Customer Conference Call
CBOE-Bats Technology Integration
June 6, 2017

• Chris Isaacson, EVP, Chief Information Officer
• Eric Frait, Vice President, Business Analysis
Agenda

- **Chris Isaacson, EVP, Chief Information Officer**
  - Overview
  - EDGX Options Exchange complex order book update
  - CFE migration update
  - C2 migration timeline and roadmap

- **Eric Frait, Vice President, Business Analysis**
  - Integration update

- **Questions & Answers**
  - Chris Isaacson
  - Eric Frait
  - Eric Crampton, SVP, Global Head of Software Engineering
  - Troy Yeazel, SVP, U.S. Electronic Trading Operations
  - Anthony Montesano, VP, Trading Operations
Cautionary Statements Regarding Forward-Looking Information

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

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Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; our index providers’ ability to maintain the quality and integrity of their indexes and to perform under our agreements; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to attract and retain skilled management and other personnel, including those experienced with post-acquisition integration; our ability to protect our systems and communication networks from security risks, including cyber-attacks and unauthorized disclosure of confidential information; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; unanticipated difficulties or expenditures relating to the acquisition of Bats Global Markets, Inc., including, without limitation, difficulties that result in the failure to realize expected synergies, accretion, efficiencies and cost savings from the acquisition within the expected time period (if at all), whether in connection with integration, migrating trading platforms, broadening distribution of product offerings or otherwise; restrictions imposed by our debt obligations; our ability to maintain an investment grade credit rating; potential difficulties in our migration of trading platforms and our ability to retain employees as a result of the acquisition; and the accuracy of our estimates and expectations.

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

Technology transition underway

- Team is focused on executing a seamless technical and operational integration
- Committed to ensuring you continue to enjoy the same great trading experience and customer service you’ve always enjoyed working with CBOE and Bats
- Continued feedback is encouraged
Integration Update

The first four months

- Leveraging strengths across both organizations to bring better experience to our customers

- Reconfigured Business Development and Sales
  - Consolidated New York and London offices
  - Merged options and futures account management coverage
  - Integrating our expanded global sales force

- Created new Multi-Asset Solutions Division
  - Combines product development, market research and information solutions (including indexing, data and analytics)
  - Ability to innovate across product lines and geographies
  - Collaborate with index providers, customers, ETP issuers

- Focused on providing unparalleled trading experience
EDGX Complex Book Update

October 23, 2017* launch planned

- Designed with goal of creating most efficient and adaptable complex order book

- New EDGX options COB functionality will include:
  - New order handling
  - New risk management protections
  - New trade-through protections

- Functionality is expected to form foundation for all complex order handling by CBOE markets

- Upcoming key dates:
  - August 1: Certification testing begins
  - September 16 & October 21: Weekend testing

- www.bats.com/COB

*Subject to regulatory approval
CFE Migration Update

Go-live date of February 25, 2018*

Upcoming key dates:

- July 3: Begin requesting access to Customer Web Portal; order new direct physical connectivity
- September 1: Begin ordering logical ports within new certification environment; limited functional testing with NY5 certification environment
- October 16: Begin full functional testing of new platform within certification environment in NY5
- November 6: Daily trading of test symbols only in the new CFE production environment
- November 18: Begin weekend dress rehearsals (and again December 9, January 20, February 10, February 24)

Microsite:

- [http://batsintegration.cboe.com/cfe](http://batsintegration.cboe.com/cfe)

*Subject to regulatory review*
C2 Roadmap

Go-live date of May 14, 2018*

- C2 Technical Integration FAQ published today, additional resources available in September
- Customers can utilize latency equalized connectivity to existing Bats markets to access new C2 platform to certify and trade in production

Key Dates:
- August 1: Start ordering cross connects
- November 1: Heartbeat to C2 certification
- December 1: Start certifying to new platform
- February 24: First dress rehearsal (and again on March 17, April 14, May 12)
- March 5: Daily trading of test symbols only in the new C2 production environment

*Subject to regulatory approval
No plans to change existing single-leg priority and allocation method (pro-rata) or trading hours

Matching algorithm for complex orders will change to prioritize complex orders ahead of single-leg orders at a given price

Most order types and functionality will remain as is
Order Entry and Clearing

- Existing concept of login will be eliminated in favor of logical order entry sessions (BOE or FIX)
- TPHs may maintain as many sessions as they wish
- Sessions allow for higher message bandwidth, as well as multiple Executing Firm IDs (EFIDs)
- EFIDs must be associated with a session and submitted to properly identify clearing relationships
- Bats FIX and BOE will be standard order entry protocols
Market Making and Quoting

- MM appointments will continue to apply on product basis, but managed through CBOE-Bats U.S. Customer Web Portal

- MM quoting obligations will not change

- Post migration, MMs will be allowed to utilize BOE bulk ports, which will replace current C2 quoting interface

- C2 Quote Risk Management functionality will migrate to Bats technology

- Further details to be published to integration website in September
C2 will relocate to Equinix NY5 after migration

Customers can access C2 and all Bats equities and options platforms from single cross connect

C2 will remain in current NY4 location until migration

After migration, CBOE will maintain a network Point-of-Presence (PoP) in NY4 indefinitely so current C2 TPH physical connections in NY4 can continue to be used to access C2 to test and connect

TPHs will also be able to use the Bats PoP in NJ2 to access C2 once it is moved to NY5

No planned changes to Disaster Recovery centers in Chicago prior to the completion of migration
Certification and Connectivity

- All existing C2 certification sessions are being decommissioned and cannot be used to certify to the new trading platform.

- Once a firm has established physical connectivity within either the NY5 or NY4 data center, free of charge certification order entry, market data and drop sessions may be requested.

- Firms can trade all symbols available in production on their certification sessions.

- All firms will be required to certify for basic functionality.

- Firms certified on one of the legacy Bats exchanges must still complete additional certification for C2.
Once certified, firms will receive an emailed copy of their completed certification script.

Firms will be able to request and connect to FIX or BOE sessions created in the production NY5 data center with those functionalities enabled.

February 5 snapshot: for every FIX and CMI2 login that exists on that date, a production FIX session and BOE session will be created on the new C2 platform.

New production sessions will be created with Bats default session settings -- regardless of any prior production or certification settings.

A list of default port settings will be included in certification script and is also available within the FIX and BOE specifications located on integration website.
Billing

▶ C2 will issue bill for all transaction and non-transaction fees which will be collected through OCC.

▶ Billing will be migrated to the same system used to support all existing Bats U.S. equities and options exchanges, with invoices accessible through the CBOE-Bats U.S. Customer Web Portal.

▶ Preview versions of the new invoices for transaction fees will be distributed in advance of invoice updates at a date to be announced.

▶ Banking information for all exchanges will remain the same.
Summary

- Focused on executing seamless technical and operational integration
- Committed to great trading experience and customer service

Key upcoming dates:
- October 23, 2017: EDGX Options Exchange COB launch
- February 25, 2018: CFE migration to Bats technology planned
- May 14, 2018: C2 migration to Bats technology planned

Microsites:
- EDGX: [http://www.bats.com/COB](http://www.bats.com/COB)
Questions & Answers