

Cboe Global Markets, Inc.
Form DEF 14A
April 05, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Cboe Global Markets, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth
(3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

2018
Notice of Annual Meeting of Stockholders
and Proxy Statement

Dear Stockholder:

We cordially invite you to attend the 2018 Annual Meeting of Stockholders (the "Annual Meeting") of Cboe Global Markets, Inc. to be held on Thursday, May 17, 2018, at 9:00 a.m., local time, on the fourth floor of our principal executive offices located at 400 South LaSalle Street, Chicago, Illinois, 60605.

At the Annual Meeting, you will be asked to do the following:

- elect 13 directors to the Board of Directors to hold office until the next Annual Meeting of Stockholders or until their respective successors have been elected and qualified;
- approve, in a non-binding resolution, the compensation paid to our executive officers;
- approve the Cboe Global Markets, Inc. Employee Stock Purchase Plan;
- ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2018 fiscal year; and
- transact any other business that may properly come before the meeting and any adjournments and postponements of the meeting.

Enclosed with this letter are a formal notice of the Annual Meeting, a proxy statement and a form of proxy.

Please carefully review the form of proxy that you receive to confirm that it reflects all of your shares of our stock. If you hold stock in different accounts, you may need to complete multiple proxy cards to vote all of your shares.

If you plan to attend the Annual Meeting in person, please note that you will be required to provide acceptable documentation to gain access to the meeting. See the information under the heading "What do I need to do to attend the Annual Meeting?" in the attached proxy statement. If you cannot attend the Annual Meeting in person, a live webcast of the Annual Meeting will be provided on the Investor Relations section of our website at <http://ir.Cboe.com>, however, please submit your vote in advance. See the information under the heading "Will the Annual Meeting be webcast?" in the attached proxy statement.

Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted.

Please submit your proxy by Internet or telephone, or complete, sign, date and return the enclosed proxy using the enclosed postage-paid envelope. The enclosed proxy, when returned properly executed, will be voted in the manner directed in the proxy.

We hope that you will participate in the Annual Meeting, either in person or by proxy.

Sincerely,

Edward T. Tilly
Chairman and Chief Executive Officer
April 5, 2018

Cboe Global Markets, Inc.
400 South LaSalle Street
Chicago, Illinois 60605

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2018 Annual Meeting of Stockholders (the "Annual Meeting") of Cboe Global Markets, Inc. will be held on Thursday, May 17, 2018, at 9:00 a.m., local time, on the fourth floor of our principal executive offices located at 400 South LaSalle Street, Chicago, Illinois, 60605, for the following purposes:

- To consider and act upon a proposal to elect 13 directors named in the proxy statement to the Board of Directors to
1. hold office until the next Annual Meeting of Stockholders or until their respective successors have been elected and qualified;
 2. To consider and act upon a non-binding resolution to approve the compensation paid to our executive officers;
 3. To consider and act upon a proposal to approve the Cboe Global Markets, Inc. Employee Stock Purchase Plan;
 4. To consider and act upon the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2018 fiscal year; and
 5. The transaction of any other business that may properly come before the meeting and any adjournments or postponements of the meeting.

You are entitled to vote at the Annual Meeting and any adjournments or postponements of the meeting if you were a stockholder of record at the close of business on March 20, 2018. We also cordially invite you to attend the meeting. Your vote is important. Whether or not you plan to attend the meeting, please vote as soon as possible. For additional details, please see the information under the heading "How do I vote?" in the attached proxy statement.

April 5, 2018

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 17, 2018:**

The notice of the Annual Meeting and proxy statement are available on the Investor Relations section of our website at <http://ir.Cboe.com/annual-proxy>.

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information that you should consider in voting your shares of our common stock. Before voting, you should carefully read this entire Proxy Statement, as well as our 2017 Annual Report to Stockholders included in this mailing, which includes a copy of our Annual Report on Form 10-K for the year ended December 31, 2017. The approximate date on which this Proxy Statement and the accompanying form of proxy are first being sent to stockholders is April 5, 2018.

2018 Annual Meeting Information

Meeting Date: May 17, 2018

Meeting Time: 9:00 a.m. (local time)

Meeting Place: 400 South LaSalle Street; Fourth Floor
Chicago, Illinois 60605

Record Date: March 20, 2018

Stockholder Actions and Board of Directors Voting Recommendations

Proposal	Board Voting Recommendation	Page Reference
1. Elect 13 directors to the Board of Directors	FOR	<u>9</u>
2. Approve, in a non-binding resolution, the compensation paid to our executive officers	FOR	<u>57</u>
3. Approve the Cboe Global Markets, Inc. Employee Stock Purchase Plan	FOR	<u>58</u>
4. Ratify the appointment of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the 2018 fiscal year	FOR	<u>63</u>

Director Nominee Highlights

Our director nominees exhibit an effective mix of skills, experience, diversity and fresh perspectives.

100%	100%	77%	69%	54%
Company's Mission Strategy	Corporate Governance	Government Relations	Financial Markets	
100%	92%	77%	62%	46%
Management	Independence	Risk Management	Fresh Perspective	Diversity

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Corporate Performance Highlights

Cboe Global Markets and its Board of Directors are committed to a corporate mission and strategy designed to create long-term stockholder value. Our mission is "to power your potential to stay ahead of an evolving market" and is brought to life through: (1) relentless innovation to expand our diverse offering for investors around the world, (2) cutting-edge technology to connect customers to global markets, and (3) seamless solutions to enhance the customer experience through insights, education, data, analytics and more. Our strategy is to continue to define and lead the options and volatility space globally, develop unique products, form strategic alliances that leverage and complement our core business and expand our customer base.

The ongoing commitment of our team and the Board of Directors to this strategy produced the following notable 2017 business highlights.

• Closed transformational acquisition of Bats Global Markets, Inc. ("Bats") on February 28, 2017

• Increased share of total U.S. exchange-traded options contracts on a combined company basis to 41.4% for 2017, up from 38.7% for 2016

• Ended 2017 with approximately \$25 million in realized synergies

• Completed migration of CFE to Bats technology platform on February 25, 2018

• Net revenues of \$995.6 million for 2017, up from \$566.4 million for 2016, and net revenues on a combined company basis of \$1,067.5 million for 2017, up from \$1,002.8 million for 2016¹

• Fifth consecutive year of record index option trading, with new average daily volume record highs in VIX options and futures and SPX options

• Grew ETP listings to 250, an 82% increase from 2016, with a market share of 12% of all U.S. ETPs at year end

* As of December 31, 2017; including reinvested dividends

¹Net revenues, which is revenues less cost of revenues, as adjusted on a combined company basis, is a non-GAAP measure used by the Company and a reconciliation to GAAP revenues less cost of revenues is provided in Appendix B.

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Corporate Governance Highlights

We are committed to good corporate governance, which promotes the long-term interests of stockholders and strengthens our Board of Directors and management accountability. The following are highlights of our corporate governance framework, which is described in further detail in this Proxy Statement:

13 Director Nominees;	Regular Executive Sessions of Board and Committees;
12 of the 13 Director Nominees are Independent;	Risk Oversight by Board and Committees, including a newly formed Risk Committee;
Directors are Elected Annually;	Lead Independent Director;
Majority Voting Standard in Election of Directors;	Anti-Hedging, Anti-Pledging and Clawback Policies; and
Majority Voting Standard for Bylaw and Charter Amendments;	Independent Audit, Compensation and Nominating and Governance Committees.

Stockholder Engagement Highlights

Cboe Global Markets and its Board of Directors are also committed to fostering long-term and institution-wide relationships with stockholders and maintaining their trust and goodwill. As a result, through a variety of engagement activities, in 2017 we interacted with stockholders representing, at the time of the outreach, the following percentages of our outstanding shares of common stock.

Executive Compensation Highlights

The design of our executive compensation program, including compensation practices and independent oversight, is intended to align management's interests with those of our stockholders, including:

Annual cash incentive for 2017 was based on corporate performance (weighted 70%) against pre-established synergy achievement and revenue levels and individual performance (weighted 30%) against individual and Company-wide strategic goals;

Long-term incentive for 2017, other than the special one-time sign-on grants to Messrs. Concannon and Hemsley, was comprised of 50% time-based restricted stock units and 50% performance-based restricted stock units;

Performance-based compensation with limits on all incentive award payouts;

No excessive perquisites;

Clawback provisions for cash incentives and equity awards; and

Mandatory stock ownership and holding guidelines.

Additional Information

Please see the information under the headings "Voting Instructions and Information" and "Stockholder Proposals" for important information about this Proxy Statement, voting, the Annual Meeting, Cboe Global Markets documents available to stockholders, communications and the deadlines to submit stockholder proposals for the 2019 Annual Meeting of Stockholders. Additional questions may be directed to Investor Relations at investorrelations@Cboe.com or (312) 786-5600.

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Cboe Global Markets, Inc.
400 South LaSalle Street
Chicago, Illinois 60605

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
May 17, 2018

INTRODUCTION

We are furnishing this Proxy Statement to you in connection with a solicitation of proxies by the Board of Directors (the "Board") of Cboe Global Markets, Inc., a Delaware corporation, for use at the Cboe Global Markets, Inc. 2018 Annual Meeting of Stockholders (the "Annual Meeting") on Thursday, May 17, 2018 at 9:00 a.m., local time, and at any adjournments or postponements of the Annual Meeting. The approximate date on which this Proxy Statement and the accompanying form of proxy are first being sent to stockholders is April 5, 2018.

Except as otherwise indicated, the terms "the Company," "Cboe Global Markets," "we," "us" and "our" refer to Cboe Global Markets, Inc. Following the acquisition of Bats, on October 16, 2017, we changed our name to Cboe Global Markets, Inc. When we use the term "Cboe Options," we are referring to Cboe Exchange, Inc. (formerly known as Chicago Board Options Exchange, Incorporated), a wholly owned subsidiary and predecessor entity of Cboe Global Markets.

VOTING INSTRUCTIONS AND INFORMATION

Why did I receive these proxy materials?

Our Board is asking for your proxy in connection with the Annual Meeting. By giving us your proxy, you authorize the proxyholders (Edward T. Tilly and Patrick Sexton) to vote your shares at the Annual Meeting according to the instructions that you provide. If the Annual Meeting is adjourned or postponed, your proxy will be used to vote your shares when the meeting reconvenes.

Our 2017 Annual Report to Stockholders, which includes a copy of our Annual Report on Form 10-K for the year ended December 31, 2017 (excluding exhibits), as filed with the Securities and Exchange Commission (the "SEC"), is being mailed to stockholders with this Proxy Statement.

Who can vote at the Annual Meeting?

You are entitled to vote your shares of our common stock if you were a stockholder at the close of business on March 20, 2018, the record date for the Annual Meeting. On that date, there were 112,319,786 shares of our common stock outstanding and 345,836 unvested restricted shares of our common stock outstanding, which have been granted to our employees and directors and have voting rights at the Annual Meeting. Therefore, there are 112,665,622 shares of voting common stock outstanding, each of which entitles the holder to one vote for each matter to be voted on at the Annual Meeting. Our outstanding common stock is held by approximately 181 stockholders of record as of March 20, 2018.

Who is and is not a stockholder of record?

If you hold shares of common stock registered in your name at our transfer agent, Computershare, you are a stockholder of record.

If you hold shares of common stock indirectly through a broker, bank or similar institution, or are an employee or director who holds shares of restricted stock at Fidelity, you are not a stockholder of record, but instead hold in "street name." Please see the information under the heading "If I hold my shares in "street name" and do not provide voting instructions, can my broker still vote my shares?" for important information.

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If you are a stockholder of record, Computershare is sending these proxy materials to you directly. If you hold shares in street name, these materials are being provided to you either by the broker, bank or similar institution through which you hold your shares.

What do I need to do to attend the Annual Meeting?

Attendance at the Annual Meeting is generally limited to our stockholders and their authorized representatives. All stockholders must bring an acceptable form of identification, such as a driver's license, in order to attend the Annual Meeting in person. In addition, if you hold shares of common stock in street name and would like to attend the Annual Meeting, you will need to bring an account statement or other acceptable evidence of ownership of shares as of the close of business on March 20, 2018, the record date for the Annual Meeting.

If you hold shares in street name and you want to vote your shares in person at the Annual Meeting, you must bring a legal proxy signed by your bank, broker or nominee to the Annual Meeting.

Any representative of a stockholder who wishes to attend the Annual Meeting must present acceptable documentation evidencing his or her authority, acceptable evidence of ownership by the stockholder of common stock as described above and an acceptable form of identification. We reserve the right to limit the number of representatives for any stockholder who may attend the Annual Meeting.

Please contact Investor Relations at investorrelations@Cboe.com or (312) 786-5600 in advance of the Annual Meeting if you have questions about attending the Annual Meeting, including regarding the required documentation. If you plan to attend the Annual Meeting, please provide adequate time to pass through the security process necessary to gain access to the meeting room.

Will the Annual Meeting be webcast?

Yes. A live webcast of the Annual Meeting will be provided on the Investor Relations section of our website at <http://ir.Cboe.com>. On the Events and Presentations page of our Investor Relations website, click on "Listen to Webcast" for the Annual Meeting. If you miss the meeting, you can view a replay of the webcast on that site. Please note that you will not be able to vote your shares or ask questions via the webcast. Please submit your vote in advance of the Annual Meeting.

How do I vote?

You may cast your vote in one of four ways:

• **By Internet.** The web address for Internet voting is www.investorvote.com/Cboe and is also on the enclosed proxy card. Internet voting is available 24 hours a day.

• **By Telephone.** The number for telephone voting is 1-800-652-VOTE (8683) and is also on the enclosed proxy card. Telephone voting is available 24 hours a day.

• **By Mail.** Mark the enclosed proxy card, sign and date it, and return it in the pre-paid envelope we have provided. • **At the Annual Meeting.** You may vote in person at the Annual Meeting (see "What do I need to do to attend the Annual Meeting?").

If you choose to vote by Internet, by telephone or at the Annual Meeting, then you do not need to return the proxy card. To be valid, your vote by Internet, telephone or mail must be received by May 16, 2018, the deadline specified on the proxy card. If you vote by Internet or telephone and subsequently obtain a legal proxy from your account representative, then your prior vote will be revoked regardless of whether you vote that legal proxy.

The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to give their voting instructions and confirm that stockholders' instructions have been recorded properly. Stockholders voting by Internet or telephone should understand that, while we do not charge any fees for voting by Internet or telephone, there may nevertheless be costs that must be borne by you.

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May I change my vote?

If you are a stockholder of record, you may revoke your proxy or change your vote at any time before it is voted at the Annual Meeting by:

- submitting a new proxy by telephone or through the Internet, after the date of the earlier voted proxy,
- returning a signed proxy card dated later than your last proxy,
- submitting a written revocation to the Corporate Secretary of Cboe Global Markets, Inc. at 400 South LaSalle Street, Chicago, Illinois 60605, or
- appearing in person and voting at the Annual Meeting.

If you are a stockholder of record and need a new proxy card, to change your vote or otherwise, please contact the Corporate Secretary at the address above or via email at CorporateSecretary@Cboe.com.

If your bank, broker or other nominee holds your shares in "street name," you may revoke your proxy or change your vote only by following the separate instructions provided by your bank, broker or nominee.

To vote in person at the Annual Meeting, you must attend the meeting and cast your vote in accordance with the voting provisions established for the Annual Meeting. Attendance at the Annual Meeting without voting in accordance with the voting procedures does not, by itself, revoke a proxy. If your bank, broker or other nominee holds your shares and you want to attend and vote your shares at the Annual Meeting, you must bring a legal proxy signed by your bank, broker or nominee to the Annual Meeting.

If I submit a proxy by Internet, telephone or mail, how will my shares be voted?

If you properly submit your proxy by one of these methods, and you do not subsequently revoke your proxy, your shares of common stock will be voted in accordance with your instructions.

If you sign, date and return your proxy card but do not give voting instructions, your shares of common stock will be voted as follows:

- FOR the election of each of our director nominees,
- FOR the advisory vote to approve the compensation paid to our executive officers,
- FOR the approval of the Cboe Global Markets, Inc. Employee Stock Purchase Plan,
- FOR the ratification of the appointment of Deloitte as our independent registered public accounting firm for our 2018 fiscal year, and
- otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before the Annual Meeting.

In addition, if you properly submit your proxy by one of these methods, and you do not subsequently revoke your proxy, and any other matters are properly presented at the Annual Meeting, your shares of common stock will be voted in accordance with the judgment of the persons voting the proxy on such matters. We are not aware of any other matters that will be considered at the Annual Meeting.

If I hold my shares in "street name" and do not provide voting instructions, can my broker still vote my shares?

Under the rules of various securities exchanges, brokers that have not received voting instructions from their customers 10 days prior to the meeting date may vote their customers' shares in the brokers' discretion on the proposal regarding the ratification of the appointment of Deloitte as our independent registered public accounting firm for our 2018 fiscal year, because the rules of the exchanges currently deem this a "discretionary" matter. Absent instruction, brokers will not be able to vote on any of the other matters included in this Proxy Statement. If brokers exercise their discretion in voting on

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the proposal regarding the ratification of Deloitte, a "broker non-vote" will occur as to the other matters presented for a vote at the Annual Meeting, unless you provide voting instructions.