 2016. The decrease in operating expenses for the nine months ended September 30, 2016 compared to the same period in 2015 was driven by synergies from the Direct Edge acquisition and an expense acceleration in the first quarter of 2015 of \$6.0 million for the retirement of legacy Direct Edge leased servers.

Table of Contents*European Equities*

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' European Equities segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Total Revenues Nine Months Ended September 30,	
	2016	2015		2016	2015
(in millions, except percentages, trading days and as noted below)					
Revenues:					
Transaction fees	\$ 65.0	\$ 75.1	(13.4)%	4.6%	5.6%
Market data fees	7.7	7.0	10.0%	0.5%	0.5%
Connectivity fees and other	9.8	8.0	22.5%	0.7%	0.6%
Total revenues	82.5	90.1	(8.4)%	5.8%	6.7%
Cost of revenues:					
Liquidity payments	30.1	39.2	(23.2)%	2.1%	2.9%
Total cost of revenues	30.1	39.2	(23.2)%	2.1%	2.9%
Revenues less cost of revenues	52.4	50.9	2.9%	3.7%	3.8%
Operating expenses	26.5	25.1	5.6%	1.9%	1.9%
Operating income	\$ 25.9	\$ 25.8		1.8%	1.9%
EBITDA ⁽¹⁾	\$ 31.9	\$ 33.0	(3.3)%	2.2%	2.5%
EBITDA margin ⁽²⁾	60.9%	64.8%	*	*	*
Normalized EBITDA ⁽¹⁾	\$ 31.9	\$ 33.0	(3.3)%	2.2%	2.5%
Normalized EBITDA margin ⁽²⁾	60.9%	64.8%	*	*	*
ADNV (in billions):					
Matched and touched ADNV	€ 10.8	€ 12.7	(15.0)%	*	*
Market ADNV	€ 46.6	€ 52.4	(11.1)%	*	*
Trading days	193	192	0.5%	*	*
Market share	23.2%	24.2%	*	*	*
Net capture per matched notional value (in basis points)	0.150	0.132	13.6%	*	*
Average British pound/U.S. dollar exchange rate	\$ 1.393	\$ 1.532	(9.1)%	*	*
Average Euro/British pound exchange rate	£0.800	£0.727	10.0%	*	*

*

Not meaningful

(1)

See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA.

(2)

EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of EBITDA margin and Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.

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To illustrate the growth without the effect of the exchange rates in Bats' European Equities segment the following table shows revenues, cost of revenues, operating expenses and operating loss for Bats' European Equities segment in British pounds:

	Nine Months Ended		Percent Change
	September 30, 2016	September 30, 2015	
	(in millions)		
Transaction fees	£46.7	£49.0	(4.7)%
Market data	5.5	4.6	19.6%
Other	6.9	5.2	32.7%
Revenues	59.1	58.8	0.5%
Liquidity payments	21.4	25.5	(16.1)%
Routing and clearing	0.1	0.1	
Cost of revenues	21.5	25.6	(16.0)%
Revenues less cost of revenues	37.6	33.2	13.3%
Operating expenses	19.1	16.4	16.5%
Operating income	£18.5	£16.8	10.1%
EBITDA ⁽¹⁾	£23.9	£23.1	3.5%
Normalized EBITDA ⁽¹⁾	£23.9	£23.1	3.5%

(1)

See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA. See below for a reconciliation of net income to EBITDA and Normalized EBITDA in British pounds:

	Nine Months Ended		Percent Change
	September 30, 2016	September 30, 2015	
	(in millions)		
Net income	£16.8	£19.1	(12.0)%
Interest	(0.1)	(0.1)	
Income tax provision	3.9		*
Depreciation and amortization	3.3	4.1	(19.5)%
EBITDA	23.9	23.1	3.5%
Acquisition-related costs			
IPO costs			
Loss on extinguishment of debt			
Debt restructuring			
Gain on extinguishment of revolving credit facility			
Normalized EBITDA	£23.9	£23.1	3.5%

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For the nine months ended September 30, 2016, the European Equities segment's operating income increased \$0.1 million compared to the nine months ended September 30, 2015. Revenues less cost of revenues increased \$1.5 million in the nine months ended September 30, 2016 against the prior year driven by a 13.6% increase in net capture offset by a \$5.0 million decrease due to the decreased value of the British pound. The increase in revenues less cost of revenues was also offset by increased compensation and benefit costs in the nine months ended September 30, 2016 and the \$1.5 million value-added tax recovery recorded in the nine months ended September 30, 2015.

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U.S. Options

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Options segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Total Revenues Nine Months Ended September 30,	
	2016	2015		2016	2015
(in millions, except percentages, trading days and as noted below)					
Revenues:					
Transaction fees	\$ 180.6	\$ 172.3	4.8%	12.7%	12.9%
Regulatory transaction fees	5.5	4.6	19.6%	0.4%	0.3%
Market data fees	6.8	5.7	19.3%	0.5%	0.4%
Connectivity fees and other	7.8	4.7	66.0%	0.5%	0.4%
Total revenues	\$ 200.7	\$ 187.3	7.2%	14.1%	14.0%
Cost of revenues:					
Liquidity payments	160.4	161.6	(0.7)%	11.3%	12.1%
Section 31 fees	5.5	4.6	19.6%	0.4%	0.3%
Routing and clearing	2.7	3.2	(15.6)%	0.2%	0.3%
Total cost of revenues	168.6	169.4	(0.5)%	11.9%	12.7%
Revenues less cost of revenues	32.1	17.9	79.3%	2.2%	1.3%
Operating expenses	17.1	10.7	59.8%	1.2%	0.8%
Operating income	\$ 15.0	\$ 7.2	108.3%	1.0%	0.5%
EBITDA⁽¹⁾	\$ 16.5	\$ 8.6	91.9%	1.2%	0.6%
EBITDA margin ⁽²⁾	51.4%	48.0%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 16.5	\$ 8.6	91.9%	1.2%	0.6%
Normalized EBITDA margin ⁽²⁾	51.4%	48.0%	*	*	*
ADV (in millions):					
Matched contracts	1.7	1.6	6.2%	*	*
Routed contracts			*	*	*
Total touched contracts	1.7	1.6	6.2%	*	*
Market ADV	15.8	16.3	(3.1)%	*	*
Trading days	189	188	0.5%	*	*
Market share	11.0%	9.9%	*	*	*
Net capture per touched contract	\$ 0.053	\$ 0.024	120.8%	*	*

*

Not meaningful

(1)

See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA.

(2)

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EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of EBITDA margin and Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.

For the nine months ended September 30, 2016, the U.S. Options segment's operating income increased \$7.8 million to \$15.0 million compared to the nine months ended September 30, 2015. Revenues less cost of revenues increased \$14.2 million for the nine months ended September 30, 2016

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compared to the same period in 2015, primarily driven by increased net capture from \$0.024 per contract to \$0.053 per contract. Operating expenses increased \$6.4 million for the nine months ended September 30, 2016 primarily driven by increases in compensation and benefit expense due to the launch of the second Options book (EDGX Options) in November 2015.

Global FX

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' Global FX segment:

	Nine Months Ended September 30,		Percent Change	Percentage of Total Revenues Nine Months Ended September 30,	
	2016	2015		2016	2015
	(in millions, except percentages and as noted below)				
Revenues:					
Transaction fees	\$ 28.2	\$ 23.2	21.6%	2.0%	1.7%
Market data fees	0.2		*		
Connectivity fees and other	1.4		*	0.1%	
Total revenues	29.8	23.2	28.4%	2.1%	1.7%
Cost of revenues:					
Total cost of revenues			*		
Revenues less cost of revenues	29.8	23.2	28.4%	2.1%	1.7%
Operating expenses	33.1	27.2	21.7%	2.3%	2.0%
Operating loss	\$ (3.3)	\$ (4.0)	17.5%	(0.2)%	(0.3)%
EBITDA⁽¹⁾	\$ 9.1	\$ 3.5	160.0%	0.6%	0.3%
EBITDA margin ⁽²⁾	30.5%	15.1%	*	*	*
Normalized EBITDA ⁽¹⁾	\$ 11.4	\$ 9.9	15.2%	0.8%	0.7%
Normalized EBITDA margin ⁽²⁾	38.3%	42.7%	*	*	*
ADNV (in billions)	\$ 27.0	\$ 26.9	0.4%	*	*
Net capture per one million dollars traded	\$ 2.68	\$ 3.00	(10.7)%	*	*
Trading days	195	144	35.4%	*	*

*

Not meaningful

(1)

See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA.

(2)

EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of EBITDA margin and Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.

For the nine months ended September 30, 2016 compared to the same period in 2015, the Global FX segment's operating loss decreased \$0.7 million as a 10.7% decrease in net capture was offset by additional revenues due to the Bats Hotspot acquisition in March 2015.

Table of Contents**Comparison of Years Ended December 31, 2015 and 2014***Overview*

The following summarizes changes in financial performance for the year ended December 31, 2015, compared to the year ended December 31, 2014:

	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2015	2014		
	(in millions, except percentages, trading days, earnings per share and as noted below)			
Total revenues	\$ 1,778.7	\$ 1,458.2	\$ 320.5	22.0%
Total cost of revenues	1,394.3	1,150.7	243.6	21.2%
Revenues less cost of revenues	384.4	307.5	76.9	25.0%
Total operating expenses	202.1	187.9	14.2	7.6%
Operating income	182.3	119.6	62.7	52.4%
Income before income tax provision	138.7	80.3	58.4	72.7%
Income tax provision	56.5	31.1	25.4	81.7%
Net income	\$ 82.2	\$ 49.2	\$ 33.0	67.1%
EBITDA ⁽¹⁾	\$ 226.1	\$ 136.0	\$ 90.1	66.3%
EBITDA margin ⁽²⁾	58.8%	44.2%	14.6%	*
Normalized EBITDA ⁽¹⁾	\$ 235.3	\$ 168.1	\$ 67.2	40.0%
Normalized EBITDA margin ⁽³⁾	61.2%	54.7%	6.5%	*
Adjusted earnings ⁽⁴⁾	\$ 103.6	\$ 75.2	\$ 28.4	37.8%
Adjusted earnings margin ⁽⁵⁾	27.0%	24.5%	2.5%	*
Diluted adjusted earnings per share ⁽⁶⁾	\$ 3.17	\$ 2.37	\$ 0.8	33.8%
U.S. Equities:				
ADV:				
Matched shares ADV (in billions)	1.5	1.2	0.3	25.0%
Routed shares ADV (in billions)	0.1	0.1		
Total touched shares (in billions)	1.6	1.3	0.3	23.1%
Market ADV (in billions)	6.9	6.4	0.5	7.8%
Trading days	252	252		
Bats ETPs (in billions of shares)	0.4	0.3	0.1	33.3%
Bats ETPs: launches (number of launches)	26	5	21	420.0%
Bats ETPs: listings (number of listings)	56	28	28	100.0%
European Equities:				
ADNV:				
Matched and touched ADNV (in billions)	€ 12.4	€ 8.6	€ 3.8	44.2%
Market ADNV (in billions)	50.8	39.7	11.1	28.0%
Trading days	257	256	1	0.4%
Average Euro/British pound exchange rate	£ 0.7263	£ 0.8062	£ (0.0799)	(9.9)%
U.S. Options:				
ADV:				

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Matched contracts ADV	1.5	0.8	0.7	87.5%
Routed contracts ADV	0.1		0.1	*
Total touched contracts	1.6	0.8	0.8	100.0%

Market ADV	16.1	16.6	(0.5)	(3.0)%
Trading days	252	252		
Global FX:				
ADNV (in billions)	\$ 25.8	*	*	*
Trading days	209	*	*	*

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	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2015	2014		
(in millions, except percentages, trading days, earnings per share and as noted below)				
Market share:				
U.S. Equities	21.1%	19.4%	1.7%	*
ETPs	22.4%	22.2%	0.2%	*
ETPs: launches	10.1%	2.5%	7.6%	*
ETPs: listings	3.1%	1.7%	1.4%	*
European Equities	24.4%	21.6%	2.8%	*
U.S. Options	9.6%	4.8%	4.8%	*
Net capture:				
U.S. Equities (net capture per one hundred touched shares)	\$ 0.021	\$ 0.022	\$ (0.001)	(4.5)%
European Equities (net capture per matched notional value in basis points)	0.133	0.162	(0.029)	(17.9)%
U.S. Options (net capture per touched contract)	\$ 0.030	\$ 0.046	\$ (0.016)	(34.8)%
Global FX (net capture per one million dollars traded)	\$ 2.95	*	*	*
Average British pound/U.S. dollar exchange rate	\$ 1.5283	\$ 1.6476	\$ (0.1193)	(7.2)%

(1)

"EBITDA" is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, IPO costs, loss of extinguishment of debt, debt restructuring costs, and gain on extinguishment of revolving credit facility. EBITDA and Normalized EBITDA do not represent, and should not be considered as, alternatives to net income or cash flows from operations, each as determined in accordance with U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because Bats considers them important supplemental measures of its performance and believes that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Year Ended December 31,	
	2015	2014
(in millions)		
Net income	\$ 82.2	\$ 49.2
Interest	46.6	27.3
Income tax provision	56.5	31.1
Depreciation and amortization	40.8	28.4
EBITDA	226.1	136.0
Acquisition-related costs	8.2	18.5
IPO costs	1.5	
Loss on extinguishment of debt		13.6
Debt restructuring	0.5	
Gain on extinguishment of revolving credit facility	(1.0)	
Normalized EBITDA	\$ 235.3	\$ 168.1

(2)

EBITDA margin represents EBITDA divided by revenues less cost of revenues.

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(3) Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

(4) "Adjusted earnings" is defined as net income adjusted for amortization, acquisition-related costs, IPO costs, loss on extinguishment of debt, debt restructuring costs and gain on extinguishment of revolving credit facility, net of the income tax effects of these adjustments. Adjusted earnings does not represent, and should not be considered as, an alternative to net income, as determined in accordance with U.S. GAAP. Bats has presented adjusted earnings because it considers it an important supplemental measure of its performance and Bats uses it as the basis for monitoring its own core operating financial performance relative to other operators of electronic exchanges. Bats also believes that it is frequently used by analysts, investors and other interested parties in the evaluation of companies. Bats believes that investors may find this non-GAAP measure useful in evaluating its performance compared to that of peer companies in its industry. Other companies may calculate adjusted earnings differently than Bats does. Adjusted earnings has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to adjusted earnings:

	Year Ended December 31,	
	2015	2014
	(in millions)	
Net income	\$ 82.2	\$ 49.2
Amortization	26.9	10.3
Tax effect of amortization	(11.0)	(4.0)
Acquisition-related costs	8.2	18.5
IPO costs	1.5	
Loss on extinguishment of debt		13.6
Debt restructuring	0.5	
Gain on extinguishment of revolving credit facility	(1.0)	
Tax effect of other items	(3.7)	(12.4)
Adjusted earnings	\$ 103.6	\$ 75.2

(5) Adjusted earnings margin represents adjusted earnings divided by revenues less cost of revenues.

(6) Diluted adjusted earnings per share represents adjusted earnings divided by diluted weighted average shares outstanding.

Revenues

Total revenues for the year ended December 31, 2015 were \$1,778.7 million, an increase of \$320.5 million, or 22.0%, compared to the year ended December 31, 2014, reflecting, in part, higher transaction fees due to higher market share, up to 9.6%, in Bats' U.S. Options segment and up to 21.1% in its U.S. Equities segment. The incremental revenue from the Bats Hotspot acquisition of

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\$31.8 million also contributed to the increase. The following summarizes changes in revenues for the year ended December 31, 2015, compared to the year ended December 31, 2014:

	Year Ended December 31,		Increase/ Decrease	Percent Change
	2015	2014		
	(in millions, except percentages)			
Transaction fees	\$ 1,290.2	\$ 1,009.9	\$ 280.3	27.8%
Regulatory transaction fees	275.7	272.0	3.7	1.4%
Market data fees	131.0	110.3	20.7	18.8%
Port fees and other	81.8	66.0	15.8	23.9%
Total revenues	\$ 1,778.7	\$ 1,458.2	\$ 320.5	22.0%

Transaction Fees

Transaction fees increased \$280.3 million, or 27.8%, to \$1,290.2 million for the year ended December 31, 2015, representing 72.5% of total revenues, compared with \$1,009.9 million for the prior year, or 69.3% of total revenues. This increase in transaction fees was largely driven by Bats' U.S. Options segment where transaction fees increased \$108.0 million due to increased market share, from 4.8% in 2014 to 9.6% in 2015. The U.S. Equities segment contributed \$122.5 million to the increase driven by a 7.8% increase in market volumes. The European Equities segment's transaction fees increased \$18.0 million in 2015 as market ADV increased 28.2% over 2014. The Global FX segment also contributed \$31.8 million to 2015 due to the Bats Hotspot acquisition in March 2015.

Regulatory Transaction Fees

Regulatory transaction fees increased \$3.7 million, or 1.4%, to \$275.7 million for the year ended December 31, 2015, representing 15.5% of total revenues, compared with \$272.0 million for the prior year, or 18.7% of total revenues. This increase was largely driven by a 7.8% increase in U.S. Equities market ADV. Additionally, with the increased market share in U.S. Options, additional regulatory fees of \$2.8 million were recognized. Offsetting these increases was a decrease in the Section 31 rate charged, from \$22.10 per million notional value traded beginning in the first quarter 2014 to \$18.40 per million notional value traded beginning in first quarter 2015.

Market Data Fees

Market data fees increased \$20.7 million, or 18.8%, to \$131.0 million for the year ended December 31, 2015, representing 7.4% of total revenues, compared with \$110.3 million for the prior year, or 7.6% of total revenues. This increase was largely driven by an additional month of Direct Edge activity recorded in 2015 and an 7.2% increase in the U.S. tape plan pool size from 2014 to 2015 primarily due to price increases in January 2015, contributing \$3.6 million and \$6.7 million to the increase, respectively. Bats also received approximately \$3.1 million in audit recoveries from the U.S. tape plans in 2015. The U.S. Options segment also contributed \$3.6 million to the increase as market share increased to 9.6% in 2015 from 4.8% in 2014.

Port Fees and Other

Port fees and other revenues increased \$15.8 million, or 23.9%, to \$81.8 million for the year ended December 31, 2015, compared with \$66.0 million for the year ended December 31, 2014. This increase was driven by a U.S. Equities pricing change to logical ports in second quarter 2015 contributing \$12.3 million in 2015. Also contributing to the increase was \$2.1 million of additional revenue recorded due to the additional month of Direct Edge activity included in 2015.

Table of Contents***Cost of Revenues***

Cost of revenues increased \$243.6 million, or 21.2%, to \$1,394.3 million for the year ended December 31, 2015 from \$1,150.7 million for the year ended December 31, 2014. The increase was primarily due to a 7.8% increase in U.S. equities market ADV in 2015 and the increase in Bats' U.S. Equities segment market share from 19.4% in 2014 to 21.1% in 2015. Bats' U.S. Options segment market share also increased from 4.8% in 2014 to 9.6% in 2015, increasing liquidity payments. The following summarizes changes in cost of revenues for the year ended December 31, 2015 compared to the prior year:

	Year Ended December 31,		Increase/ Decrease	Percent Change
	2015	2014		
	(in millions, except percentages)			
Liquidity payments	\$ 1,070.7	\$ 831.4	\$ 239.3	28.8%
Section 31 fees	275.7	272.0	3.7	1.4%
Routing and clearing	47.9	47.3	0.6	1.3%
Total	\$ 1,394.3	\$ 1,150.7	\$ 243.6	21.2%

Liquidity Payments

Liquidity payments increased \$239.3 million, or 28.8%, to \$1,070.7 million for the year ended December 31, 2015, representing 60.2% of total revenues, compared with \$831.4 million for the prior year, or 57.0% of total revenues. The U.S. Equities segment contributed \$118.3 million to the increase, driven by \$23.5 million from the additional month of Direct Edge activity and a 7.8% increase in U.S. equities market volumes. The U.S. Options segment liquidity payments increased \$103.0 million, primarily driven by increased rebate payments due to increased market share. The European Equities segment liquidity payments increased \$18.0 million driven by a 28.0% increase in market ADV.

Section 31 Fees

Section 31 fees increased \$3.7 million, or 1.4%, to \$275.7 million for the year ended December 31, 2015, representing 15.5% of total revenues, compared with \$272.0 million for the prior year or 18.7% of total revenues for the reasons stated previously under "Components of Revenues Regulatory Transaction Fees."

Routing and Clearing

Routing and clearing fees increased \$0.6 million, or 1.3%, to \$47.9 million for the year ended December 31, 2015, representing 2.7% of total revenues, compared with \$47.3 million for the prior year, or 3.2% of total revenues. This decrease in routing and clearing fees was driven by a decrease of the routed percentage on Bats' U.S. Equities markets from 7.4% in 2014 to 6.3% in 2015 and an 8.9% decrease in routed fees per contract in the U.S. Options segment.

Revenues Less Cost of Revenues

Revenues less cost of revenues increased \$76.9 million, or 25.0%, to \$384.4 million for the year ended December 31, 2015 compared to \$307.5 million for the year ended December 31, 2014, primarily as a result of the Bats Hotspot acquisition contributing \$31.8 million to revenues less cost of revenues and an increase in market data revenue in the U.S. Equities segment, driven by U.S. tape plan pricing increases put into effect in January 2015 and an increase in market share from 19.4% in 2014 to 21.1% in 2015 primarily driven by the Direct Edge acquisition on January 31, 2014.

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The following summarizes the components of revenues less cost of revenues for the year ended December 31, 2015, presented as a percentage of revenues less cost of revenues and compared to the prior year:

	Year Ended December 31,		Percent Change	Percentage of Revenues Less Cost of Revenues	
	2015	2014		Year Ended December 31,	2014
	(in millions)			2015	2014
Transaction fees less liquidity payments and routing and clearing costs	\$ 171.6	\$ 131.2	30.8%	44.6%	42.7%
Market data fees	131.0	110.3	18.8%	34.1%	35.9%
Port fees	81.8	66.0	23.9%	21.3%	21.4%
Revenues less cost of revenues	\$ 384.4	\$ 307.5	25.0%	100.0%	100.0%

Fluctuations in Revenues Less Cost of Revenues

Fluctuations in revenues less cost of revenues are driven by various factors. Volume variances are driven by changes in overall industry volume and Bats' share of those volumes, while net capture variances are driven primarily by pricing changes. The following summarizes the fluctuations in revenues less cost of revenues for the year ended December 31, 2015 and attributes the fluctuations to various sources:

	Total (in millions)	Percentage of Total
Market volume	\$ 17.2	22.4%
Market share	41.1	53.4%
Net capture	(24.1)	(31.3)%
Bats Hotspot acquisition	31.8	41.4%
Other	10.9	14.1%
Revenues less cost of revenues	\$ 76.9	100.0%

Transaction Fees Less Liquidity Payments and Routing and Clearing Costs

Transaction fees less liquidity payments and routing and clearing costs increased \$40.4 million, or 30.8%, to \$171.6 million for the year ended December 31, 2015, representing 44.6% of revenues less cost of revenues, compared with \$131.2 million for the prior year, or 42.7% of revenues less cost of revenues. The increase was primarily driven by Global FX revenue of \$31.8 million due to the acquisition of Bats Hotspot in first quarter 2015, an increase in Bats' market share in the U.S. Equities segment from 19.4% in 2014 to 21.1% in 2015, and a 7.8% increase in market ADV in U.S. Equities that contributed \$6.5 million and increased market share in the U.S. Options segment that contributed \$9.2 million. This was offset by decreased net capture in U.S. Options and European Equities with a \$6.6 million and \$12.1 million impact, respectively. U.S. Options net capture decreased 34.8% from \$0.046 per touched contract in 2014 to \$0.030 per touched contract in 2015. European Equities net capture per matched notional value decreased 17.9% from 0.164 basis points in 2014 to 0.133 basis points in 2015, as higher market volumes and market share lifted customers into higher rebate tiers.

Table of Contents*Market Data Fees*

Market data fees increased \$20.7 million, or 18.8%, to \$131.0 million for the year ended December 31, 2015, representing 34.1% of revenues less cost of revenues, compared with \$110.3 million for the prior year, or 35.9% of revenues less cost of revenues. For purposes of calculating these percentages, Bats has not attributed any incremental costs associated with providing trading and quoting information to the U.S. tape plans. This increase was driven primarily by a 7.2% increase in the U.S. tape plan pool size due to a price increase in January 2015, along with increased U.S. Equities and U.S. Options market share, up from 19.4% in 2014 to 21.1% in 2015 and up from 4.8% in 2014 to 9.6% in 2015, respectively.

Port Fees

Port fees increased \$15.8 million, or 23.9%, to \$81.8 million for the year ended December 31, 2015, representing 21.3% of revenues less cost of revenues, compared with \$66.0 million for the prior year, or 21.4% of revenues less cost of revenues. This increase was due to the U.S. Equities logical port fee pricing changes for logical ports in second quarter 2015 along with an additional month of Direct Edge activity.

Operating Expenses

Total operating expenses increased \$14.2 million, or 7.6%, to \$202.1 million for the year ended December 31, 2015, compared with \$187.9 million for the year ended December 31, 2014. The increase over the prior year was primarily due to the acquisition of Bats Hotspot, contributing \$38.4 million in operating expenses in 2015. Offsetting this increase was a \$31.2 million decrease in operating expenses in the U.S. Equities segment due to realized synergies in 2015 from the Direct Edge acquisition. The following summarizes changes in operating expenses for the year ended December 31, 2015, compared to the prior year:

	Year Ended December 31,		Increase/ Decrease	Percent Change
	2015	2014		
	(in millions)			
Operating Expenses:				
Compensation and benefits	\$ 79.7	\$ 87.0	\$ (7.3)	(8.4)%
Depreciation and amortization	40.8	28.4	12.4	43.7%
Systems and data communication	27.2	23.5	3.7	15.7%
Occupancy	3.1	4.2	(1.1)	(26.2)%
Professional and contract services	11.1	6.5	4.6	70.8%
Regulatory costs	11.1	12.1	(1.0)	(8.3)%
Change in fair value of contingent consideration liability	2.8		2.8	*
General and administrative	26.3	26.2	0.1	0.4%
Total operating expenses	\$ 202.1	\$ 187.9	\$ 14.2	7.6%

Compensation and Benefits

Compensation and benefits decreased by \$7.3 million, or 8.4%, to \$79.7 million for the year ended December 31, 2015, representing 4.5% of total revenues, compared with \$87.0 million for the prior year, or 6.0% of total revenues. This decrease was driven by severance and retention expense recognized in 2014 related to the Direct Edge acquisition, and having fewer employees, offset by annual merit increases in fourth quarter 2014 and the additional Global FX compensation of \$14.5 million driven by the Bats Hotspot acquisition in March 2015. As a result of the Direct Edge technology integration in January 2015, 57 employees were terminated in first quarter 2015.

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Depreciation and Amortization

Depreciation and amortization increased by \$12.4 million, or 43.7%, to \$40.8 million for the year ended December 31, 2015, compared with \$28.4 million for the year ended December 31, 2014, primarily reflecting the additional amortization recorded for the intangible assets acquired with the Bats Hotspot acquisition in March 2015 of \$12.3 million.

Systems and Data Communication

Systems and data communication costs increased by \$3.7 million, or 15.7%, to \$27.2 million for the year ended December 31, 2015, compared with \$23.5 million for the year ended December 31, 2014. The increase was primarily due to a \$4.1 million acceleration of expense for the legacy Direct Edge data center agreement terminated early in 2015.

Occupancy

Occupancy expenses decreased \$1.1 million, or 26.2%, to \$3.1 million for the year ended December 31, 2015, compared with \$4.2 million for the year ended December 31, 2014. This decrease was primarily driven by the termination of the lease of the Direct Edge office space in the fourth quarter of 2014.

Professional and Contract Services

Professional and contract services fees increased by \$4.6 million, or 70.8%, to \$11.1 million for the year ended December 31, 2015, compared with \$6.5 million for the prior year. The increase was primarily due to professional fees incurred in 2015 related to the Bats Hotspot acquisition and the services rendered in preparation of being a public company.

Regulatory Costs

Regulatory costs decreased \$1.0 million to \$11.1 million for the year ended December 31, 2015 compared with \$12.1 million for the year ended December 31, 2014 driven by the end of the transition of regulatory service agreement vendors.

Change in Fair Value of Contingent Consideration Liability

Change in fair value of contingent consideration liability was \$2.8 million for the year ended December 31, 2015, due to the fair value adjustment of the contingent consideration liability recorded with the acquisition of Bats Hotspot in March 2015.

General and Administrative

General and administrative expenses increased by \$0.1 million, or 0.4%, to \$26.3 million for the year ended December 31, 2015, compared with \$26.2 million for the prior year. This increase was due primarily to the \$6.0 million accelerated expense of legacy Direct Edge servers that are no longer being used after the Direct Edge technology integration in January 2015 and a \$1.2 million reserve for sale taxes for certain physical and logical ports, offset by a \$1.5 million value-added tax, or VAT, credit received in 2015. The remaining decrease is primarily a result of the synergies achieved from the Direct Edge Integration in 2015.

Operating Income

As a result of the items above, operating income for the year ended December 31, 2015 was \$182.3 million, or 47.4% of revenues less cost of revenues, compared to \$119.6 million, or 38.9% of

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revenues less cost of revenues, for the year ended December 31, 2014, an increase of \$62.7 million, or 52.4%.

Interest Expense, Net

Interest expense, net increased by \$19.3 million to \$46.6 million for the year ended December 31, 2015, compared with \$27.3 million for the prior year. This was due to the additional debt issued in March 2015.

Other Income (Expense)

Other income (expense) increased by \$15.0 million to \$3.0 million for the year ended December 31, 2015 compared to \$(12.0) million for the year ended December 31, 2014. This increase was due to the foreign currency gain on the revolving credit facility when it was extinguished in March 2015, offset by the loss on the extinguishment of debt that was repaid in January 2014.

Income Before Income Tax Provision

As a result of the above, income before income tax provision for the year ended December 31, 2015 was \$138.7 million compared to \$80.3 million for the year ended December 31, 2014, an increase of \$58.4 million.

Income Tax Provision

For the year ended December 31, 2015, the income tax provision was \$56.5 million compared with \$31.1 million for the year ended December 31, 2014. The effective tax rate for the year ended December 31, 2015 was 40.7%, compared to 38.7% for the year ended December 31, 2014. The increase in the effective tax rate in 2015 compared to 2014 was due to legislative changes in New York and New York City in 2015 and a higher rate attributable to foreign earnings.

Net Income

As a result of the items above, net income for the year ended December 31, 2015 was \$82.2 million, or 21.4% of revenues less cost of revenues, compared to \$49.2 million, or 16.0% of revenues less cost of revenues, for the year ended December 31, 2014, an increase of \$33.0 million.

Segment Operating Results

The following summarizes Bats' total revenues by segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015	2014		Year Ended December 31, 2015	2014
	(in millions)				
U.S. Equities	\$ 1,386.8	\$ 1,234.5	12.3%	78.0%	84.7%
European Equities	117.9	99.1	19.0%	6.6%	6.8%
U.S. Options	242.2	124.6	94.4%	13.6%	8.5%
Global FX	31.8		*	1.8%	
Total revenues	\$ 1,778.7	\$ 1,458.2	22.0%	100.0%	100.0%

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The following summarizes Bats' revenues less cost of revenues by segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015	2014		Year Ended December 31,	2014
	(in millions)				
U.S. Equities	\$ 259.4	\$ 224.3	15.6%	67.4%	72.9%
European Equities	67.1	66.4	1.1%	17.5%	21.6%
U.S. Options	26.1	16.8	55.4%	6.8%	5.5%
Global FX	31.8		*	8.3%	
Revenues less cost of revenues	\$ 384.4	\$ 307.5	25.0%	100.0%	100.0%

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U.S. Equities

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Equities segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015 (in millions, except percentages and as noted below)	2014		Year Ended December 31, 2015	2014
Revenues:					
Transaction fees	\$ 938.8	\$ 816.2	15.0%	52.7%	56.0%
Regulatory transaction fees	269.6	268.7	0.3%	15.2%	18.5%
Market data fees	114.1	97.6	16.9%	6.5%	6.7%
Port fees and other	64.3	52.0	23.7%	3.6%	3.5%
Total revenues	1,386.8	1,234.5	12.3%	78.0%	84.7%
Cost of revenues:					
Liquidity payments	814.1	695.8	17.0%	45.8%	47.7%
Section 31 fees	269.6	268.7	0.3%	15.2%	18.5%
Routing and clearing	43.7	45.7	(4.4)%	2.4%	3.1%
Total cost of revenues	1,127.4	1,010.2	11.6%	63.4%	69.3%
Revenues less cost of revenues	259.4	224.3	15.6%	14.6%	15.4%
Operating expenses	110.2	141.3	(22.0)%	6.2%	9.7%
Operating income	\$ 149.2	\$ 83.0	79.8%	8.4%	5.7%
EBITDA⁽¹⁾	\$ 168.0	\$ 103.4	62.5%	9.4%	7.1%
EBITDA margin ⁽²⁾	64.8%	46.1%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 168.7	\$ 121.9	38.4%	9.5%	8.4%
Normalized EBITDA margin ⁽²⁾	65.1%	54.3%	*	*	*
ADV (in billions):			*		
Matched shares	1.5	1.2	25.0%	*	*
Routed shares	0.1	0.1		*	*
Total touched shares	1.6	1.3	23.1%	*	*
Market ADV	6.9	6.4	7.8%	*	*
Trading days	252	252		*	*
Bats ETPs (in billions of shares)	0.4	0.3	33.3%	*	*
Bats ETPs: launches (number of launches)	26	5	420.0%	*	*
Bats ETPs: listings (number of listings)	56	28	100.0%	*	*
Market share	21.1	19.4%	*	*	*
Net capture per one hundred touched shares	\$ 0.021	\$ 0.022	(4.5)%	*	*

*

Not meaningful

(1)

"EBITDA" is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, IPO costs, loss on extinguishment of debt, debt restructuring costs, and gain on extinguishment of revolving credit facility. EBITDA and Normalized EBITDA do not represent, and should not be considered as, alternatives to net income or cash flows from operations, each as determined in accordance with U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because Bats considers them

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important supplemental measures of its performance and believes that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Year Ended December 31,										
	2015						2014				
	U.S. Equities	European Equities	U.S. Options	Global FX	Corporate items and elimination	Total	U.S. Equities	European Equities	U.S. Options	Corporate items and elimination	Total
	(in millions)										
Net income (loss)	\$ 85.8	\$ 18.3	\$ 9.8	\$ (6.3)	\$ (25.4)	\$ 82.2	\$ 40.2	\$ 37.7	\$ 8.3	\$ (37.0)	\$ 49.2
Interest		(0.1)			46.7	46.6		(0.1)		27.4	27.3
Income tax provision (benefit)	63.6	14.8		0.1	(22.0)	56.5	43.3	(6.1)		(6.1)	31.1
Depreciation and amortization	18.6	8.3	1.6	12.3		40.8	19.9	7.6	0.9		28.4
EBITDA	168.0	41.3	11.4	6.1	(0.7)	226.1	103.4	39.1	9.2	(15.7)	136.0
Acquisition-related costs	0.7			7.5		8.2	18.5				18.5
IPO costs					1.5	1.5					
Loss on extinguishment of debt										13.6	13.6
Debt restructuring					0.5	0.5					
Gain on extinguishment of revolving credit facility					(1.0)	(1.0)					
Normalized EBITDA	\$ 168.7	\$ 41.3	\$ 11.4	\$ 13.6	\$ 0.3	\$ 235.3	\$ 121.9	\$ 39.1	\$ 9.2	\$ (2.1)	\$ 168.1

- (2) EBITDA margin represents EBITDA divided by revenues less cost of revenues while Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

For the year ended December 31, 2015, U.S. Equities operating income increased \$66.2 million, to \$149.2 million. The increase in revenues less cost of revenues is driven by increased market share in 2015 compared to 2014 and a 7.8% increase in market ADV from 2014 to 2015. The decrease in operating expenses is driven by a decrease in compensation due to the severance and retention related to the Direct Edge acquisition recorded in 2014 offset by accelerations of expense in 2015 of \$6.0 million for legacy Direct Edge servers and \$4.1 million for legacy Direct Edge data center space.

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European Equities

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' European Equities segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015	2014		2015	2014
	(in millions except for percentages and exchange rates)				
Revenues:					
Transaction fees	\$ 97.8	\$ 79.9	22.4%	5.5%	5.5%
Market data fees	9.3	8.7	6.9%	0.5%	0.6%
Port fees and other	10.8	10.5	2.9%	0.6%	0.7%
Total revenues	117.9	99.1	19.0%	6.6%	6.8%
Cost of revenues:					
Liquidity payments	50.6	32.6	55.2%	2.8%	2.2%
Routing and clearing	0.2	0.1	100.0%	0.1%	
Total cost of revenues	50.8	32.7	55.4%	2.9%	2.2%
Revenues less cost of revenues	67.1	66.4	1.1%	3.7%	4.6%
Operating expenses	35.2	36.0	(2.2)%	2.0%	2.5%
Operating income	\$ 31.9	\$ 30.4	4.9%	1.7%	2.1%
EBITDA ⁽¹⁾	\$ 41.3	\$ 39.1	5.6%	2.3%	2.7%
EBITDA margin ⁽²⁾	61.5%	58.9%	*	*	*
Normalized EBITDA ⁽¹⁾	\$ 41.3	\$ 39.1	5.6%	2.3%	2.7%
Normalized EBITDA margin ⁽²⁾	61.5%	58.9%	*	*	*
ADNV (in billions):					
Matched and touched ADNV	€ 12.4	€ 8.6	44.2%	*	*
Market ADNV	€ 50.8	€ 39.7	28.0%	*	*
Trading days	257	256	0.4%	*	*
Market share	24.4%	21.6%	*	*	*
Net capture per matched notional value (in basis points)	0.133	0.162	(17.9)%	*	*
Average British pound/U.S. dollar exchange rate	\$ 1.5283	\$ 1.6476	(7.2)%	*	*
Average Euro/British pound exchange rate	£0.7263	£0.8062	(9.9)%	*	*

*
Not meaningful

(1) See footnote (1) to the table under " U.S. Equities" above for a reconciliation of net income to EBITDA and Normalized EBITDA.

(2) EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

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To illustrate the growth without the effect of the exchange rates in Bats' European Equities segment the following table shows revenues, cost of revenues, operating expenses and operating loss for Bats' European Equities segment in British pounds:

	Year Ended December 31,		Percent Change
	2015	2014	
	(in millions)		
Transaction fees	£64.0	£48.6	31.7%
Market data	6.0	5.2	15.4%
Other	7.1	6.4	10.9%
Revenues	77.1	60.2	28.1%
Liquidity payments	33.1	19.8	67.2%
Routing and clearing	0.1	0.1	
Cost of revenues	33.2	19.9	66.8%
Revenues less cost of revenues	43.9	40.3	8.9%
Operating expenses	23.0	21.8	5.5%
Operating income	£20.9	£18.5	13.0%
EBITDA ⁽¹⁾	£27.0	£23.8	13.4%
Normalized EBITDA ⁽¹⁾	£27.0	£23.8	13.4%

(1) See footnote (1) to the table under " U.S. Equities" above for a reconciliation of net income to EBITDA and Normalized EBITDA. See below for a reconciliation of net income to EBITDA and Normalized EBITDA in British pounds:

	Year Ended December 31,		Percent Change
	2015	2014	
	(in millions)		
Net income	£16.2	£19.2	(15.6)%
Interest	0.1		*
Income tax provision	5.3		*
Depreciation and amortization	5.4	4.6	17.4%
EBITDA	27.0	23.8	13.4%
Acquisition-related costs			*
IPO costs			*
Loss on extinguishment of debt			*
Debt restructuring			*
Gain on extinguishment of revolving credit facility			*
Normalized EBITDA	£27.0	£23.8	13.4%

For the year ended December 31, 2015, the European Equities segment's operating income increased \$1.5 million to \$31.9 million compared to the year ended December 31, 2014. This was driven by a 28.0% increase in market ADNV offset by a 17.9% decrease in net capture and a 7.2% decline in the average British pound/U.S. dollar exchange rate. Operating expenses decreased \$0.7 million driven by the \$1.5 million VAT credit received in second quarter 2015 and the \$0.3 million VAT credit received in the third quarter 2015.

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U.S. Options

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Options segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015	2014		Year Ended December 31,	2014
(in millions)					
Revenues:					
Transaction fees	\$ 221.8	\$ 113.8	94.9%	12.5%	7.8%
Regulatory transaction fees	6.1	3.3	84.8%	0.3%	0.2%
Market data fees	7.6	4.0	90.0%	0.4%	0.3%
Port fees and other	6.7	3.5	91.4%	0.4%	0.2%
Total revenues	242.2	124.6	94.4%	13.6%	8.5%
Cost of revenues:					
Liquidity payments	206.0	103.0	100.0%	11.6%	7.1%
Section 31 fees	6.1	3.3	84.8%	0.3%	0.2%
Routing and clearing	4.0	1.5	166.7%	0.2%	0.1%
Total cost of revenues	216.1	107.8	100.5%	12.1%	7.4%
Revenues less cost of revenues	26.1	16.8	55.4%	1.5%	1.1%
Operating expenses	16.3	8.5	91.8%	0.9%	0.6%
Operating income	\$ 9.8	\$ 8.3	18.1%	0.6%	0.5%
EBITDA⁽¹⁾	\$ 11.4	\$ 9.2	23.9%	0.6%	0.6%
EBITDA margin ⁽²⁾	43.7%	54.8%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 11.4	\$ 9.2	23.9%	0.6%	0.6%
Normalized EBITDA margin ⁽²⁾	43.7%	54.8%	*	*	*
ADV (in millions):					
Matched contracts	1.5	0.8	87.5%	*	*
Routed contracts	0.1		*	*	*
Total touched contracts	1.6	0.8	100.0%	*	*
Market ADV	16.1	16.6	(3.0)%	*	*
Trading days	252	252		*	*
Market share	9.6%	4.8%	*	*	*
Net capture per touched contract	\$ 0.030	\$ 0.046	(34.8)%	*	*

*
Not meaningful

(1) See footnote (1) to the table under " U.S. Equities" above for a reconciliation of net income to EBITDA and Normalized EBITDA.

- (2) EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

For the year ended December 31, 2015, the U.S. Options segment's operating income increased \$1.5 million to \$9.8 million compared to the year ended December 31, 2014. Revenues less cost of revenues increased \$9.3 million primarily driven by increased market share, from 4.8% in 2014 to 9.6% in 2015. Operating expenses increased \$7.8 million driven by increases in compensation due to the preparation of the second Options book (EDGX Options) launched in November 2015.

Table of Contents*Global FX*

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' Global FX segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2015	2014		Year Ended December 31,	2014
	(in millions, except as noted below)			2015	2014
Revenues (transaction fees)	\$ 31.8		*	1.8%	*
Cost of revenues			*		*
Revenues less cost of revenues	31.8		*	1.8%	*
Operating expenses	38.4		*	2.2%	*
Operating loss	\$ (6.6)		*	(0.4)%	*
EBITDA ⁽¹⁾	\$ 6.1		*	0.3%	*
EBITDA margin ⁽²⁾	19.2%		*	*	*
Normalized EBITDA ⁽¹⁾	\$ 13.6		*	0.8%	*
Normalized EBITDA margin ⁽²⁾	42.8%		*	*	*
ADNV (in billions)	\$ 25.8	*	*	*	*
Net capture per one million dollars traded	\$ 2.95	*	*	*	*
Trading days	209	*	*	*	*

*

Not meaningful

(1)

See footnote (1) to the table under " U.S. Equities" above for a reconciliation of net income to EBITDA and Normalized EBITDA.

(2)

EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

For the year ended December 31, 2015, the Global FX segment's operating loss was \$6.6 million. This was primarily driven by the Bats Hotspot acquisition in March 2015 and the amortization on the intangible assets acquired.

Table of Contents**Comparison of Years Ended December 31, 2014 and 2013***Overview*

The following summarizes changes in financial performance for the year ended December 31, 2014, compared to the year ended December 31, 2013:

	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2014	2013		
	(in millions, except percentages, trading days, earnings per share and items noted below)			
Total revenues	\$ 1,458.2	\$ 841.5	\$ 616.7	73.3%
Total cost of revenues	1,150.7	644.7	506.0	78.5%
Revenues less cost of revenues	307.5	196.8	110.7	56.3%
Total operating expenses	187.9	95.2	92.7	97.4%
Operating income	119.6	101.6	18.0	17.7%
Interest expense, net	(27.3)	(25.8)	(1.5)	5.8%
Other expenses	(12.0)	(0.2)	(11.8)	*
Income before income tax provision	80.3	75.6	4.7	6.2%
Income tax provision	31.1	28.8	2.3	8.0%
Net income	\$ 49.2	\$ 46.8	\$ 2.4	5.1%
EBITDA ⁽¹⁾	\$ 136.0	\$ 116.6	\$ 19.4	16.6%
EBITDA margin ⁽²⁾	44.2%	59.2%		
Normalized EBITDA ⁽¹⁾	\$ 168.1	\$ 124.1	\$ 44.0	35.5%
Normalized EBITDA margin ⁽²⁾	54.7%	63.1%		
Adjusted earnings ⁽³⁾	\$ 75.2	\$ 55.1	\$ 20.1	36.5%
Adjusted earnings margin ⁽⁴⁾	24.5%	28.0%	(3.5)%	*
Diluted adjusted earnings per share ⁽⁵⁾	\$ 0.81	\$ 0.83	\$ (0.02)	(2.4)%
U.S. Equities:				
ADV:				
Matched shares ADV (in billions)	1.2	0.6	0.6	100.0%
Routed shares ADV (in billions)	0.1	0.1		
Total touched shares (in billions)	1.3	0.7	0.6	85.7%
Market ADV (in billions)	6.4	6.2	0.2	3.2%
Trading days	252	252		
Bats ETPs (in billions of shares)	0.3	0.3		0%
Bats ETPs: launches (number of launches)	5	6	(1)	(16.7)%
Bats ETPs: listings (number of listings)	28	23	5	21.7%
European Equities:				
ADNV:				
Matched and touched ADNV (in billions)	€ 8.6	€ 7.5	€ 1.1	14.7%
Market ADNV (in billions)	€ 39.7	€ 32.6	€ 7.1	21.8%

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Trading days		256		256		
Average Euro/British pound exchange rate	£	0.8062	£	0.8489	£	(0.0427) (5.0)%
U.S. Options:						
ADV:						
Matched contracts ADV		0.8		0.6		0.2 33.3%
Routed contracts ADV						
Total touched contracts		0.8		0.6		0.2 33.3%
Market ADV		16.6		15.9		0.7 4.4%
Trading days		252		252		
Market share:						
U.S. Equities		19.4%		10.4%		
ETPs		22.2%		22.9%		(0.7)% *
ETPs: launches		2.5%		3.9%		(1.4)% *
ETPs: listings		1.7%		1.5%		0.2% *
European Equities		21.6%		23.1%		
U.S. Options		4.8%		3.7%		
Net capture:						
U.S. Equities (net capture per one hundred touched shares)	\$	0.022	\$	0.024	\$	(0.002) (8.3)%
European Equities (net capture per matched notional value in basis points)		0.162		0.167		(0.005) (3.0)%
U.S. Options (net capture per touched contract)	\$	0.046	\$	0.058	\$	(0.012) (20.7)%

*

Not meaningful

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(1)

"EBITDA" is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, loss on extinguishment of debt, IPO costs, debt restructuring costs, intangible asset impairment charges and an unusually large regulatory assessment charged to a member in 2013. EBITDA and Normalized EBITDA do not represent, and should not be considered as, alternatives to net income or cash flows from operations, each as determined in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because Bats considers them important supplemental measures of its performance and believes that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Year Ended December 31,	
	2014	2013
	(in millions)	
Net income	\$ 49.2	\$ 46.8
Interest	27.3	25.8
Income tax provision	31.1	28.8
Depreciation and amortization	28.4	15.2
EBITDA	136.0	116.6
Acquisition-related costs	18.5	5.2
Loss on extinguishment of debt	13.6	
IPO costs		0.6
Impairment of intangible assets		3.5
Regulatory assessment		(1.8)
Normalized EBITDA	\$ 168.1	\$ 124.1

(2)

EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues. Bats uses the non-GAAP measure of EBITDA margin and Normalized EBITDA margin to measure its performance and believes it is frequently used by analysts, investors and other interested parties in the evaluation of performance.

(3)

"Adjusted earnings" is defined as net income adjusted for amortization, net of tax and other items, including acquisition-related costs, IPO costs, loss on extinguishment of debt, debt restructuring costs, intangible asset impairment charges and an unusually large regulatory assessment charged to a member in 2013, net of the income tax effects of these adjustments. Adjusted earnings does not represent, and should not be considered as, an alternative to net income, as determined in accordance with U.S. GAAP. Bats has presented adjusted earnings because Bats considers it an important supplemental measure of its performance and Bats uses it as the basis for monitoring its own core operating financial performance relative to other operators of electronic exchanges. Bats also believes that it is frequently used by analysts, investors and other interested parties in the evaluation of companies. Bats believes that investors may find this non-GAAP measure useful in evaluating its performance compared to that of peer companies in its industry. Other companies may calculate adjusted earnings differently than Bats does. Adjusted earnings has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to adjusted earnings:

	Year Ended December 31,	
	2014	2013
Net income	\$ 49.2	\$ 46.8
Amortization	10.3	5.9
Acquisition-related costs	18.5	5.2
IPO costs		0.6
Loss on extinguishment of debt	13.6	

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Impairment of intangible assets		3.5
Regulatory assessment		(1.8)
Tax effect of amortization and other items	(16.4)	(5.1)
Adjusted earnings	\$ 75.2	\$ 55.1

- (4) Adjusted earnings margin represents adjusted earnings divided by revenues less cost of revenues.
- (5) Diluted adjusted earnings per share represents adjusted earnings divided by diluted weighted average shares outstanding.

Table of Contents**Revenues**

Total revenues for the year ended December 31, 2014 were \$1,458.2 million, an increase of \$616.7 million, or 73.3%, compared to the year ended December 31, 2013, driven primarily by the Direct Edge acquisition in January 2014. The following summarizes changes in revenues for the year ended December 31, 2014, compared to the year ended December 31, 2013:

	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2014	2013		
	(in millions)			
Transaction fees	\$ 1,009.9	\$ 612.8	\$ 397.1	64.8%
Regulatory transaction fees	272.0	127.4	144.6	113.5%
Market data fees	110.3	59.4	50.9	85.7%
Connectivity fees and other	66.0	41.9	24.1	57.5%
Total revenues	\$ 1,458.2	\$ 841.5	\$ 616.7	73.3%

Transaction Fees

Transaction fees increased \$397.1 million, or 64.8%, to \$1,009.9 million for the year ended December 31, 2014, representing 69.3% of total revenues, compared with \$612.8 million for the prior year, or 72.8% of total revenues. This increase in transaction fees was driven by a 3.2% increase in U.S. equities market ADV and the Direct Edge acquisition resulting in a market share increase from 10.4% in 2013 to 19.4% in 2014, which combined added \$348.9 million in transaction fees. European Equities transaction fees increased \$8.4 million in 2014 as European equities market ADV increased 21.8% over 2013, offset by a decrease in market share from 23.1% in 2013 to 21.6% in 2014. U.S. Options transaction fees increased \$30.8 million due to an increase in transaction fees per touched contract from \$0.547 for 2013 to \$0.563 for 2014 and a market share increase from 3.7% in 2013 to 4.8% in 2014.

Regulatory Transaction Fees

Regulatory transaction fees increased \$144.6 million, or 113.5%, to \$272.0 million for the year ended December 31, 2014, representing 18.7% of total revenues, compared with \$127.4 million for the prior year, or 15.1% of total revenues. This increase was driven by the Direct Edge acquisition, which contributed \$113.5 million to the increase. The remaining increase was driven by a Section 31 rate increase. The SEC periodically adjusts the assessment rate, which affects the amount of fees that are passed through to members by national securities exchanges. During the first quarter 2014, the rate increased from \$17.40 per million dollars traded to \$22.10 per million dollars traded.

Market Data Fees

Market data fees increased \$50.9 million, or 85.7%, to \$110.3 million for the year ended December 31, 2014, representing 7.6% of total revenues, compared with \$59.4 million for the prior year, or 7.1% of total revenues. This increase was primarily driven by Bats' increase in market share from 10.4% in 2013 to 19.4% in 2014 due to the Direct Edge acquisition, which added \$44.3 million to the 2014 results and proprietary market data fees as a result of BZX and BYX equity exchanges beginning to charge for proprietary market data in the third quarter 2014 and inclusion of EDGX and EDGA proprietary market data revenue as of the date of the Direct Edge acquisition.

Table of Contents*Connectivity Fees and Other*

Other revenues increased \$24.1 million, or 57.5%, to \$66.0 million for the year ended December 31, 2014, compared with \$41.9 million for the year ended December 31, 2013. This increase is primarily due to the Direct Edge acquisition, which contributed \$22.7 million to the 2014 results. The remaining increase is primarily driven by European Equities as it began charging for certain ports in the third quarter of 2013.

Cost of Revenues

Cost of revenues increased \$506.0 million, or 78.5%, to \$1,150.7 million for the year ended December 31, 2014 from \$644.7 million for the year ended December 31, 2013, driven primarily by the Direct Edge acquisition and a change to the Section 31 rate in 2014. The following summarizes changes in cost of revenues for the year ended December 31, 2014 compared to the prior-year period:

	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2014	2013		
	(in millions)			
Liquidity payments	\$ 831.4	\$ 474.7	\$ 356.7	75.1%
Section 31 fees	272.0	127.4	144.6	113.5%
Routing and clearing	47.3	42.6	4.7	11.0%
Total	\$ 1,150.7	\$ 644.7	\$ 506.0	78.5%

Liquidity Payments

Liquidity payments increased \$356.7 million, or 75.1%, to \$831.4 million for the year ended December 31, 2014, representing 57.0% of total revenues, compared with \$474.7 million for the prior year, or 56.4% of total revenues. This increase was primarily driven by the Direct Edge acquisition, which added \$281.8 million to the 2014 results. In addition, BYX liquidity payments increased \$57.3 million over 2013 due to pricing changes in the second quarter 2014 and increased market share from 2.0% in 2013 to 3.1% in 2014. European Equities liquidity payments increased \$3.8 million, driven by a 21.8% increase in European equities market ADNV. Finally, U.S. Options liquidity payments increased \$29.9 million, driven by a pricing increase and more members receiving higher rebates for achieving volume tiers.

Section 31 Fees

Section 31 fees increased \$144.6 million, or 113.5%, to \$272.0 million for the year ended December 31, 2014, representing 18.7% of total revenues, compared with \$127.4 million for the prior year, or 15.1% of total revenues for the reasons stated previously under "Bats Management's Discussion and Analysis of Financial Condition and Results of Operations Components of Revenues Regulatory Transaction Fees."

Routing and Clearing

Routing and clearing fees increased \$4.7 million, or 11.0%, to \$47.3 million for the year ended December 31, 2014, representing 3.2% of total revenues, compared with \$42.6 million for the prior year, or 5.1% of total revenues. This increase was primarily driven by the increase in routed transactions as a result of the Direct Edge acquisition offset by a decrease in U.S. Equities fees per 100 routed shares from \$0.252 for the year ended December 31, 2013 to \$0.181 per routed shares for the year ended December 31, 2014 as pricing changes were made in the second quarter of 2014.

Table of Contents*Revenues Less Cost of Revenues*

Revenues less cost of revenues increased to \$307.5 million in the year ended December 31, 2014 compared to \$196.8 million for the year ended December 31, 2013, an increase of 56.3% primarily as a result of the Direct Edge acquisition. The following summarizes the components of revenues less cost of revenues in 2014, presented as a percentage of revenues less cost of revenues and compared to the prior year:

	Year Ended December 31,		Percent Change	Percentage of Revenues Less Cost of Revenues	
	2014	2013		2014	2013
	(in millions)				
Transaction fees less liquidity payments and routing and clearing costs	\$ 131.2	\$ 95.5	37.4%	42.7%	48.5%
Market data fees	110.3	59.4	85.7%	35.9%	30.2%
Regulatory transaction fees less Section 31 fees					
Connectivity fees	66.0	41.9	57.5%	21.4%	21.3%
Revenues less cost of revenues	\$ 307.5	\$ 196.8	56.3%	100.0%	100.0%

Fluctuations in Revenues Less Cost of Revenues

Fluctuations in revenues less cost of revenues are driven by various factors. Volume variances are driven by changes in overall industry volume and Bats' share of those volumes, while net capture variances are driven by pricing changes. The following summarizes the fluctuations in revenues less cost of revenues for the year ended December 31, 2013 to December 31, 2014 and attributes the fluctuations to various sources:

	Total	Percentage of Total
	(in millions)	
Market volume	\$ 11.2	10.1%
Market share	76.1	68.7%
Net capture	(10.0)	(9.0)%
Routing volume	2.1	1.9%
Other	31.3	28.3%
Revenues less cost of revenues	\$ 110.7	100.0%

Transaction Fees Less Liquidity Payments and Routing and Clearing Costs

Transaction fees less liquidity payments and routing and clearing costs increased \$35.7 million, or 37.4%, to \$131.2 million for the year ended December 31, 2014, representing 42.7% of revenues less cost of revenues, compared with \$95.5 million for the prior year, or 48.5% of revenues less cost of revenues. The increase was primarily due to an increase of \$30.6 million in U.S. Equities and \$4.5 million in European Equities. U.S. Equities market share increased from 10.4% in 2013 to 19.4% in 2014 as a result of the Direct Edge acquisition along with U.S. equities market ADV increasing by 3.2% over the prior year. European Equities increased as a result of an increase in European equities market ADV of 21.8% for 2014 over the prior year.

Market Data Fees

Market data fees increased \$50.9 million, or 85.7%, to \$110.3 million for the year ended December 31, 2014, representing 35.9% of revenues less cost of revenues, compared with \$59.4 million

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for the prior year, or 30.2% of revenues less cost of revenues. For purposes of calculating these percentages, Bats has not attributed any incremental costs associated with providing trading and quoting information to the U.S. tape plans. This increase was largely driven by U.S. Equities market share as it increased from 10.4% in 2013 to 19.4% in 2014 as a result of the Direct Edge acquisition thus increasing Bats' share of the U.S. tape plan market data revenue. Also contributing to the increase was a \$7.5 million increase in proprietary market data driven by the Direct Edge acquisition, which added \$3.2 million in 2014, and BZX and BYX charging for proprietary market data in third quarter 2013 that contributed \$3.0 million to the increase in 2014.

Connectivity Fees

Connectivity fees increased to \$66.0 million for the year ended December 31, 2014, representing 21.4% of revenues less cost of revenues, compared with \$41.9 million for the prior year, or 21.3% of revenues less cost of revenues. This increase is due to the Direct Edge acquisition, which added \$22.7 million in 2014. The remaining increase was driven by European Equities charging for additional logical ports in the third quarter of 2013.

Operating Expenses

Total operating expenses increased \$92.7 million, or 97.4%, to \$187.9 million for the year ended December 31, 2014, compared with \$95.2 million for the year ended December 31, 2013. The increase was primarily due to the Direct Edge acquisition. The following summarizes changes in operating expenses for the year ended December 31, 2014, compared to the prior year:

	Year Ended December 31,		Increase/ (Decrease)	Percent Change
	2014	2013		
	(in millions)			
Operating expenses:				
Compensation and benefits	\$ 87.0	\$ 41.5	\$ 45.5	109.6%
Depreciation and amortization	28.4	15.2	13.2	86.8%
Systems and data communication	23.5	9.6	13.9	144.8%
Occupancy	4.2	1.9	2.3	121.1%
Professional and contract services	6.5	8.1	(1.6)	(19.8)%
Regulatory costs	12.1	5.4	6.7	124.1%
Impairment of assets		3.5	(3.5)	(100.0)%
General and administrative	26.2	10.0	16.2	162.0%
Total operating expenses	\$ 187.9	\$ 95.2	\$ 92.7	97.4%

Compensation and Benefits

Compensation and benefits increased by \$45.5 million, or 109.6%, to \$87.0 million for the year ended December 31, 2014, representing 6.0% of total revenues, compared with \$41.5 million for the prior year, or 4.9% of total revenues. This increase was primarily driven by the Direct Edge acquisition, which added 132 employees at the time of acquisition and \$41.0 million in expense in 2014. During 2014, severance and retention expense related to the Direct Edge acquisition was \$16.7 million. The remaining increase was due to increased non-acquisition-related net headcount, along with an annual merit increase of approximately 5% effective in the fourth quarter of 2014 and 2013, respectively.

Depreciation and Amortization

Depreciation and amortization increased by \$13.2 million, or 86.8%, to \$28.4 million for the year ended December 31, 2014, compared with \$15.2 million for the year ended December 31, 2013,

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primarily reflecting the added tangible and intangible assets acquired as a result of the Direct Edge acquisition that contributed \$16.0 million in depreciation and amortization in 2014. This was offset by an impairment charge in 2013 of \$3.5 million of the strategic alliance intangible asset acquired in the Chi-X Europe acquisition in 2011.

Systems and Data Communication

Systems and data communication costs increased by \$13.9 million, or 144.8%, to \$23.5 million for the year ended December 31, 2014, compared with \$9.6 million for the year ended December 31, 2013. The increase was primarily due to the acquisition of Direct Edge as a result of increased data center space in New Jersey and Illinois.

Occupancy

Occupancy expenses increased by \$2.3 million, or 121.1%, to \$4.2 million for the year ended December 31, 2014, compared with \$1.9 million for the year ended December 31, 2013, as a result of the lease assumed in New Jersey related to the Direct Edge acquisition.

Professional and Contract Services

Professional and contract services fees decreased by \$1.6 million, or 19.8%, to \$6.5 million for the year ended December 31, 2014, compared with \$8.1 million for the prior year. The decrease was primarily due to professional fees incurred in 2013 and 2014 related to the Direct Edge acquisition.

Regulatory Costs

Regulatory costs increased by \$6.7 million, or 124.1%, to \$12.1 million for the year ended December 31, 2014, compared with \$5.4 million for the year ended December 31, 2013. The increase was primarily due to the Direct Edge acquisition and transition costs associated with a change in regulatory service providers during 2014.

Impairment of Assets

Impairment of assets decreased \$3.5 million for the year ended December 31, 2014, compared with \$3.5 million for the year ended December 31, 2013. In December 2013, Bats wrote off an intangible asset acquired with the Chi-X Europe acquisition as Bats determined not to use the asset going forward.

General and Administrative

General and administrative expenses increased by \$16.2 million, or 162.0%, to \$26.2 million for the year ended December 31, 2014, compared with \$10.0 million for the prior year. This increase was primarily due to the Direct Edge acquisition. Direct Edge leased its data center equipment and used independent contractors significantly more than the legacy Bats operations.

Operating Income

As a result of the items above, operating income for the year ended December 31, 2014 was \$119.6 million, or 38.9% of revenues less cost of revenues, compared to \$101.6 million, or 51.6% of revenues less cost of revenues, for the year ended December 31, 2013, an increase of \$18.0 million, or 17.7%.

Interest Expense, Net

Interest expense, net increased by \$1.5 million to \$27.3 million for the year ended December 31, 2014, compared with \$25.8 million for the prior year. This increase was primarily due to the additional debt issued in January 2014.

Table of Contents*Other Expense*

Other expenses increased by \$11.8 million to \$12.0 million for the year ended December 31, 2014, compared with \$0.2 million for the prior year, primarily driven by the \$13.6 million loss on extinguishment of debt recorded in connection with the debt issued in January 2014. This was offset by the equity earnings of the EuroCCP investment of \$1.1 million.

Income Before Income Tax Provision

As a result of the above, income before income tax provision for the year ended December 31, 2014 was \$80.3 million compared to \$75.6 million in the year ended December 31, 2013, an increase of \$4.7 million.

Income Tax Provision

For the year ended December 31, 2014, the income tax provision was \$31.1 million compared with \$28.8 million for the year ended December 31, 2013. Bats' income tax provision increased due to increased earnings before income tax. The effective tax rate for the year ended December 31, 2014 was 38.7%, compared to 38.1% for the year ended December 31, 2013. The increase was due to a discrete benefit recognized in 2013 associated with the release of income tax reserves.

Net Income

As a result of the items above, net income for the year ended December 31, 2014 was \$49.2 million, or 16.0% of revenues less cost of revenues, compared to \$46.8 million, or 23.8% of revenues less cost of revenues, in the year ended December 31, 2013, an increase of \$2.4 million.

Segment Operating Results

The following summarizes Bats' total revenues by segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2014	2013		2014	2013
	(in millions)				
U.S. Equities	\$ 1,234.5	\$ 662.8	86.3%	84.7%	78.8%
European Equities	99.1	86.4	14.7%	6.8%	10.3%
U.S. Options	124.6	92.3	35.0%	8.5%	10.9%
Total revenues	\$ 1,458.2	\$ 841.5	73.3%	100.0%	100.0%

The following summarizes Bats' revenues less cost of revenues by segment:

	Year Ended December 31,		Percent Change	Percentage of Revenues Less Cost of Revenues	
	2014	2013		2014	2013
	(in millions)				
U.S. Equities	\$ 224.3	\$ 123.9	81.0%	72.9%	62.9%
European Equities	66.4	57.6	15.3%	21.6%	29.3%
U.S. Options	16.8	15.3	9.8%	5.5%	7.8%
Revenues less cost of revenues	\$ 307.5	\$ 196.8	56.3%	100.0%	100.0%

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U.S. Equities

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Equities segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2014	2013		2014	2013
(in millions, except percentages and as noted below)					
Revenues:					
Transaction fees	\$ 816.2	\$ 458.3	78.1%	56.0%	54.5%
Regulatory transaction fees	268.7	124.7	115.5%	18.5%	14.8%
Market data fees	97.6	48.5	101.2%	6.7%	5.8%
Connectivity fees and other	52.0	31.3	66.1%	3.5%	3.7%
Total revenues	1,234.5	662.8	86.3%	84.7%	78.8%
Cost of revenues:					
Liquidity payments	695.8	372.8	86.6%	47.7%	44.3%
Section 31 fees	268.7	124.7	115.5%	18.5%	14.8%
Routing and clearing	45.7	41.4	10.4%	3.1%	4.9%
Total cost of revenues	1,010.2	538.9	87.5%	69.3%	64.0%
Revenues less cost of revenues	224.3	123.9	81.0%	15.4%	14.8%
Operating expenses	141.3	46.6	203.2%	9.7%	5.5%
Operating income	\$ 83.0	\$ 77.3	7.4%	5.7%	9.3%
EBITDA⁽¹⁾	\$ 103.4	\$ 81.7	26.6%	7.1%	9.7%
EBITDA margin ⁽²⁾	46.1%	65.9%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 121.9	\$ 84.9	43.6%	8.4%	10.1%
Normalized EBITDA margin ⁽²⁾	54.3%	68.6%	*		
ADV (in billions):					
Matched shares	1.2	0.6	100.0%	*	*
Routed shares	0.1	0.1		*	*
Total touched shares	1.3	0.7	85.7%	*	*
Market ADV	6.4	6.2	3.2%	*	*
Trading days	252	252		*	*
Bats ETPs (in billions of shares)	0.3	0.3		*	*
Bats ETPs: launches (number of launches)	5	6	(16.7)%	*	*
Bats ETPs: listings (number of listings)	28	23	21.7%	*	*
Market share	19.4%	10.4%	*	*	*
Net capture per one hundred touched shares	\$ 0.022	\$ 0.024	(8.3)%	*	*

(1)

"EBITDA" is defined as income before interest, income taxes, depreciation and amortization. Normalized EBITDA is defined as EBITDA before acquisition-related costs, IPO costs, loss on extinguishment of debt, debt restructuring costs, intangible asset impairment charges and an unusually large regulatory assessment charged to a member in 2013. EBITDA, Normalized EBITDA does

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not represent, and should not be considered as, an alternative to net income or cash flows from operations, each as determined in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Bats has presented EBITDA and Normalized EBITDA because Bats considers them important supplemental measures of its performance and

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believes that they are frequently used by analysts, investors and other interested parties in the evaluation of companies. In addition, Bats uses Normalized EBITDA as a measure of operating performance for preparation of its forecasts, evaluating its leverage ratio for the debt to earnings covenant included in its outstanding credit facility and calculating employee and executive bonuses. Other companies may calculate EBITDA and Normalized EBITDA differently than Bats does. EBITDA and Normalized EBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of Bats' results as reported under U.S. GAAP.

The following is a reconciliation of net income to EBITDA and Normalized EBITDA:

	Year Ended December 31,									
	2014					2013				
	U.S. Equities	European Equities	U.S. Options	Corporate items and eliminations	Total	U.S. Equities	European Equities	U.S. Options	Corporate items and eliminations	Total
	(in millions)									
Net income (loss)	\$ 40.2	\$ 37.7	\$ 8.3	\$ (37.0)	\$ 49.2	\$ 45.1	\$ 11.9	\$ 8.4	\$ (18.6)	\$ 46.8
Interest		(0.1)		27.4	27.3		(0.1)		25.9	25.8
Income tax provision (benefit)	43.3	(6.1)		(6.1)	31.1	32.2	5.4		(8.8)	28.8
Depreciation and amortization	19.9	7.6	0.9		28.4	4.4	9.9	0.9		15.2
EBITDA	103.4	39.1	9.2	(15.7)	136.0	81.7	27.1	9.3	(1.5)	116.6
Acquisition-related costs	18.5				18.5	4.4	0.8			5.2
IPO costs						0.6				0.6
Loss on extinguishment of debt				13.6	13.6					
Impairment of intangible assets							3.5			3.5
Regulatory assessment						(1.8)				(1.8)
Normalized EBITDA	\$ 121.9	\$ 39.1	\$ 9.2	\$ (2.1)	\$ 168.1	\$ 84.9	\$ 31.4	\$ 9.3	\$ (1.5)	\$ 124.1

(2) EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

For the year ended December 31, 2014, U.S. Equities operating income increased \$5.7 million to \$83.0 million. This was driven by the Direct Edge acquisition.

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The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' European Equities segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2014	2013		2014	2013
	(in millions)				
Revenues	\$ 99.1	\$ 86.4	14.7%	6.8%	10.3%
Cost of revenues	32.7	28.8	13.5%	2.2%	3.4%
Revenues less cost of revenues	66.4	57.6	15.3%	4.6%	6.9%
Operating expenses	36.0	40.2	(10.4)%	2.5%	4.8%
Operating income	\$ 30.4	\$ 17.4	74.7%	2.1%	2.1%
EBITDA ⁽¹⁾	\$ 39.1	\$ 27.1	44.3%	2.7%	3.2%
EBITDA margin ⁽²⁾	58.9%	47.0%	*	*	*
Normalized EBITDA ⁽¹⁾	\$ 39.1	\$ 31.4	24.5%	2.7%	3.7%
Normalized EBITDA margin ⁽²⁾	58.9%	54.3%	*	*	*
ADNV (in billions):					
Matched and touched	€ 8.6	€ 7.5	14.7%	*	*
Market ADNV	€ 39.7	€ 32.6	21.8%	*	*
Trading days	256	256		*	*
Average Euro/British pound exchange rate	£ 0.8062	£ 0.8489	(5.0)%	*	*
Market share	21.6%	23.1%	*	*	*
Net capture per matched notional value (in basis points)	0.162	0.167	(3.0)%	*	*
Average British pound/U.S. dollar exchange rate	\$ 1.6476	\$ 1.5643	5.3%	*	*

(1) See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA.

(2) EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

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To illustrate the growth without the effect of the exchange rates in Bats' European Equities segment the following table summarizes revenues, cost of revenues, operating expenses and operating income for Bats' European Equities segment in British pounds:

	Year Ended December 31,		Percent Change
	2014	2013	
	(in millions)		
Transaction fees	£ 48.6	£ 45.7	6.3%
Market data	5.2	4.6	13.0%
Other	6.4	4.9	30.6%
Revenues	60.2	55.2	9.1%
Liquidity payments	19.8	18.4	7.6%
Routing and clearing	0.1		*
Cost of revenues	19.9	18.4	8.2%
Revenues less cost of revenues	40.3	36.8	9.5%
Operating expenses	21.8	25.5	(14.5)%
Operating income	£ 18.5	£ 11.3	63.7%
EBITDA ⁽¹⁾	£ 23.8	£ 17.4	36.8%
Normalized EBITDA ⁽¹⁾	£ 23.8	£ 20.2	17.8%

(1)

See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA. See below for a reconciliation of net income to EBITDA and Normalized EBITDA in British pounds:

	Year Ended December 31,		Percent Change
	2014	2013	
	(in millions)		
Net income	£ 19.2	£ 11.1	73.0%
Interest			*
Income tax provision (benefit)			*
Depreciation and amortization	4.6	6.3	(27.0)%
EBITDA	23.8	17.4	36.8%
Acquisition-related costs		0.5	(100.0)%
IPO costs			*
Loss on extinguishment of debt			*
Impairment of intangible assets		2.3	(100.0)%
Regulatory assessment			*
Normalized EBITDA	£ 23.8	£ 20.2	17.8%

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For the year ended December 31, 2014, European Equities operating income increased \$13.0 million to \$30.4 million. This increase was driven by a 21.8% increase in market ADNV, pricing changes to port fees and increased market data revenue. Also included in the increase was the \$1.1 million of equity in earnings from the EuroCCP investment added in 2014.

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U.S. Options

The following summarizes revenues, cost of revenues, operating expenses and operating income for Bats' U.S. Options segment:

	Year Ended December 31,		Percent Change	Percentage of Total Revenues	
	2014	2013		2014	2013
(in millions, except for trading days and as noted below)					
Revenues:					
Transaction fees	\$ 113.8	\$ 83.0	37.1%	7.8%	9.8%
Regulatory transaction fees	3.3	2.7	22.2%	0.2%	0.3%
Market data fees	4.0	3.7	8.1%	0.3%	0.4%
Connectivity fees and other	3.5	2.9	20.7%	0.2%	0.4%
Total revenues	124.6	92.3	35.0%	8.5%	10.9%
Cost of revenues:					
Liquidity payments	103.0	73.1	40.9%	7.1%	8.7%
Section 31 fees	3.3	2.7	22.2%	0.2%	0.3%
Routing and clearing	1.5	1.2	25.0%	0.1%	0.2%
Total cost of revenues	107.8	77.0	40.0%	7.4%	9.2%
Revenues less cost of revenues	16.8	15.3	9.8%	1.1%	1.7%
Operating expenses	8.5	6.9	23.2%	0.6%	0.8%
Operating income	\$ 8.3	\$ 8.4	(1.2)%	0.5%	0.9%
EBITDA⁽¹⁾	\$ 9.2	\$ 9.3	(1.1)%	0.6%	1.1%
EBITDA margin ⁽²⁾	54.8%	60.8%	*	*	*
Normalized EBITDA⁽¹⁾	\$ 9.2	\$ 9.3	(1.1)%	0.6%	1.1%
Normalized EBITDA margin ⁽²⁾	54.8%	60.8%	*	*	*
ADV (in millions):					
Matched contracts	0.8	0.6	33.3%	*	*
Routed contracts			*	*	*
Total touched contracts	0.8	0.6	33.3%	*	*
Market ADV	16.6	15.9	4.4%	*	*
Trading days	252	252		*	*
Market share	4.8%	3.7%	*	*	*
Net capture per touched contract	\$ 0.046	\$ 0.058	(20.7)%	*	*

(1) See footnote (1) to the table under " U.S. Equities" above for an explanation of EBITDA and Normalized EBITDA and a reconciliation of net income to EBITDA and Normalized EBITDA.

(2)

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EBITDA margin represents EBITDA divided by revenues less cost of revenues, and Normalized EBITDA margin represents Normalized EBITDA divided by revenues less cost of revenues.

For the year ended December 31, 2014, U.S. Options operating income was flat, decreasing \$0.1 million to \$8.3 million. Net revenue increased \$1.5 million, primarily driven by increased market share, from 3.7% in 2013 to 4.8% in 2014. However, operating expenses increased \$1.6 million, driven by increases in regulatory fees based on a new RSA and an increase in compensation expenses.

Table of Contents**Quarterly Results of Operations**

The following table sets forth Bats' quarterly unaudited consolidated statement of income data for each of the 11 quarters in the period ended September 30, 2016. In management's opinion, the data has been prepared on the same basis as the Bats audited consolidated financial statements included elsewhere in this joint proxy statement/prospectus and reflects all necessary adjustments for a fair presentation of this data. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	For the Quarter Ended										
	September 30,	June 30,	March 31,	December 31,	September 30,	June 30,	March 31,	December 31,	September 30,	June 30,	March 31,
	2016	2016	2015	2015	2015	2015	2015	2014	2014	2014	
	(in millions, except trading days, per share data and as noted below)										
Statement of Income Data:											
Total revenues	\$ 441.6	\$ 465.9	\$ 510.9	\$ 443.5	\$ 492.0	\$ 418.2	\$ 425.0	\$ 433.8	\$ 347.5	\$ 356.2	\$ 320.7
Total cost of revenues	332.8	356.0	399.1	344.9	388.0	319.2	342.2	350.1	270.3	278.9	251.4
Revenues less cost of revenues	108.8	109.9	111.8	98.6	104.0	99.0	82.8	83.7	77.2	77.3	69.3
Total operating expenses	53.2	51.8	49.6	51.3	49.1	50.4	51.3	48.4	48.8	50.0	40.7
Operating income	55.6	58.1	62.2	47.3	54.9	48.6	31.5	35.3	28.4	27.3	28.6
Income before income tax provision	48.5	30.2	51.1	35.3	42.5	36.2	24.7	28.7	22.1	20.9	8.6
Income tax provision	20.0	12.3	21.0	13.6	17.2	15.8	9.9	10.4	9.4	7.2	4.1
Net income	\$ 28.5	\$ 17.9	\$ 30.1	\$ 21.7	\$ 25.3	\$ 20.4	\$ 14.8	\$ 18.3	\$ 12.7	\$ 13.7	\$ 4.5