CME GROUP INC.
Form DEF 14A
April 08, 2013
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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 x

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))**
x Definitive Proxy Statement	
¨ Definitive Additional Materials	
¨ Soliciting Material Pursuant to §240.14a-12	

CME GROUP 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):

x 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:

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

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 8, 2013

TO OUR SHAREHOLDERS:

We are pleased to enclose this year s proxy statement and look forward to providing you with an update on our accomplishments at our 2013 annual meeting. The following highlights key aspects of our performance and corporate governance activities as described in more detail in this proxy statement.

Despite a difficult environment with low volatility in 2012, we made significant progress in advancing our global strategy while preparing for the changing regulatory landscape. We generated substantial cash from operations and traded nearly 3.0 billion contracts with average daily volume of 11.4 million. We acquired the Kansas City Board of Trade, announced plans for a European exchange, strengthened our strategic partnerships and launched new products, including deliverable interest rate swap futures, as part of helping customers worldwide meet their evolving risk management needs. For a more detailed discussion on our financial performance, see our 2012 annual report.

Enhancing Our Corporate Governance

The board and its governance committee continue to evaluate its corporate governance practices. We are pleased to share the steps we have taken and the progress we have made to further strengthen our corporate governance practices and demonstrate our responsiveness to shareholder concerns.

Declassified the Board We were successful in seeking shareholder approval to declassify our board as of the 2014 annual meeting and move to annual elections.

Established a Lead Director Role We created a formal independent lead director position as part of our leadership structure.

Adopted a Majority Voting Standard We have agreed to move forward with the adoption of a majority voting standard and plan to formally adopt amendments to our bylaws and corporate governance principles, which take effect in connection with our 2014 annual meeting.

Returning Value to Our Shareholders

We generated significant cash in 2012, returning more than $1.2 billion to our shareholders. Our dividend yield approached 7 percent, or 4.5 percent if you exclude the accelerated fifth dividend, which was paid in December due to uncertainty surrounding dividend income tax treatment. We are pleased with the positive feedback we have received on our revised dividend policy and will continue to consider and pay out our variable fifth dividend based on our annual performance.

Enhancing Our Executive Compensation Program

In 2011 and 2012, we increased the alignment of pay and performance for our named executive officers and as a result, last year, shareholders representing approximately 96% of the votes cast approved our executive compensation program. In 2012, performance-based compensation represented approximately 50% of aggregate target total compensation for our named executive officers, representing an increase from approximately 39% in 2011.

Our Role in the Financial Community

We are proud of the recognitions we have received in 2012 acknowledging our commitment to our customers, employees and our community, including *Computerworld s* 100 Best Places to Work in IT; *InformationWeek 500* List of Leading Technology Innovators; *Derivatives*

Week/Derivatives Intelligence Clearing House of the Year; *Inside Market Data* Best Data Provider of the Year; and *Markets Media Magazine* Best Futures Exchange.

We believe our accomplishments during 2012 reflect our ongoing commitment to the company s long term success and to representing our shareholders interests.

THE BOARD OF DIRECTORS OF CME GROUP INC.

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April 8, 2013

Dear Shareholder:

It is our pleasure to invite you to attend the 2013 annual meeting of shareholders of CME Group Inc. The meeting will be held at 3:30 p.m., Central Time, on Wednesday, May 22, 2013, in the auditorium at CME Group s headquarters, located at 20 South Wacker Drive, Chicago, Illinois.

In addition to topics described herein, we will provide a report on our operating results and there will be an opportunity to ask questions of interest to you as a valued shareholder and customer.

Your vote is very important. We urge you to vote your shares promptly, even if you plan to attend the meeting. You may vote your shares over the Internet. If you received a paper copy of the proxy card by mail, you may vote by signing, dating and mailing the proxy card in the envelope provided. Holders of Class A shares may also vote by telephone.

Sincerely,

Terrence A. Duffy	Phupinder S. Gill
Executive Chairman and President	Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE:	3:30 p.m., Central Time, on Wednesday, May 22, 2013.
PLACE:	CME Group headquarters in the auditorium, located at 20 South Wacker Drive, Chicago, Illinois.
MATTERS TO BE VOTED ON:	**Item 1:** To elect nine directors that we refer to as Equity directors. **Item 2:** To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013. **Item 3:** To approve, by advisory vote, the compensation of our named executive officers. **Item 4:** To consider a shareholder proposal set forth in the proxy statement, if properly presented at the annual meeting. **Item 5:** To elect one Class B-1 director and one Class B-3 director. **Item 6:** To elect five members of the Class B-1 nominating committee, five members of the Class B-2 nominating committee and five members of the Class B-3 nominating committee. And, to transact any other business that may properly come before the meeting.
WHO MAY VOTE:	Shareholders of record of CME Group Inc. Class A or Class B common stock at the close of business on March 27, 2013.
IMPORTANT INFORMATION ON VOTING YOUR SHARES:	If you wish to vote over the Internet or by telephone (Class A shares only) and you hold your shares at Computershare, our transfer agent, you may vote until 10:59 p.m., Central Time, on Tuesday, May 21, 2013. If you hold your shares through a bank or broker you will need to vote in accordance with their deadline, which may be earlier than May 21, 2013.
IMPORTANT INFORMATION ABOUT ATTENDING THE MEETING:	You may attend the meeting only if you owned shares of our Class A or Class B common stock as of the close of business on March 27, 2013. **If you or your legal proxy holder plan to attend the meeting in person, you must follow the admission procedures described on page 68. If you do not comply with these procedures, you will not be admitted to the meeting.** All attendees must have photo identification, such as a driver s license or passport. Please note that seating is limited and will be granted on a first come basis. You should allow sufficient time to clear security. Additional information about the meeting logistics is available beginning on **page 66**.
IMPORTANT NOTICE REGARDING THE DATE OF AVAILABILITY OF PROXY MATERIALS:	We are pleased to again take advantage of the Securities and Exchange Commission (SEC) rule allowing companies to furnish proxy materials to their shareholders over the Internet. We believe that this e-proxy process expedites your receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. We expect to either mail or provide notice and electronic delivery of this notice of annual meeting, proxy statement and 2012 annual report on or about April 12, 2013. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy materials, if you only received a notice by mail, or (ii) elect to receive your proxy materials over the Internet next year, if you received them by mail this year.

By order of the board of directors,
Kathleen M. Cronin
Senior Managing Director, General Counsel and
Corporate Secretary
April 8, 2013

Chicago, Illinois

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To assist you in reviewing our 2012 performance, we would like to call your attention to key elements of our proxy statement. The following description is only a summary. For more complete information about these topics, please review our 2012 annual report and the complete proxy statement. Additional information regarding the logistics of the annual meeting is available beginning on **page 66**.

BUSINESS HIGHLIGHTS

Despite a difficult environment with low volatility in 2012, we made significant progress in advancing our global strategy while preparing for the changing regulatory landscape. We generated substantial cash from operations and traded nearly 3.0 billion contracts with average daily volume of 11.4 million. We acquired the Kansas City Board of Trade, announced plans for a European exchange, strengthened our strategic partnerships and launched new products, including deliverable interest rate swap futures, as part of helping customers worldwide meet their evolving risk management needs. For a more detailed discussion on our financial performance, see our **2012 annual report**.

COMPENSATION HIGHLIGHTS

As discussed in our **Compensation Discussion and Analysis** section beginning on **page 31,** we continued to enhance our pay for performance program by increasing the proportion of equity delivered in performance shares in 2012. We increased the performance period from one year to three years; added a new company performance measure; and the performance share award was weighted equally on three-year cash earnings growth on a per share basis and three-year total shareholder return relative to the S&P 500. As a result of these changes, our overall 2012 performance-based compensation represented approximately 50% of aggregate target total compensation for our named executive officers, representing an increase from approximately 39% in 2011.

SHAREHOLDER ACTIONS

ELECTION OF DIRECTORS (Items 1 and 5)

You will find important information about the qualifications and experience of each of the Equity director nominees beginning on **page 5** and the Class B director nominees on **page 26**. **Our board recommends that you vote FOR each of the Equity director nominees.** It is not making a recommendation on the election of the Class B directors.

ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (Item 3)

Our shareholders have the opportunity to cast a non-binding advisory vote on the compensation of our named executive officers, as set forth in **Item 3** on **page 21**. Last year, shareholders representing approximately 96% of the votes cast approved our executive compensation program for our named executive officers. In evaluating this say on pay proposal, we recommend that you review our **Compensation Discussion and Analysis**, which explains how and why the compensation committee arrived at the compensation actions and decisions for 2012. **Our board recommends that you vote FOR the advisory approval of the compensation of our named executive officers.**

SHAREHOLDER PROPOSAL (Item 4)

You are being asked to consider a shareholder proposal contained in the proxy statement to provide for shareholder proxy access. As discussed in our statement beginning on **page 22**, we believe that the ownership level of only 1% combined with a holding requirement of only one year does not establish meaningful long-term ownership, which must be a prerequisite to having the ability to nominate up to 25% of our Equity directors. We received a similar proposal last year and the proposal received less than a majority of the votes cast by shareholders. **Our board**

recommends that you vote AGAINST the shareholder proposal.

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Proxy Statement for the

Annual Meeting of Shareholders of

CME GROUP INC.

To be held on Wednesday, May 22, 2013

The board of directors of CME Group Inc. is providing this proxy statement in connection with the annual meeting of shareholders to be held on May 22, 2013, at 3:30 p.m. Central Time, in the auditorium at CME Group s corporate headquarters, 20 South Wacker Drive, Chicago, Illinois. The terms we, us and our refer to CME Group and its subsidiaries. Shares of our Class A common stock are listed on the NASDAQ Global Select Market (NASDAQ) under the trading symbol CME. Our principal offices are located at 20 South Wacker Drive, Chicago, Illinois 60606. Our phone number is 312.930.1000.

In May 2012, the board of directors declared a five-for-one split of our Class A common stock effected by way of a stock dividend to its Class A and Class B shareholders. The stock split was effective July 20, 2012 for all shareholders of record on July 10, 2012. As a result of the stock split, all amounts related to shares and per share amounts have been retroactively restated in this proxy statement.

Further information about CME Group can be found at http://www.cmegroup.com. Information made available on our website does not constitute a part of this proxy statement. Additional information regarding the availability of materials referenced in this proxy statement is available on ***page 70****.*

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You are being asked to vote on the election of nine Equity director nominees. The biographies of the Equity director nominees are set forth beginning on **page 5**.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE EQUITY DIRECTOR NOMINEES.

ELECTION PROCESS

Our certificate of incorporation provides that our board shall consist of no more than 33 members with six directors (Class B directors) elected by Class B shareholders and the remaining directors (Equity directors) elected by our Class A and Class B shareholders voting together. The election of the Class B directors is discussed under **Item 5** on **page 25.** In accordance with our current bylaws, directors are elected by a plurality of the shares present at the meeting, meaning that director nominees with the most affirmative votes are elected to fill the available seats. The directors elected at the 2013 annual meeting will hold office for a one-year term expiring at the 2014 annual meeting. The board has agreed to adopt a majority vote standard and plans to adopt formal amendments to its bylaws and corporate governance principles, which will be in effect for the 2014 annual meeting.

DIRECTOR NOMINATIONS

Our board and its nominating committee seek candidates with a variety of talents and expertise to ensure that the board overall as a whole is operating effectively and is focused on creating long-term value for our shareholders. We believe that our board should be composed of individuals from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity and who exercise their good judgment to provide practical insights and different perspectives. In selecting candidates, the board endeavors to find individuals who have a solid record of accomplishment in their chosen fields and who display the independence of mind and strength of character to effectively represent the best interests of our shareholders.

The nominating committee solicits candidates from its current directors and, if deemed appropriate, retains, for a fee, recruiting professionals to identify and evaluate candidates. The nominating committee also considers Equity director nominees recommended by shareholders if the recommendations are submitted in writing, accompanied by a description of the proposed nominees qualifications, and other relevant biographical information and evidence of consent of the proposed nominee to serve as a director if elected. Recommendations should be addressed to the nominating committee, Attention: Corporate Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois 60606. In considering a shareholder recommendation, the nominating committee may seek input from an independent

advisor, legal counsel and/or other directors, as appropriate, and will reach a conclusion using its standard criteria. A copy of our nominating committee s charter is available on our website.

The holders of the Class B-1, Class B-2 and Class B-3 common stock elect members of nominating committees for their respective class, which are responsible for nominating candidates for election by their class. See **Item 6** for more information. Our certificate of incorporation requires that director candidates for election by a class of Class B common stock own, or be recognized under our rules as the owner of, at least one share of that class.

DIRECTOR QUALIFICATIONS

The nominating committee believes that it is essential that board members represent diverse viewpoints. However, it has not adopted a specific policy on the role of diversity in assessing director candidates. In considering candidates for the board, the nominating committee considers the entirety of each candidate s credentials. With respect to the nomination of continuing directors for re-election, the individual s contributions to the board are also considered. In assessing new candidates for the board, we have not adopted a set of firm criteria that an individual must meet to be considered. The nominating committee, composed entirely of directors who are independent under applicable listing standards, reviews the qualifications and backgrounds of potential directors in light of the needs of the board and CME Group at the time and nominates a slate of Equity director nominees to be nominated for election at the annual meeting of shareholders. In evaluating potential director nominees, the nominating committee will take into consideration, among other factors, whether the nominee:

- Has the highest professional and personal ethics and values.
- Is independent of management under our categorical independence standards.
- Has the relevant expertise and experience required to offer advice and guidance to our Executive Chairman & President and CEO.
- Helps the board reflect the applicable board composition requirements of the CFTC.

Has the ability to make independent analytical inquiries.

Can dedicate sufficient time, energy and attention to the diligent performance of his or her duties.

Has the ability to represent the interests of the shareholders of CME Group and to create long-term value.

Has any special business experience and expertise in a relevant area.

Would be considered an audit committee financial expert or financially literate, as such terms are defined in applicable rules, regulations and listing standards.

Has an understanding of our business, products, market dynamics and customer base.

For more information concerning our directors qualifications, see the **Director Attributes** on **page 11.**

2013 DIRECTOR NOMINEES

Upon the recommendation of the board nominating committee, the board has nominated Terrence A Duffy, Charles P. Carey, Mark E. Cermak, Martin J. Gepsman, Leo Melamed, Joseph Niciforo, C.C. Odom II, John F. Sandner and Dennis A. Suskind. Each of the Equity director nominees currently serves on the board.

In addition to the nominees for Equity director, our Class B-1 and Class B-3 shareholders are each entitled to elect a board member at the 2013 annual meeting. The biographies of

these nominees are set forth on **page 26** under **Item 5**. Paul J. Heffernan and Howard J. Siegel are the nominees for the Class B-1 director. Howard J. Siegel is a current member of our board. Peter J. Kosanovich and Steven E. Wollack are the nominees for the Class B-3 director.

We have no reason to believe that any of the Equity director or Class B director nominees will be unable or unwilling to serve if elected.

References to terms of our board of directors include service on the board of CME Group (f/k/a Chicago Mercantile Exchange Holdings Inc.) from its formation in 2001 and service on the board of its wholly-owned subsidiary, Chicago Mercantile Exchange Inc. (CME). CME Group became a public company in December 2002. The boards of our exchange subsidiaries, Board of Trade of the City of Chicago, Inc. (CBOT), CME, Commodity Exchange, Inc. (COMEX), New York Mercantile Exchange, Inc. (NYMEX) and The Board of Trade of Kansas City, Missouri, Inc. (KCBT) are composed of the same members as the CME Group board of directors. Ages are as of March 27, 2013. Information on public directorships is for the past five years.

REQUIRED VOTE

Nine nominees receiving the highest number of FOR votes from all classes of our Class A and Class B common stock present in person or represented by proxy at the annual meeting voting together as a single class.

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EQUITY DIRECTORS UP FOR ELECTION AT THE 2013 ANNUAL MEETING

Terrence A. Duffy

Age: 54

Director since: 1995

Mr. Duffy has served as our Executive Chairman & President since May 2012. Previously, he served as Executive Chairman since 2006, when he became an officer of CME Group. He served as Chairman of the board from 2002 and our Vice Chairman from 1998 until 2002. He was President of TDA Trading, Inc. from 1981 to 2002 and has been a member of CME since 1981. In 2002, he was appointed by President Bush to serve on a National Saver Summit on retirement savings. He also was appointed by President Bush and confirmed by the U.S. Senate in 2003 as a member of the Federal Retirement Thrift Investment Board. Mr. Duffy currently serves on the board of World Business Chicago, the board of trustees of Saint Xavier University, the Regional Advisory Board of The American Ireland Fund and is co-chair of the Mayo Clinic Greater Chicago Leadership Council.

Charles P. Carey

Age: 59

Director since: 2007

Previous Public Directorships:

CBOT Holdings, Inc.

Mr. Carey served as our Vice Chairman in connection with our merger with CBOT Holdings from 2007 until 2010. Prior to our merger, Mr. Carey served as Chairman of CBOT since 2003, as Vice Chairman from 2000 to 2002, as First Vice Chairman during 1993 and 1994 and as a board member of CBOT from 1997 to 1999 and from 1990 to 1992. Mr. Carey is a partner in the firm Henning & Carey Trading, one of our member firms. He has been a member of CBOT since 1978 and was a member of the MidAmerica Commodity Exchange from 1976 to 1978.

Mark E. Cermak

Age: 61

Director since: 2007

Previous Public Directorships:

CBOT Holdings, Inc.

Mr. Cermak previously served as a director of CBOT since 2000. Mr. Cermak is currently Director of Execution Services of ABN AMRO Clearing Chicago LLC, which was formerly known as Fortis Clearing Chicago LLC, and President of the William F. O Connor Foundation. Previously, Mr. Cermak served as President, Futures Division at O Connor & Company LLC from 1995 until it was acquired by Fortis Clearing Americas in 2006. Mr. Cermak served in the U.S. Army from 1969 to 1971 and has been a member of CBOT since 1987. He also serves on the Mayo Clinic Greater Chicago Leadership Council.

Martin J. Gepsman

Age: 60

Director since: 1994

Mr. Gepsman served as Secretary of the board from 1998 to 2007. He has been a member of CME for more than 25 years. Mr. Gepsman has also been an independent floor broker and trader since 1985.

Leo Melamed

Age: 81

Director since: 1998

1967 - 1990

Mr. Melamed is the founder of financial futures and was instrumental in the creation of our CME Globex platform. He has served as CME Chairman Emeritus since 1997 and Chairman of our Strategic Steering Committee since 2001. He served as Chairman of our board from 1968 until 1973. He was founding Chairman of the International Monetary Market from 1972 until its merger with our exchange in 1976, and then CME Chairman until 1977. Mr. Melamed served as a special advisor to the company in the role of Special Counsel to our board from 1977 to 1985 and then in the role of Chairman of its Executive Committee from 1985 until 1990. From 1993 to 2001, he served as Chairman and CEO of Sakura Dellsher, Inc., a former clearing firm of CME, and currently

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serves as Chairman and CEO of Melamed & Associates, a global consulting group. He is founder and a permanent advisor to the National Futures Association, and a consultant to CIF.CO International Group in China. He serves on the Board of Overseers of the Becker Friedman Institute of the University of Chicago and on the advisory board of Vernon & Park Capital L.P. Mr. Melamed is also a published author of a number of books pertaining to markets and the history of CME Group.

Joseph Niciforo

Age: 52

Director since: 2007

Previous Public Directorships:

CBOT Holdings, Inc.

Mr. Niciforo is a principal of Henning & Carey Trading, one of our member firms. He previously served as Chairman of Twinfields Capital Management, a global fixed income hedge fund, from 2004 to 2009. Prior to that, Mr. Niciforo was partner and Managing Director U.S. Fixed Income at Tudor Investment Corporation. He is a member of the Fordham Law School National board of advisors.

C.C. Odom II

Age: 70

Director since: 2007

Previous Public Directorships:

CBOT Holdings, Inc.

Mr. Odom previously served as a director of CBOT since 2002 and from 1979 to 1982 and as Vice Chairman in 1982. Mr. Odom is founder and sole proprietor of Odom Investments. He is a trader and has been an independent member of CBOT for more than 25 years and was a member of the Chicago Board Options Exchange (CBOE) from 1974 to 1991. Mr. Odom served as Chairman of the board at New Orleans Commodity Exchange in 1981 and prior to that as charter director, 1979 to 1980. He served as a firm-delegated member of the New York Stock Exchange from 1971 to 1973, and a director of the International Precious Metals Institute from 1979 to 1983. Mr. Odom is the founder of CCO Venture Capital and Argent Venture Capital and the co-founder and principal of Frontier Healthcare, LLC. Mr. Odom previously served as a principal of three CBOT clearing member firms and a principal of a CBOE member clearing firm. He is the sole proprietor of the Rock n C Ranch. Over the course of his career, Mr. Odom served on more than 40 boards of directors and board level committees of various financial services organizations.

John F. Sandner

Age: 71

Director since: 1978

Public Directorships:

Echo Global Logistics, Inc.

Previous Public Directorships:

Click Commerce Inc.

Mr. Sandner has been a member of CME for more than 30 years. He also served as our Special Policy Advisor from 1998 to 2005. Previously, he served as Chairman of our board for 13 years. Mr. Sandner has served as Chairman of E*Trade Futures, LLC since 2003. Mr. Sandner previously served as President and CEO of RB&H Financial Services, L.P., a futures commission merchant and one of our former clearing firms, from 1985 to 2003. Mr. Sandner currently serves on the board of the National Futures Association and serves as one of our board representatives on the Dubai Mercantile Exchange.

Dennis A. Suskind	**Public Directorships:**	**Previous Public Directorships:**
Age: 70	Bridgehampton National Bank	NYMEX Holdings, Inc.
Director since: 2008		

Mr. Suskind joined J. Aron & Company in 1961 where he served as Executive Vice President and was responsible for the worldwide precious metal trading operations. In 1980, Mr. Suskind became a general partner of Goldman Sachs, upon its acquisition of J. Aron & Company, until his retirement in 1990. During his tenure in trading metals, Mr. Suskind served as Vice Chairman of NYMEX, Vice Chairman of COMEX, a member of the board of the Futures Industry Association, a member of the board of International Precious Metals Institute, and a member of the boards of the Gold and Silver Institutes in Washington, D.C.

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DIRECTORS NOT STANDING FOR ELECTION IN 2013

All terms expire at the 2014 annual meeting.

Jeffrey M. Bernacchi

Age: 54

Director since: 2009

Mr. Bernacchi is an independent trader of our markets and has served as President and owner of JMB Trading Corp. since 1980, managing member of Celeritas Capital LLC since 2008, and Class C Member of Trade Lifts, LLC since 2012. He is also a member of PRMIA, Professional Risk Managers International Association, a member of Hyde Park Angels, a leading Chicago-based angel investment group, and serves as an independent board member of Prism Analytical Technologies, a private company providing leading air testing technologies.

Timothy S. Bitsberger

Age: 53

Director since: 2008

Mr. Bitsberger has served as Managing Director, Official Institutions FIG Coverage Group of BNP PNA, a subsidiary of BNP Paribas, since December 2010. He previously served as senior consultant with Booz Allen Hamilton from May 2010 to November 2010. Previously, he was with BancAccess Financial from December 2009 to April 2010 and was Senior Vice President and Treasurer of Freddie Mac from 2006 to 2008. Mr. Bitsberger also was with the U.S. Treasury Department from 2001 to 2005 serving first as their Deputy Assistant Secretary for federal finance and more recently as the Assistant Secretary for financial markets. He was confirmed by the U.S. Senate as the Assistant Secretary in 2004.

Dennis H. Chookaszian	**Public Directorships:**	**Previous Public Directorships:**
Age: 69	Allscripts Healthcare Solutions, Inc.	LoopNet, Inc.
Director since: 2004	Career Education Corporation	Insweb Corp.
	Internet Patents Corporation	

Mr. Chookaszian served as Chairman of the Financial Accounting Standards Advisory Council from 2007 to 2011. From 1999 until 2001, Mr. Chookaszian served as Chairman and CEO of mPower, Inc., a financial advice provider focused on the online management of 401(k) plans. Mr. Chookaszian served as Chairman and CEO of CNA Insurance Companies from 1992 to 1999. During his 27-year career with CNA, Mr. Chookaszian held several management positions at the business unit and corporate levels, including President and COO from 1990 to 1992 and CFO from 1975 to 1990. Mr. Chookaszian is a registered certified public accountant.

Jackie M. Clegg	**Public Directorships:**	**Previous Public Directorships:**
Age: 51	Brookdale Senior Living	Blockbuster, Inc.
Director since: 2007		Cardiome Pharma Corp.
		CBOT Holdings, Inc.
		Javelin Pharmaceuticals

Ms. Clegg previously served as a director of CBOT since 2003. As an independent board member, Ms. Clegg has chaired and served on several special committees for mergers and acquisitions as well as on numerous audit committees. Ms. Clegg serves as the Managing Partner of Clegg International Consultants, LLC, an international strategic consulting firm. Previously, she served as the Vice Chair of the board, First Vice President, and as the COO of the Export-Import Bank of the United States, the official U.S. export credit agency that assists in financing the export of U.S. goods and services to international markets. During her 29-year career in Washington, D.C., Ms. Clegg has also worked in the U.S. Congress on national security issues, foreign affairs, and international finance and monetary policy.

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James A. Donaldson	**Previous Public Directorships:**
Age: 68	CBOT Holdings, Inc.
Director since: 2007	

Mr. Donaldson previously served as a director of CBOT since 2004. Prior to that, Mr. Donaldson served as a partner of Kelly Grain Company, Executive Vice President and Secretary of Kelly Commodities, Inc. and a broker in the soybean oil pit. He has also been affiliated with Archer Daniels Midland and Kohlmeyer & Company. He is a veteran of the U.S. Air Force. Mr. Donaldson has been a member of CBOT since 1968 and is an independent trader.

Larry G. Gerdes	**Previous Public Directorships:**
Age: 64	Access Plans, Inc.
Director since: 2007	CBOT Holdings, Inc.
	Transcend Services, Inc.

Mr. Gerdes has served as general partner of Sand Hill Financial Company, a venture capital partnership, since 1983. Mr. Gerdes is also a general partner of Gerdes Huff Investments. Mr. Gerdes formerly served as Chairman from 2000 and as CEO from 1993 of Transcend Services, concluding with the sale of that company in April 2012. Mr. Gerdes is a major shareholder and President of Friesland Farms, LLC and serves as Chairman of the board of Solo Health, a private company in Atlanta. Mr. Gerdes is a member of the Dean s Advisory Council for The Kelley School of Business at Indiana University, serves as trustee for Monmouth College.

Phupinder S. Gill	**Public Directorships:**
Age: 52	First Midwest Bancorp Inc.
Director since: 2012	

Mr. Gill has served as our CEO and a member of our board since May 2012. Previously he served as President since 2007 and as President and COO since 2004. Before that, Mr. Gill held positions of increasing responsibility, including Managing Director and President of CME Clearing since joining us in 1988. Mr. Gill serves on the board of Bursa Malaysia Derivatives Berhad and the World Federation of Exchanges. Mr. Gill is a member of the board of directors of Teach for America Chicago and the Advisory Council for Youth Services of Glenview/Northbrook. He also serves as a member of our Competitive Markets Advisory Council and member of the board of directors of The Alexander Maxwell Grant Foundation.

Daniel R. Glickman

Age: 68

Director since: 2001

Previous Pubic Directorships:

Hain-Celestial Corporation

Mr. Glickman has served as Executive Director of the Aspen Institute s Congressional Program since April 2011 and as Vice President of the Aspen Institute since 2012. Mr. Glickman also has served as a Senior Fellow for the Bipartisan Policy Center since July 2010. From 2004 to April 2010, Mr. Glickman served as Chairman and CEO of the Motion Picture Association of America, Inc. Mr. Glickman previously served as Director of the Institute of Politics at Harvard University s John F. Kennedy School of Government from 2002 to 2004 and, served as Senior Advisor in the law firm of Akin, Gump, Strauss, Hauer & Feld, from 2001 to 2004. He also served as U.S. Secretary of Agriculture from 1995 through 2001 and as a member of the U.S. Congress, representing a district in Kansas, from 1977 through 1995.

J. Dennis Hastert

Age: 71

Director since: 2008

Mr. Hastert served as Speaker of the House of Representatives from 1999 through 2007. He served 11 terms in Congress and retired from the House of Representatives in 2007. Prior to his role as Speaker, Mr. Hastert served as Chief Deputy Majority Whip in the 104th Congress and also served as Chairman of the House of Government Reform and Oversight Subcommittee on National Security, International Affairs and Criminal Justice. He also spent the first 16 years of his career teaching government, history and economics at Yorkville High School in Illinois.

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Bruce F. Johnson

Age: 70

Director since: 1998

Public Directorships:

Copytele Inc.

Mr. Johnson has been a member of CME for more than 30 years. Mr. Johnson previously served as President, Director and part owner of Packers Trading Company, Inc., a former futures commission merchant and former clearing firm, from 1969 through 2003. Mr. Johnson also serves on the board of the Chicago Crime Commission.

William P. Miller II

Age: 57

Director since: 2003

Public Directorships:

American Axle and

Manufacturing Holdings, Inc.

1999 - 2002

Mr. Miller has served as the Senior Managing Director and Chief Financial Officer of Financial Markets International, Inc. since March 2011. Previously, he served as the Deputy Chief Investment Officer for the Ohio Public Employees Retirement System from 2008 through March 2011 and as its Senior Investment Officer, Fund Management during 2005 to 2008. He served as Senior Risk Manager for the Abu Dhabi Investment Authority from 2003 to mid-2005. Mr. Miller was a risk management advisor for the Rockefeller Foundation, a non-profit foundation and an advisor to Africa Global from 2002 to 2003. Over the 1996 to 2002 period, Mr. Miller was the Independent Risk Oversight Officer for Commonfund responsible for enterprise-wide risk management, regulatory compliance and internal audit. From 1974 through 1996, Mr. Miller held management positions in General Motors engineering, treasury and investment divisions. Mr. Miller is a chartered financial analyst and a member of the Institute of Chartered Financial Analysts. Mr. Miller previously served as a member of the PCAOB Standing Advisory Group and on the board of the Dubai International Futures Exchange, New York Futures Exchange, BTOP50 Family of Funds and the End Users of Derivatives Association. Mr. Miller also serves as one of our board representatives on the Dubai Mercantile Exchange and serves on the Golub Capital Institutional Investor Advisory Board.

James E. Oliff

Age: 64

Director since: 1994

Previous Public Directorships:

FFastFill, plc

1982 - 1992

Mr. Oliff has been a member of CME for more than 30 years. Mr. Oliff served as our Vice Chairman from 2002 until 2007 and as our Second Vice Chairman from 1998 until 2002. Mr. Oliff has also served as President of FILO Corp., a floor brokerage business, since 1982. Mr. Oliff previously served as Executive Director of International Futures and Options Associates from 1996 to 2005, as President and CEO of FFast

Trade U.S., LLC from 2001 to 2005, as Chairman and CEO of FFastFill Inc. from 2003 to 2005 and as FFastFill s COO from 2001 to 2003. He also served as President of LST Commodities, LLC, an introducing broker, from 1999 until 2002. He currently serves as a member of the advisory board for the MS Program in Financial Engineering at Kent State University and the advisory board of *The Review of Futures Markets.*

Ronald A. Pankau

Age: 56

Director since: 2011

Mr. Pankau has been an independent trader since 1981. He serves as the Treasurer and Secretary of our political action committee and as a member of our business conduct committee, pit supervision and arbitration committees. He is the owner and CEO of JH Best Manufacturing, a steel fabricating plant.

Edemir Pinto

Age: 59

Director since: 2011

Mr. Pinto joined the Brazilian Mercantile & Futures Exchange (BM&F) in 1986. In 1987, he became the Derivatives Clearinghouse Officer where he was responsible for risk management, settlement, participant registration, collateral, custody, and controllership. In 1999, he was named CEO of BM&F, and in 2002 he also became the CEO of the Brazilian Commodities Exchange. Mr. Pinto was a member of the BM&F board of directors until 2007. After the integration of BM&F S.A. and Bovespa Holding, creating BM&FBOVESPA S.A., Mr. Pinto was officially appointed to the position of CEO of the combined company.

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Alex J. Pollock

Age: 70

Director since: 2004

Previous Public Directorships:

Allied Capital Corp.

Mr. Pollock has served as Resident Fellow of the American Enterprise Institute in Washington, D.C. since 2004. He previously served as President and CEO of the Federal Home Loan Bank of Chicago from 1991 through 2004 and as President and CEO of Community Federal Savings. Mr. Pollock serves on the non-profit boards of Great Lakes Higher Education Corporation and as Chairman of the Board of the Great Books Foundation. He has served as our lead director since August 2012.

Terry L. Savage

Age: 68

Director since: 2003

Ms. Savage is a financial journalist, author and President of Terry Savage Productions, Ltd., which provides speeches, columns and videos on personal finance for corporate and association meetings, publications and national television programs and networks, including CNN and CBS. She was a founding member of the CBOE, and was a member of CME from 1975 to 1980. She is a registered investment advisor.

William R. Shepard

Age: 66

Director since: 1997

Mr. Shepard has been a member of CME for more than 30 years. Previously he served as our Second Vice Chairman from 2002 to 2007. Mr. Shepard is founder and President of Shepard International, Inc., a futures commission merchant.

Christopher Stewart

Age: 55

Director since: 2007

Previous Public Directorships:

CBOT Holdings, Inc.

Mr. Stewart previously served as director of CBOT since 2006. Mr. Stewart served as CEO of Gelber Group, LLC, a clearing member firm, from 2000 to April 2012, and was previously employed by Gelber Group since 1983. Mr. Stewart was appointed to The Rock and Roll Hall of Fame and Museum board in April 2009.

David J. Wescott

Age: 56

Director since: 2003

1988-1995

Mr. Wescott has been a member of CME for more than 25 years. He is a founder and partner in TradeForecaster.com LLC, an algorithmic trading and technology company. He has served as President of The Wescott Group Ltd. since 1991 and Managing Partner of the Dowd/Wescott Group since 2006. Mr. Wescott is currently a Managing Partner of DWG Futures. Mr. Wescott has served on numerous functional committees at CME.

DIRECTOR RETIRING FROM THE BOARD EFFECTIVE AS OF THE 2013 ANNUAL MEETING

Gary M. Katler

Age: 66

Director since: 1993

Mr. Katler has been a member of CME since 1987. He is currently Vice President of ABN AMRO Clearing Chicago LLC, which was formerly known as Fortis Clearing Chicago LLC. Previously, Mr. Katler served as Vice President of O Connor & Company LLC from 2002 until it was acquired by Fortis Clearing Americas in 2006. Mr. Katler served as Head of the Professional Trading Group of Fimat USA from 2000 to 2002. Prior to that, Mr. Katler served as Senior Vice President of ING Barings Futures and Options Inc.

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DIRECTOR ATTRIBUTES

We believe all of our board members have an inquisitive and objective perspective, practical wisdom and mature judgment. In addition, the following highlights the key characteristics that the board believes qualifies its current members to serve the interests of our shareholders. This summary, however, is not meant to be a complete description of all of the skills and attributes of our board members. Additional details on our individual directors and director nominees are set forth in their individual biographies. The Class B nominees are nominated by a separate nominating committee. Therefore, the board has not made an assessment of the attributes of the Class B nominees who are not currently members of the board other than whether they may be classified as independent.

Attribute	Directors and Director Nominees with Attribute			
Industry Experience Possesses an understanding of our markets as a result of trading our products, serving as an officer of a firm which trades our products or working in the financial services industry.	Jeffrey M. Bernacchi	Phupinder S. Gill	C.C. Odom II	Terry L. Savage
	Timothy S. Bitsberger	Bruce F. Johnson	James E. Oliff	William R. Shepard
	Charles P. Carey	Gary M. Katler	Ronald A. Pankau	Howard J. Siegel
	Mark E. Cermak	Leo Melamed	Edemir Pinto	Christopher Stewart
	James A. Donaldson	William P. Miller II Joseph Niciforo	Alex J. Pollock	Dennis A. Suskind
	Terrence A. Duffy Martin J. Gepsman		John F. Sandner	David J. Wescott
Independence Satisfies applicable standards of independence.	Jeffrey M. Bernacchi	Larry G. Gerdes	William P. Miller II	William R. Shepard
	Timothy S. Bitsberger	Daniel R. Glickman	Joseph Niciforo	Howard J. Siegel
	Mark E. Cermak	J. Dennis Hastert Paul J. Heffernan	C.C. Odom II	Christopher Stewart
	Dennis H. Chookaszian	Bruce F. Johnson	James E. Oliff Ronald A Pankau	Dennis A. Suskind
	Jackie M. Clegg			David J. Wescott Steven E. Wollack
	James A. Donaldson Martin J. Gepsman	Gary M. Katler Peter J. Kosanovich	Alex J. Pollock Terry L. Savage	
CFTC Public Director Satisfies the CFTC definition of public director.	Timothy S. Bitsberger	Daniel R. Glickman	William P. Miller II	Terry L. Savage
	Jackie M. Clegg	J. Dennis Hastert	Alex J. Pollock	Dennis A. Suskind
	Larry G. Gerdes			
Government Relations/Regulatory/Public Policy Experience interacting with our regulators and members of government or prior service in government.	Timothy S. Bitsberger	Terrence A. Duffy	Leo Melamed	Ronald A. Pankau
	Charles P. Carey	Daniel R. Glickman	William P. Miller II	Alex J. Pollock
	Jackie M. Clegg	J. Dennis Hastert		
Management Experience Experience as a chief executive officer, president or senior vice president of a company or a significant	Dennis H. Chookaszian	Phupinder S. Gill Daniel R. Glickman	Ronald A. Pankau	Alex J. Pollock
	Jackie M. Clegg		Edemir Pinto	Christopher Stewart

subsidiary, operating division or business unit.	Larry G. Gerdes	James E. Oliff		
Financial Expertise Experience as a chief financial officer.	Dennis H. Chookaszian	Larry G. Gerdes	William P. Miller II	
Professional Accreditations Possesses an advanced degree.	Dennis H. Chookaszian Jackie M. Clegg Larry G. Gerdes	Daniel R. Glickman Bruce F. Johnson William P. Miller II	Leo Melamed Joseph Niciforo James E. Oliff	Alex J. Pollock John F. Sandner
Risk Management Experience Experience in overseeing risk management processes and procedures.	Dennis H. Chookaszian	Phupinder S. Gill	William P. Miller II	
Other Public Company Directorship Experience serving as a director of another publicly traded company.	Charles P. Carey Mark E. Cermak Dennis H. Chookaszian Jackie M. Clegg James A. Donaldson	Larry G. Gerdes Daniel R. Glickman Bruce F. Johnson William P. Miller II	Joseph Niciforo C.C. Odom II James E. Oliff Alex J. Pollock	John F. Sandner Terry L. Savage Christopher Stewart Dennis A. Suskind

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We have a long-standing commitment to implementing sound corporate governance practices that enhance the effectiveness of our board. These practices provide an important framework within which the board and management can pursue our strategic objectives and ensure long-term vitality for the benefit of our shareholders. This section describes key corporate governance practices that we have adopted.

RECENT ENHANCEMENTS

The board and its governance committee continue to evaluate its corporate governance practices. In 2012, our board was successful in seeking shareholder approval to declassify our board as of the 2014 annual meeting and move to annual elections. The board believes this will allow shareholders to have the opportunity to better influence policies and to hold management accountable.

The board has also created an independent lead director position whose role is defined under the **Board Leadership Structure** section on **page 14**.

The board has approved the adoption of a majority voting standard and plans to formally adopt amendments to its bylaws and corporate governance principles which would be in effect for the 2014 annual meeting. The board believes these steps will further strengthen our corporate governance practices and demonstrate our responsiveness to shareholder concerns.

The board also adopted a policy that restricts its board members and executive officers from pledging any shares of CME Group Class A common stock. In connection with the adoption of the policy, the board elected to grandfather in the existing pledging arrangements of Messrs. Gepsman, Johnson and Melamed based on the fact that:

The number of shares pledged were approximately 128,000 shares, which is significantly less than 0.1% of our outstanding Class A common stock.

The secured parties have each undertaken not to sell such pledged shares during any period in which our board members are restricted from trading under our compliance policies.

These board members have agreed to own shares not subject to any pledging arrangement with a value that meets their applicable stock ownership guidelines no later than July 1, 2013.

The pledging arrangements were related to such individual s derivatives trading activities at CME Group.

CORPORATE GOVERNANCE MATERIALS

Complete copies of our corporate governance materials, including our corporate governance principles, board of directors conflict of interest policy, board of directors code of ethics, categorical independence standards, employee code of conduct and the charters for all our board committees, may be found on our website, *www.cmegroup.com,* in the Investor Relations Corporate Governance section. Copies of these materials are also available free of charge to shareholders upon written request directed to the Corporate Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois 60606. Our employee code of conduct is applicable to all of our employees, including our Executive Chairman & President, Chief Executive Officer and other senior financial officers. The board and the governance committee regularly review and modify the corporate governance documents, including the corporate governance principles, as warranted. Any modifications are reflected on our website.

DIRECTOR ATTENDANCE

During 2012, the board held 10 meetings. Each of the directors attended at least 75% of the combined total meetings of the full board and the committees on which he or she served during 2012, except for Mr. Pinto, as described below. In connection with the board s deliberations on matters relating to the MF Global bankruptcy, directors with potential conflicts of interest were recused from participating in such special meetings. These recusals were not factored into their attendance records. Additionally, we hold an annual all-day meeting of our board and management to discuss the overall strategic objectives of CME Group. Mr. Pinto did not attend at least 75% of the meetings of the board held during 2012. Mr. Pinto holds a key position as Chief Executive Officer of BM&FBOVESPA, one of our global partners and one of the largest exchanges in the world based on market value. In connection with his duties, Mr. Pinto was unable to attend one of our regularly scheduled board meetings due to his required attendance at a meeting with the Board of Commissioners of the Securities and Exchange Commission of Brazil. Additionally, Mr. Pinto was unable to adjust his calendar to allow him to participate in two of our special meetings called on short notice in 2012.

DIRECTOR INDEPENDENCE

The experience and diversity of our directors has been, and continues to be, critical to our success. Our corporate governance principles require that the board be composed of at least a majority of independent directors. Additionally, in accordance with applicable listing standards, the members of our audit, compensation, governance and nominating committees must be independent. For a director to be

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considered independent, the board must affirmatively determine that the director has no direct or indirect material relationship with CME Group. The board has adopted **categorical independence standards**, which are attached to this proxy statement as **Appendix A**, to assist the board in making its determinations regarding independence. These standards conform to and exceed the independence criteria specified in the listing standards of the NASDAQ. They specify the criteria by which the independence of our directors will be determined, including relationships and transactions between each director, any member of his or her immediate family, his or her affiliates, charitable organizations with which he or she is affiliated, and us.

The board believes that all of its non-executive directors act independently of, and effectively monitor and oversee the actions of, management. Based on our categorical independence standards, at its meeting held in January 2013, the governance committee made a preliminary assessment of the independence of the directors and director nominees and based on such assessment made a recommendation to our board regarding their independence. Some of our directors are members of our exchanges, which provides them with access to our open outcry trading floors, lower trading fees, the ability to vote on certain matters relating to the operation of our trading floors and, for members of CME, the ability to elect six of our directors. Directors who are members of our exchanges may make payments directly to us or indirectly to us through our clearing firms in connection with their trading activity on an exchange. To ensure that such payments did not exceed the monetary thresholds set forth in the listing standards of the NASDAQ, the governance committee reviewed the directors and their affiliated clearing firms trading activities and relationships with our exchanges as part of its independence determination. The governance committee and the board noted that all payments were made in the ordinary course of our business, were on terms consistent with those prevailing at the time for corresponding transactions by similarly situated unrelated third parties and were not in excess of the applicable payment thresholds.

Certain members of our board also leased space at our 141 West Jackson Boulevard location in Chicago, prior to its sale in April 2012, in connection with their trading activities. The governance committee and the board considered whether such transactions would have an impact on the directors independence, noting that the leases are entered into on terms prevalent in the marketplace.

Mr. Pankau has a family member who is employed by the CME Group organization. Because the family member is not employed as an officer of the organization, the governance

committee and the board do not believe it impacts his independence.

After considering information provided by the directors and director nominees in their annual questionnaires, the payments made to us relating to trading activities of directors and director nominees who are members of an exchange, as well as additional information gathered by our Office of the Secretary, the governance committee recommended and the board determined which directors and nominees should be classified as independent. All of our directors and director nominees with the exception of the following have been classified as independent.

Employment Relationships: Messrs. Duffy and Gill are employees of CME Group.

Consulting Arrangements: Messrs. Melamed and Sandner have consulting relationships with CME Group and Mr. Carey had a consulting relationship with us during the last three years.

Strategic Partnership and Cross-Investment: Mr. Pinto serves as the director representative of BM&FBOVESPA. BM&FBOVESPA owns approximately 5% of our outstanding Class A shares and we own approximately 5% of its shares. We have a cross-investment agreement with BM&FBOVESPA and have agreed to work together as global preferred strategic partners to advance our mutual interests in globalizing our respective businesses through jointly identifying and pursuing opportunities for strategic investments and partnerships with other international exchanges.

The list of our independent directors and director nominees is set forth on **page 11**. Our former CEO, Mr. Donohue, also was classified as non-independent during his board service due to his employment arrangement.

PUBLIC DIRECTORS

As the parent company of five self-regulatory organizations, we are required to ensure that we meet the core principles of the Commodity Futures Trading Commission (CFTC) which among other things requires that we have processes and procedures to address potential conflicts of interest that may arise in connection with the operation of our exchanges. Significant representation of individuals who do not have relationships with our exchanges, referred to as public directors in the CFTC regulations, play an important role in our processes to address potential conflicts of interest. The board has assessed which directors would be considered public directors based upon their lack of relationship with our exchanges and the industry per the CFTC regulations. The list of our public directors is set forth on **page 11**. Additionally, our market regulation oversight committee is composed solely of public directors.

BOARD LEADERSHIP STRUCTURE

Our governance documents provide the board with the flexibility to select the appropriate leadership structure for CME Group. In making leadership determinations, the board considers many factors, including the specific needs of the business and what is in the best interests of our shareholders. During 2012, our former Chief Executive Officer retired and Mr. Duffy took on the role of President in addition to serving as our Executive Chairman. Mr. Gill became our Chief Executive Officer reporting to Mr. Duffy. In addition to Messrs. Duffy and Gill, our leadership structure includes our lead director position, held by Mr. Pollock, and our strong, active board members of which more than a majority are considered independent. The lead director is appointed by the board based on the recommendation of the governance committee for a one-year term and has the following responsibilities:

- Presides at meetings of the board if the Chairman is unavailable and at executive sessions of the board s independent directors.
- Presides at the board s annual evaluation of the Chairman s achievement of his goals and objectives.
- Communicates to the Chairman the results of meetings at which he presides.
- Receives direct communications from directors and/or shareholders in cases where the Chairman is unavailable or where direct communication with the Chairman may not be appropriate.
- Confers with the Chairman, in the Chairman s discretion, in regard to board agendas, scheduling and information distribution.

The board believes that its current structure allows it to effectively operate, represent the rights of our shareholders and create long-term value and provides a very well-functioning and effective balance between strong management leadership and appropriate safeguards and oversight by non-employee board members. The board reserves the right to make changes to its governance structure in the future as it deems appropriate.

BOARD S ROLE IN RISK OVERSIGHT

The board has an active role, as a whole and also at the committee level, in overseeing management of our risks. CME Group has established an enterprise risk management program. The role of the program is to promote and facilitate

the process to evolve, align and sustain sound risk management practices at CME Group. Our ultimate objective is to help preserve and protect our enterprise value and to help increase the likelihood of achieving our financial, operational and strategic objectives. In doing so, the board believes it may not be practicable or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks to achieve the company s goals and objectives and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness.

The program is led by our Executive Director, Enterprise Risk Management who reports to the head of our internal audit department who reports directly to the audit committee. The audit committee serves as the primary committee with responsibility for overseeing our risk management process, with our other board level committees overseeing specific risks that relate to their core responsibilities. Enterprise risk management is a regular audit committee agenda item, and specific risks are discussed at the board and board-level committees, as relevant.

Enterprise risks are identified, assessed, measured, prioritized, and updated regularly by management through our cross-functional risk management team, made up of senior managers representing each division of our business and led by our Executive Director, Enterprise Risk Management. The audit committee and the board receive detailed Enterprise Risk Profile Reports updating our top tier (key) enterprise risks each quarter. Additional review or reporting on our enterprise risks is conducted as needed or as requested by the board or one of its committees.

EXECUTIVE SESSIONS

Our corporate governance principles require our independent directors to meet in executive session (without management and non-independent directors) on a quarterly basis. These sessions are chaired by the lead director. The chair of the executive session may, at his or her discretion, invite our Executive Chairman & President, CEO, other non-independent directors or other members of management to participate in a portion of such executive session, as appropriate.

ANNUAL ASSESSMENT OF BOARD AND COMMITTEE PERFORMANCE

As provided in our corporate governance principles, the board annually reviews its own performance, structure and processes in order to assess how effectively it is functioning. The assessment is implemented and administered by the governance committee through an annual board self-evaluation survey. In addition, the audit, compensation,

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finance, governance, market regulation oversight and nominating committees each conduct an annual self-assessment.

CONTACTING THE BOARD OF DIRECTORS

If you would like to contact the board of directors, including a committee of the board or the independent directors as a group, you may send an email to *directors@cmegroup.com*. You may also communicate with the members of the board by mail addressed to an individual member of the board, the full board, a particular committee or the independent directors as a group directed to the Corporate Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois 60606.

All communications received will be compiled by the Office of the Secretary and submitted to the governance committee on a quarterly basis or more frequently as appropriate. Emails received via *directors@cmegroup.com* are screened for junk commercial email and general solicitations. If a communication does not involve an ordinary business matter as described below and if a particular director is named, the communication will be forwarded to that director.

In order to expedite a response to ordinary business matters, the governance committee has authorized management to receive, research and respond, if appropriate, on behalf of our directors, including a particular director or its non-executive directors, to any communication regarding a product of an exchange or transactions by a clearing firm or a member of an exchange (an ordinary business matter). Any director may review any such communication or response thereto.

SHAREHOLDER ENGAGEMENT

Shareholders who invest in our company and elect the board of directors are entitled to open and meaningful information about our business, strategies, corporate governance and senior management compensation practices so that they can make informed decisions and knowledgeably participate in the proxy voting process. As owners of our company, you are encouraged to contact us through our provided communication channels to provide your feedback.

REPORTING CONCERNS TO THE AUDIT COMMITTEE

We have engaged an independent, third party, EthicsPoint, for the purpose of receiving complaints, including complaints relating to accounting, internal control over financial reporting or auditing matters. Concerns relating to financial matters are automatically referred to the chairman of the audit committee and will be handled in accordance with the procedures adopted by the audit committee. A copy of these procedures is available on our website.

ATTENDANCE AT ANNUAL MEETINGS

We strongly encourage, but do not require, our directors to attend the annual meeting. Last year, 24 of the 30 directors on the board at that time attended the annual meeting of shareholders.

COMMITTEES OF THE BOARD OF DIRECTORS

The board of directors has eight committees: audit; compensation; executive; finance; governance; market regulation oversight; nominating and strategic steering. Each committee has a written charter that sets forth its responsibilities in more detail. Copies of these charters are available on our website. Our audit, compensation, governance, market regulation oversight and nominating committees consist entirely of independent directors. Our market regulation oversight committee consists entirely of public directors as defined by the CFTC.

Audit Committee

The audit committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act and assists the board in fulfilling its oversight responsibilities with respect to the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualification and independence of our independent registered public accounting firm, the performance of our internal audit functions and our external auditors and the effectiveness of our internal controls. The committee performs this function by monitoring our financial reporting process and internal controls and by assessing the audit efforts of the external auditors and the internal audit department. The committee has ultimate authority and responsibility to appoint, retain, compensate, evaluate, and where appropriate, replace the external auditors. The audit committee also serves as the primary committee with responsibility for overseeing our enterprise risk management program. The committee also oversees the effectiveness of our corporate compliance and ethics program.

Compensation Committee

The compensation committee assists the board in fulfilling its responsibilities in connection with the compensation of board members and senior management and oversees the compensation programs for our employees. It performs this function by establishing and overseeing our compensation programs, approving compensation for our senior management group, recommending to the board the compensation of board members who are not officers of us, overseeing the administration of our equity award plans and approving the filing of the **Compensation Discussion and**

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Analysis section in accordance with applicable rules and regulations of the SEC for inclusion in our proxy statements.

Executive Committee

The executive committee exercises the authority of the board when the board is not in session, except in cases where action of the entire board is required by our articles of incorporation, bylaws or applicable law. The committee may also review and provide counsel to management regarding material policies, plans or proposals prior to submission of such items to the board. The executive committee is also responsible for conducting the annual performance evaluation of our CEO and presenting its conclusions to the board during an executive session.

Finance Committee

The finance committee assists the board in fulfilling its oversight responsibilities with respect to our financial policies, strategies, capital structure and annual operating and capital budget.

Governance Committee

The governance committee assists the board by making recommendations on our corporate governance practices. The committee reviews and recommends changes to our corporate governance principles and other policies in the area of corporate governance and establishes a culture of compliance and ethics within the organization through its oversight of board governance policies and the CME Group code of conduct.

Market Regulation Oversight Committee

The market regulation oversight committee assists the board with its oversight of matters relating to our operation of five exchanges that are self-regulatory organizations. The committee provides independent oversight of the policies and programs of our market regulation department, our financial and regulatory surveillance department, and our compliance officer for our clearing house and swap data repository business to ensure effective administration of our self-regulatory responsibilities.

Nominating Committee

The nominating committee reviews qualifications of potential candidates for Equity director and recommends to the board the slate for election at our annual meetings.

Strategic Steering Committee

The strategic steering committee assists and provides guidance to management and the board in fulfilling its responsibilities to oversee our long-range direction, corporate strategy and competitive position. The committee analyzes market trends, growth patterns and the impact of innovations that may create opportunity or risk for us.

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2012 Board Committee Membership and Meetings

The following table shows the current membership of our board committees and the number of times they met in 2012.

Director	Audit	Compensation	Executive	Finance	Governance	Market Regulation Oversight	Nominating	Strategic Steering
Terrence A. Duffy			Chair					
Jeffrey M. Bernacchi								
Timothy S. Bitsberger								
Charles P. Carey								
Mark E. Cermak								
Dennis H. Chookaszian	Chair							
Jackie M. Clegg								
James A. Donaldson								
Martin J. Gepsman								
Larry G. Gerdes				Chair				
Phupinder S. Gill								
Daniel R. Glickman					Chair			
J. Dennis Hastert		Chair						
Bruce F. Johnson								
Gary M. Katler								
Leo Melamed								Chair
William P. Miller						Chair		
Joseph Niciforo								
C.C. Odom II								
James E. Oliff								
Ronald A. Pankau								
Edemir Pinto								
Alex J. Pollock							Chair	
John F. Sandner								
Terry L. Savage								
William R. Shepard								V. Chair
Howard J. Siegel								
Christopher Stewart								
Dennis A. Suskind								
David J. Wescott								
2012 Meetings	12	11	3	5	9	9	5	4

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You are being asked to vote on the ratification of the appointment of Ernst & Young to serve as our independent registered public accounting firm for 2013. Ernst & Young served as our accounting firm in 2012.

OUR BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2013.

The audit committee has appointed Ernst & Young as CME Group s independent registered public accounting firm for 2013. We are not required to have the shareholders ratify the selection of Ernst & Young as our independent auditor. We nonetheless are doing so because we believe it is a matter of good corporate practice. If the shareholders do not ratify the selection, the audit committee will reconsider whether or not to retain Ernst & Young, but may choose to retain such independent auditor. Even if the selection is ratified, the audit committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of CME Group and its shareholders. Representatives of Ernst & Young will be present at the annual meeting and will have the opportunity to make a statement and be available to respond to appropriate questions by shareholders. In connection with the audit of our 2012 financial statements, we entered into an engagement letter with Ernst & Young which set forth the terms by which Ernst & Young would perform audit services for us and which did not include any limitations of liability for punitive damages. We expect to enter into a similar engagement letter with Ernst & Young for 2013.

AUDIT COMMITTEE POLICY FOR APPROVAL OF AUDIT AND PERMITTED NON-AUDIT SERVICES

The audit committee is responsible for the appointment, retention, compensation and oversight of our independent registered public accounting firm. The audit committee has adopted policies and procedures for pre-approving all services (audit and non-audit) performed by our independent registered public accounting firm. In accordance with such policies and procedures, the audit committee is required to pre-approve all audit and non-audit services to be performed by the independent registered public accounting firm in order to ensure that the provision of such services is in accordance with the rules and regulations of the SEC and does not impair the registered public accounting firm s independence. Under the policy, pre-approval is generally provided for up to one year, any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the audit committee may pre-approve additional services on a case-by-case basis. The audit committee has

delegated specific pre-approval to the chairperson of the audit committee provided the estimated fee of the proposed service does not exceed $100,000. The chairperson must report any decisions to the audit committee at its next scheduled meeting. Periodically, but not less than quarterly, our controller provides the audit committee with a report of audit and non-audit services provided and expected to be provided by the independent registered public accounting firm. A copy of our audit and non-audit services policy is available on our website.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees paid to Ernst & Young for each of the last two fiscal years are listed in the following table.

Service Provided		2012		2011
Audit[1]	$	2,776,808	$	2,297,302
Audit-Related Fees[2]				
Tax Fees[3]		1,151,557		1,348,530
All Other Fees				
Total	$	3,928,365	$	3,645,832

(1)

The aggregate fees for professional services rendered for the integrated audit of the consolidated financial statements of CME Group and, as required, audits of various domestic and international subsidiaries and other agreed-upon procedures.

(2) The aggregate fees for assurance and related services including internal control and financial compliance reports and agreed-upon procedures not required by regulation.

(3) The aggregate fees for services rendered for tax return preparation, tax advice and other international, federal and state projects. In 2012, tax compliance and preparation fees were $378,064.

The audit committee has considered whether the provision of non-audit services is compatible with maintaining the registered public accounting firm s independence. All of the projects included in the above fee table were pre-approved by the audit committee in accordance with our Audit and Non-Audit Services Policy. In providing their pre-approval, the audit committee approves the proposed fees for the particular engagement. Any services exceeding pre-approved cost levels will require specific additional pre-approval by the audit committee unless such additional costs are less than the lessor of (i) $25,000 and (ii) 10% of the original cost estimate and the independent auditor has provided a statement in writing that such additional costs do not impair its independence. Any such cost overruns will be included as an informational item at the next audit committee meeting.

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AUDIT COMMITTEE FINANCIAL EXPERTS

The board has determined that Messrs. Chookaszian, Gerdes and Miller meet the SEC s definition of an audit committee financial expert.

Mr. Chookaszian

Mr. Chookaszian is considered to have each of the attributes of an audit committee financial expert based upon his prior service as CFO of CNA for 15 years, through his supervision of the CFO for nine years when he was CEO of CNA and CEO of mPower, and through his service as a public accountant for eight years with Deloitte and Touche. Mr. Chookaszian has been a member of our audit committee since 2004 and previously served as chairman of the Financial Accounting Standards Advisory Council, the group that provides advice to the Financial Accounting Standards Board (FASB) on their agenda and the effectiveness of accounting standards. Mr. Chookaszian also teaches a course on Corporate Governance and Accounting Standards and Controls at the University of Chicago Booth School of Business, Cheung Kong University in China, and the Indian Institute of Professional Management in India. Throughout his career, he has served on the audit committee of seven other public and private organizations. He is also a member of the XBRL Advisory Council, which is the group that provides advice to the International Accounting Standards Board on the development of XBRL standards. He also currently serves on the Financial Crisis Advisory Group that provides advice to the G 20 and to world-wide standards setters and regulators on the financial reporting issues related to the recent financial crisis and needed corrective actions. He has served in the past on numerous accounting related boards including the American Institute of CPAs (AICPA) Insurance Companies Accounting Standards Committee, the AICPA Group of 100, several FASB task forces, the Statement on Auditing Standards 99 task force on Internal Control Fraud Standards, and the Public Oversight Board Blue Ribbon Panel on Audit Effectiveness.

Mr. Gerdes

Mr. Gerdes is considered to have each of the attributes of an audit committee financial expert based upon his service as the CEO of a public company for more than 15 years, which included oversight of the CFO and his service in the role of CFO for 10 years, six of which were at a public company. Mr. Gerdes has a Bachelor s of Science and a Masters of Business Administration in Finance, which included courses in accounting. Mr. Gerdes has been a member of our audit committee since joining our board in 2007. He has served on audit committees of four other public companies over the past 15 years. Mr. Gerdes also is the founder of Gerdes Huff Investments.

Mr. Miller

Mr. Miller is considered to have each of the attributes of an audit committee financial expert primarily based upon his background and experience in preparing, modeling and analyzing financial statements in accordance with generally accepted accounting principles, which required him to develop and assess projected financial estimates, accruals and reserves. Mr. Miller has also been responsible for internal audit and compliance functions at Commonfund Group. Mr. Miller currently serves as chairman of the audit committee for American Axle and Manufacturing and has served as Chairman of the Audit and Risk Management Committee of the Dubai International Financial Exchange, Chairman of the Audit and Risk Management Committee of the BTOP 50, and Chairman of the Audit Committee of the New York Futures Exchange, a subsidiary of the New York Stock Exchange. Mr. Miller has served as a member of the Public Company Accounting Oversight Board Standing Advisory Group and has testified before both the U.S. Congress and FASB on accounting and disclosure matters. Mr. Miller holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute. Mr. Miller has a Master s of Business Administration from the Wharton Graduate Division of the University of Pennsylvania. He has served as a member of our audit committee since 2003.

REQUIRED VOTE

Must receive a FOR vote from the holders of a majority of the shares of our Class A and Class B common stock present in person or represented by proxy and entitled to vote on this matter at the annual meeting voting together as a single class.

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The audit committee oversees our financial reporting process on behalf of the board of directors. The audit committee currently consists of seven independent directors as defined in the listing standards of the NASDAQ. Its duties and responsibilities are set forth in the audit committee charter approved by our board of directors which is available on our website. As previously discussed, the board of directors has determined that Messrs. Chookaszian, Gerdes and Miller meet the SEC s definition of audit committee financial expert.

As set forth in more detail in the audit committee charter, the primary responsibilities of the audit committee fall into three broad categories:

- To serve as an independent and objective party to monitor our financial reporting process and internal control system.
- To review and evaluate the audit efforts of the independent registered public accounting firm and internal audit department.
- To provide an open avenue of communication among the independent registered public accounting firm, financial and senior management, the internal audit department and the board of directors.

The audit committee, during the course of each fiscal year, devotes the attention that it deems necessary and appropriate to each of the matters assigned to it under the audit committee charter. To carry out its responsibilities, the audit committee met 12 times during fiscal year 2012 and three times during 2013 with regard to fiscal year 2012.

In the course of fulfilling its responsibilities, the audit committee has:

- Reviewed and discussed with management and Ernst & Young all financial statements prior to their issuance and any significant accounting issues and been advised by management that all financial statements were prepared in accordance with U.S. generally accepted accounting principles.
- Discussed with our senior management and Ernst & Young the process used for certifications by our CEO and CFO, which are required for certain of our filings with the SEC.
- Reviewed and discussed with management the audit committee charter.
- Discussed with representatives of Ernst & Young the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T.
- Received the written disclosures and the letter from Ernst & Young required by the applicable requirements of the PCAOB regarding the accounting firm s communications with the audit committee concerning independence.
- Discussed with Ernst & Young its independence from the company and management.
- Reviewed payments to and pre-approved services of Ernst & Young in accordance with the audit and non-audit services policy.

Considered whether the provision by Ernst & Young of non-audit services is compatible with maintaining their independence.
Based on the foregoing, the audit committee recommended to the board of directors, and the board has approved, that the audited consolidated financial statements be included in CME Group s annual report on Form 10-K for the year ended December 31, 2012, for filing with the SEC. The audit committee also selected Ernst & Young as the independent registered public accounting firm for fiscal year 2013. The board is recommending that shareholders ratify that selection at the annual meeting.

Management is responsible for the preparation, presentation and integrity of the financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of the disclosure controls and procedures and the internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Ernst & Young, our independent registered public accounting firm, is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles, as well as providing an attestation report on our internal control over financial reporting.

The Audit Committee 2012

Dennis H. Chookaszian, *Chairman*

Jeffrey M. Bernacchi

Jackie M. Clegg

Larry G. Gerdes

William P. Miller II

Terry L. Savage

Dennis A. Suskind

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You are being asked to vote on a non-binding advisory proposal on our executive compensation program for our named executive officers as described in our **Compensation Discussion and Analysis** beginning on **page 31** and **Executive Compensation** tables beginning on **page 46**.

OUR BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THIS PROPOSAL.

The board and the compensation committee are committed to sound governance practices and recognize the interest our shareholders have expressed on CME Group s executive compensation program. As part of that commitment, and pursuant to Section 14A of the Exchange Act, our shareholders are being asked to approve an advisory resolution on the compensation of the named executive officers, as reported in this proxy statement. We plan to include these advisory resolutions on an annual basis.

This proposal, commonly known as the say on pay proposal, gives you the opportunity to endorse or not endorse our 2012 executive compensation program and policies for the named executive officers through a vote FOR the approval of the following resolution:

RESOLVED, that the shareholders of CME Group approve, on an advisory basis, the compensation of CME Group s named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC in the proxy statement for the CME Group 2013 annual shareholders meeting (which disclosure includes the Compensation Discussion and Analysis, the Executive Compensation tables and any related material).

This vote is not intended to address any specific item of compensation, but rather our overall compensation policies and procedures relating to the named executive officers. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of the named executive officers. Because your vote is advisory, it will not be binding on the board. The board and the compensation committee, however, will take into account the outcome of the say on pay vote when considering future compensation arrangements.

REQUIRED VOTE

Must receive a FOR vote from the holders of a majority of the shares of our Class A and Class B common stock present in person or represented by proxy and entitled to vote on this matter at the annual meeting voting together as a single class to be deemed approved.

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You are being asked to vote on a shareholder proposal, if presented, to provide proxy access to shareholders meeting certain ownership requirements.

In accordance with SEC rules, we have set forth below a shareholder proposal, along with the supporting statement of the shareholder proponent. We are not responsible for any inaccuracies that it may contain. The shareholder proposal is required to be voted on at our annual meeting, only if properly presented.

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE AGAINST THE SHAREHOLDER PROPOSAL.

Norges Bank, P.O. Box 1179 Sentrum, 0107 Oslo, Norway, beneficial owner of over $2,000 in market value of Class A common stock, is the proponent of the following shareholder proposal. The proponent has advised us that a representative will present the proposal and related supporting statement at our annual meeting.

RESOLVED:

The shareholders of CME Group Inc. (CME) urge the board of directors (the Board) to adopt a proxy access bylaw that would (1) require CME to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election as an Equity Director by a shareholder or group (the Nominator) that meets the criteria established below, and (2) allow shareholders to vote on such nominee on CME s proxy card.

The bylaw should provide that (a) both the number of candidates a Nominator may nominate, and the number of shareholder-nominated candidates elected, pursuant to this procedure each year shall not exceed one quarter of the number of Equity Directors then serving; and (b) a Nominator must:

(1) have beneficially owned 1% or more of CME s outstanding common stock continuously for at least 1 year before the nomination is submitted;

(2) give CME written notice not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders of (a) all information required under the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, to be disclosed by or relating to an individual nominated for election as a director; and (b) proof that the Nominator owns the required shares (the Disclosure); and

(3) certify that it will (a) assume liability stemming from any legal or regulatory violation arising out of the Nominator s communications with CME shareholders, including the Disclosure and Statement; and (b) comply with all applicable laws and regulations if it uses soliciting material other than CME s proxy materials.

The bylaw should also provide that (a) the Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the Statement), and (b) the nominee shall be eligible to serve as a director if elected.

The Board should adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, and whether the Disclosure and Statement satisfy the bylaw and any applicable federal regulations.

SUPPORTING STATEMENT

Shareholders right to nominate candidates for election to the board of directors is a fundamental principle of good corporate governance and board accountability. NBIM recognizes the importance of shareholder nominations and board continuity, and believes the requested requirements would help ensure appropriate use of proxy access.

NBIM believes that CME s corporate governance practices need improvement and that shareholder rights must be enhanced. Shareholders cannot convene an extraordinary general meeting of shareholders, cannot act by written consent, and can only amend CME s bylaws with a two-thirds vote of outstanding shares. Additional information regarding specific instances and issues where CME s corporate governance practices and performance are not in line with NBIM s expectations is available at:

http://www.nbim.no/

CMEGroupProxyAccessProposal2013

The Securities Exchange Act of 1934, and the relevant disclosure rules and regulations thereunder, are available at:

http://www.sec.gov/about/laws/sea34.pdf;

http://www.ecfr.gov/cgi-bin/text-idx? c=ecfr&SID=bc8264802FC43c12B1051dfe10a3f0ea&

rgn=div8&view=text&node=17:3.0.1.1.1.2.88.229&idn

o=17; and

http://www.ecfr.gov/cgi-bin/text-idx?

c=ecfr&SID=53296ee9cc71ca5526059efc2604bc39&

rgn=div8&view=text&node=17:3.0.1.1.1.2.88.238&idn

o=17

Please vote FOR this proposal.

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BOARD OF DIRECTORS STATEMENT IN OPPOSITION TO THE PROPOSAL

We received a similar proposal last year and it received less than a majority of the votes cast by shareholders. In light of these results and for the following reasons, the board unanimously recommends that you vote AGAINST this proposal:

We are a unique business that requires a unique governance structure.

We have evolved over the years from a mutually owned, floor-based exchange, originally established to hedge agricultural risk, to a publicly owned, global financial exchange and the parent company of five separate futures exchanges (all formerly member owned and controlled organizations). As the parent company of highly regulated derivatives exchanges, our business is unlike other public companies and its complexities demand a unique governance structure. Our governance structure has enabled us to grow our business and to succeed despite a rapidly changing global landscape and changes in technology, market structure, products and regulatory regimes. The tenure of our directors enables the board to provide insight into the rationale and historical context for past decisions and strategies that has allowed us to successfully adapt to our evolving business environment. This continuity increases the full board s collective experience, provides new directors the opportunity to learn about our business from the continuing directors and improves the board s ability to develop, refine, and execute our long-term strategic plans. All of this is even more important in today s uncertain environment with increased challenges and opportunities facing companies within the financial services industry. An abrupt change in the composition of our board could impair our progress in achieving our strategic goals.

We operate in a highly regulated environment which is undergoing significant changes that don t apply to the typical public company.

In light of the widespread financial and economic difficulties, particularly acute in the latter half of 2008 and early 2009, there were calls for a restructuring of the regulation of financial markets. The Dodd-Frank Act, which was adopted in 2010, is a comprehensive banking and financial services reform package that includes significant changes to the oversight of the derivatives markets, both over-the-counter and exchange-traded. While we believe that the new regulations provide opportunities for our business which we continue to explore, Dodd-Frank remains subject to significant rulemaking by the CFTC, the SEC, the Department of Treasury

and other regulators. We and others in the industry have actively participated in the rule-making process with the goal that the new regulations serve the public interest, foster competition and innovation and do not place the U.S. financial services sector at a competitive disadvantage in our evolving financial markets. In light of the uncertainty of the final implementation of Dodd-Frank, there is a risk that the final regulations could include provisions that could negatively impact our business. Understanding the impact of these new provisions and interacting with our regulators and legislators requires a deep understanding. Certain of our directors interact directly with and provide testimony to our regulators and members of Congress and their staff and play a significant role in shaping the regulations that apply to our industry.

Thresholds specified in the proposal do not demonstrate meaningful ownership and could result in harm to proper board functioning.

The proposed beneficial ownership requirement of 1% with a required holding period of only one year does not evidence meaningful long term ownership and should not enable a shareholder to nominate up to 25% of our Equity directors. Allowing shareholders who exhibit such an immaterial investment in CME Group to make nominations using the company s proxy materials could lead to the election of special interest directors who may be inclined to represent the interests of the shareholders who have nominated them rather than on the overall interests of all CME Group shareholders. These nominating shareholders may have interests that may not be aligned with the long-term interests of the company s shareholders.

Combined with our existing Class B director nomination process we could encounter significant board turnover which would be disruptive.

Under our current organizational documents, our Class B shareholders have the right to nominate and run contested elections for six of our board seats or approximately 20% of our board. If this proposal were to be approved, 40% of our board could be subject to turnover without any input from our independent board nominating committee. In addition to undermining the important role of our independent nominating committee (discussed below), this would be disruptive by turning director elections into a proxy contest, effectively requiring the expenditure of significant CME Group resources in a manner inconsistent with the creation of shareholder value. It could also discourage directors from serving on our board.

Our independent nominating committee is better equipped to evaluate candidates and shareholders may present qualified candidates for consideration.

Our nominating committee has an understanding of the unique nature of our business and our current initiatives, strategies and threats. It is better equipped to evaluate candidates based upon the skills and experience needed on our board. In addition, our corporate governance principles already provide shareholders with the opportunity for input into the director nomination and election process. As discussed on **page 3**, shareholders may submit recommendations for director candidates to our nominating committee.

Unplanned changes to our board could cause us not to comply with applicable CFTC requirements.

As the parent company of five futures exchanges, we are subject to regulation by the CFTC, including rules that affect the composition of the board. Our board is required to certify compliance with these rules each year. The CFTC has proposed rules which would mandate that a minimum percentage of our board be comprised of public directors. A key function of our independent nominating committee is to identify a slate of candidates with the requisite industry, legislative, financial and business experience, while maintaining compliance with these regulations. Any unplanned changes in the composition of the board could cause us to violate these regulations which could have an adverse effect on our business, or leave our board without the appropriate skills to effectively oversee and grow our business.

We have been accountable to our shareholders and made enhancements to our corporate governance practices.

We provide several ways for our shareholders to provide input to our board on our governance practices and have made enhancements to our corporate governance.

- We provide a means for shareholders to communicate with our directors as described on **page 3**.
- We review any shareholder communications with our governance committee.
- We created a formal independent lead director role.
- We sought shareholder approval to declassify the board which will be effective as of the 2014 annual meeting.
- We approved the adoption of a majority vote standard which will be implemented at our 2014 annual meeting.
- We made significant enhancements to our compensation program for our named executive officers which resulted in approval of the program in 2012 of approximately 96%.

Required Vote

Must receive a FOR vote from the holders of a majority of the shares of our Class A and Class B common stock present in person or represented by proxy and entitled to vote on this matter at the annual meeting voting together as a single class.

Our Class B-1 and Class B-3 shareholders are being asked to vote for one Class B director for their respective class and our Class B-1, Class B-2 and Class B-3 shareholders are being asked to vote on the nominees for their 2014 nominating committees.

In accordance with our charter, our Class B-1, Class B-2 and Class B-3 shareholders have the right to elect six of our directors. At the 2013 annual meeting, Class B-1 shareholders are entitled to elect one director and Class B-3 shareholders are entitled to elect one director. Each of the Class B directors will be elected to a one-year term. In 2014, all six of our Class B directors will be up for election.

Additionally, our bylaws provide that holders of our Class B-1, Class B-2 and Class B-3 shares elect the members of their respective Class B nominating committees. The Class B

nominating committees are not committees of our board of directors and serve only to nominate the slate of Class B directors for their respective classes. Each Class B nominating committee is composed of five members who serve for a term of one year. The existing committee members are responsible for selecting 10 candidates to stand for election as members of a particular Class B nominating committee. The five nominees with the greatest number of votes will serve on the applicable committee.

Ages of the nominees are as of March 27, 2013.

OUR BOARD IS NOT PROVIDING ANY RECOMMENDATION AS TO HOW OUR CLASS B SHAREHOLDERS SHOULD VOTE ON ITEM 5 OR ITEM 6.

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You may not cast your vote for more than one nominee for each director for the Class B-1 or Class B-3 director. If you own more than one share of Class B-1 or Class B-3 stock, you must vote all of your Class B-1 shares and/or Class B-3 shares the same way. You may not split your vote. If you do so, your vote will be invalid.

NOMINEES FOR CLASS B-1 DIRECTOR (CLASS B-1 SHARES ONLY)

Vote FOR the nominee to be elected as your Class B-1 director and vote AGAINST or ABSTAIN with regards to the other nominee.

Paul J. Heffernan (PJH)

Director since: n/a

Mr. Heffernan is an independent floor trader. He has been a member of CME since 1983. He is a market maker in several currency markets.

Age: 53

Howard J. Siegel (EGLE)

Director since: 2000

Mr. Siegel has been a member of CME since 1977. In 1978, Mr. Siegel began his trading career at Moccatta Metals in their Class B arbitrage operations and served as an order filler until 1980. From there, he went on to fill orders and trade cattle from 1980 until 1982. At that time, Mr. Siegel became a partner and an officer in a futures commission merchant that cleared at CME until selling his ownership interest in 1990. For more than 30 years, Mr. Siegel has been an independent trader on our CME exchange. He continues to actively trade today in our agricultural product suite on the floor and electronically.

Age: 56

Vote Required

The nominee for Class B-1 director receiving the highest number of FOR votes will be elected.

NOMINEES FOR CLASS B-3 DIRECTOR (CLASS B-3 SHARES ONLY)

Vote FOR the nominee to be elected as your Class B-3 director and vote AGAINST or ABSTAIN with regards to the other nominee.

Peter J. Kosanovich (MGLA)

Director since: n/a

Mr. Kosanovich has been a member of CME since 2003. He is a Managing Member at Brisbane Brokerage, LLC, a pit brokerage group; Thorntree Enterprises, LLC, a trading floor/electronic execution group; and Trean Group, LLC, an IIB clearing services firm. Mr. Kosanovich is a board member for The Center for Independence and a Commissioner for the Village of Western Springs.

Age: 41

Steven E. Wollack (WLAK)

Prior director service:

1984-1995

Mr. Wollack has been a member of the CME since 1977. Mr. Wollack is an independent trader, attorney, expert witness and NFA arbitrator. Mr. Wollack s legal clients have included futures commission merchants, traders and brokers. Mr. Wollack has served as an expert witness in cases before the CFTC, NFA and Federal and State courts. Mr. Wollack served as CME s First Vice Chairman from 1989-1990, Second Vice Chairman in 1988 and Treasurer from 1986-87. He has also chaired and served on numerous committees while serving as a prior director.

Age: 70

Vote Required

The nominee for Class B-3 director receiving the highest number of FOR votes will be elected.

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NOMINEES FOR 2014 CLASS B-1 NOMINATING COMMITTEE

Vote FOR the five nominees to be elected to a one-year term to the Class B-1 nominating committee and vote AGAINST or ABSTAIN with regards to the other nominees.

William C. Bauman (WCB)	**Member since:** 1975
Independent floor trader	**Recognized Owner:** B-1
	Shares Owned: B-3
	Age: 65
Thomas A. Bentley (TAB)	**Member since:** 1982
Independent floor broker	**Shares Owned:** B-1
	Age: 57
Michael J. Downs (BMR)	**Member since:** 1981
Independent floor trader	**Recognized Owner:** B-1
	Age: 56
Stephen F. French (FS)	**Member since:** 1990
Independent floor trader	**Shares Owned:** B-1, B-3
	Age: 51
John C. Garrity (JCG)	**Member since:** 1974
Independent floor broker	**Shares Owned:** B-1, B-3
	Age: 67
Bradley S. Glass (BRAD)	**Member since:** 1988
Independent floor trader	**Shares Owned:** B-1
	Age: 48
Mark S. Kobilca (HTR)	**Member since:** 1978
Independent floor trader	**Shares Owned:** B-1, B-4
	Age: 58
Brian J. Muno (BJM)	**Member since:** 1983
Independent floor trader	**Recognized Owner:** B-1

	Age: 52
Michael J. Small (SML)	**Member since:** 1985
Independent floor trader	**Shares Owned:** B-1
	Age: 52
Kenneth G. Zekich (KZ)	**Member since:** 1986
Independent floor trader	**Shares Owned:** B-1
	Age: 49

Vote Required

The five nominees for the Class B-1 nominating committee receiving the highest number of FOR votes will be elected.

NOMINEES FOR 2014 CLASS B-2 NOMINATING COMMITTEE

Vote FOR the five nominees to be elected to a one-year term to the Class B-2 nominating committee and vote AGAINST or ABSTAIN with regards to the other nominees.

Justin R. Bouchard (BOU)	**Member since:** 2010
Independent trader	**Shares Owned:** 2 B-2 s
	Age: 33
Jeffrey R. Carter (CR)	**Member since:** 1988
Venture capitalist	**Shares Owned:** B-2
	Age: 50
Richard J. Duran (RJD)	**Member since:** 1979
Independent trader	**Shares Owned:** B-2
	Age: 64
Yra G. Harris (YRA)	**Member since:** 1977
Independent floor trader	**Shares Owned:** B-2
	Age: 59
Donald M. Karel (KK)	**Member since:** 1975
Independent trader	**Shares Owned:** B-2
	Age: 62
Donald J. Lanphere Jr. (DJ)	**Member since:** 1981
Independent trader	**Shares Owned:** B-1, B-2, B-4
	Age: 55
Michael E. Lattner (LATO)	**Member since:** 1992
Corporate Officer of Getco LLC	**Shares Owned:** B-2
	Age: 46

Patrick J. Mulchrone (PJM) Independent trader	**Member since:** 1979 **Shares Owned:** B-1, B-2, B-3, B-4 **Age:** 55
Gregory J. Veselica (GV) Independent trader	**Member since:** 1979 **Shares Owned:** B-2 **Age:** 58
Barry D. Ward (BDW) Independent trader	**Member since:** 1990 **Shares Owned:** B-2 **Age:** 49

Vote Required

The five nominees for the Class B-2 nominating committee receiving the highest number of FOR votes will be elected.

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NOMINEES FOR 2014 CLASS B-3 NOMINATING COMMITTEE

Vote FOR the five nominees to be elected to a one-year term to the Class B-3 nominating committee and vote AGAINST or ABSTAIN with regards to the other nominees.

J. Kenny Carlin (JKC)	**Member since:** 1985
Independent floor trader	**Shares Owned:** B-3
	Age: 53
Bryan P. Cooley (COOL)	**Member since:** 1993
Independent floor broker	**Recognized Owner:** B-3
	Age: 53
Laurence E. Dooley (LED)	**Member since:** 2002
Independent floor trader	**Shares Owned:** B-3
	Age: 46
Mario J. Florio (MRO)	**Member since:** 1994
Independent floor trader	**Shares Owned:** B-3
	Age: 41
Christopher P. Gaffney (GAF)	**Member since:** 1984
Independent floor broker	**Shares Owned:** B-3
	Age: 52
David P. Gaughan (VAD)	**Member since:** 1993
Independent floor trader	**Shares Owned:** B-3
	Age: 42
Timothy F. Hendricks (TH)	**Member since:** 1988
Independent floor broker	**Shares Owned:** B-3
	Age: 45
Matthew J. Mokszycki (MTMO)	**Member since:** 1999
Independent floor trader	**Shares Owned:** B-3
	Age: 39
Timothy J. Nagy (NGY)	**Member since:** 1998

Independent floor broker	**Shares Owned:** B-3
	Age: 47
Donald J. Sliter (SLI)	**Member since:** 1986
Independent trader	**Shares Owned:** B-3
	Age: 55

Vote Required

The five nominees for the Class B-3 nominating committee receiving the highest number of FOR votes will be elected.

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This section provides an overview of the role and responsibility of our compensation committee. We have an executive compensation program that is designed to tie pay to performance, balance rewards with prudent business decisions and risk management, and focus on both annual and long-term performance for the benefit of our shareholders. In designing our program, we also take into consideration our unique role in the financial services industry.

OUR COMPENSATION COMMITTEE PROVIDES OVERSIGHT OF OUR COMPENSATION PROGRAM FOR OUR SENIOR MANAGEMENT

The compensation committee comprises eight independent directors. In August 2012, the board appointed Mr. Pollock to serve as the company s lead director. In connection with this appointment, Mr. Hastert replaced Mr. Pollock as chairman of the compensation committee. The primary responsibilities of the compensation committee are to review and approve compensation arrangements for senior management (our Executive Chairman & President, CEO and the other members of our management team), to review and recommend compensation arrangements for the board of directors, to adopt incentive compensation plans in which senior management is eligible to participate and to oversee matters relating to employee compensation, employee benefit plans and employee incentive programs. A complete description of the committee s responsibilities may be found in its charter, a copy of which is on our website.

There were 11 meetings of the committee in 2012. From time to time, the committee may form a sub-committee to review a particular issue in more detail and bring its recommendations back to the full committee for approval. In 2012, several sub-committee meetings were held. The committee typically meets in executive session for a portion of each regular committee meeting which may include members of management as appropriate. The committee provides regular reports to the board of directors on its activities.

THE COMMITTEE CONSIDERS THE RECOMMENDATIONS OF OUR EXECUTIVE CHAIRMAN & PRESIDENT AND CEO IN APPROVING COMPENSATION FOR OUR MANAGEMENT TEAM

The committee is solely responsible for approving the compensation of our senior management group. The committee, however, takes into consideration the recommendations of our Executive Chairman & President and CEO in approving compensation for other members of our management team.

THE COMMITTEE DELEGATES AUTHORITY TO OUR CEO ON A LIMITED BASIS SUBJECT TO PRE-ESTABLISHED CRITERIA

Subject to pre-established guidelines for individual awards and aggregate value limitations, the committee delegates authority to the CEO to approve equity awards and annual cash bonus awards. In accordance with this delegated authority, the CEO approves equity awards to employees (other than the Executive Chairman & President, members of our management team and our chief accounting officer) and annual cash bonuses for employees (other than the Executive Chairman & President and the management team). The committee reviews annual reports on the use of such delegation. The committee does not delegate authority to the CEO for compensation decisions relating to our senior management.

OUR PROGRAM IS DESIGNED TO CREATE LONG-TERM SHAREHOLDER VALUE WHILE DISCOURAGING EXCESSIVE RISK TAKING

We realize that it is not possible to grow and enhance long-term shareholder value without assuming some level of risk. This is true whether we decide to make an acquisition, introduce a new product or change our corporate strategy. Our compensation program is designed to create appropriate incentive for creating long-term shareholder value and delivering on our financial and strategic goals while discouraging excessive risk taking.

Several elements of our program, which are discussed in more detail in the **Compensation Discussion and Analysis** section beginning on **page 31**, are designed to promote the creation of long-term value and thereby discourage behavior that leads to excessive risk taking. The following are the key elements of our program designed to address compensation risk:

We utilize a mix of both fixed and variable compensation. Our fixed base pay is intended to provide a steady income.

A significant portion of our senior management group compensation is composed of long-term equity incentives and the senior management group is also subject to company stock ownership guidelines based on their level of responsibility.

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Our annual cash bonus plan for our senior management group and other senior employees will not pay out in the event we fail to achieve cash earnings at or above the threshold level of performance.

We set maximum guidelines for annual incentive and long-term incentive awards, thereby establishing and communicating potential payouts.

All compensation of our senior management group is subject to the approval of the compensation committee, which includes the ability to decrease an award for failure to perform or inappropriate risk-taking.

We have adopted a recoupment policy, whereby employees at the level of managing director and above may be required to repay any previously granted annual bonus awards to the extent that all or a portion of such individual s award was not actually earned due to a restatement of our financial results with the outcome being that the achievement of the related performance metric was less than previously reported.

We prohibit all of our employees and board members from engaging in any derivative transactions in our securities, from hedging the economic risk of their ownership of our stock and have adopted a policy restricting the pledging of our Class A shares by our board members and executive officers.

OUR COMPENSATION COMMITTEE HAS ITS OWN INDEPENDENT COMPENSATION CONSULTANT

Since 2009, the committee has engaged Veritas Executive Compensation Consultants, LLC to serve as its independent advisor. Veritas combined with Meridian Compensation Partners, LLC in April 2012. During 2012, the committee s advisor provided advice and recommendations on the design of our equity program, including the design of performance shares, as well as information on trends in executive compensation.

Management also engages its own consultants to provide advice on the design of various compensation programs. Specifically in 2012, management engaged Exequity LLC to provide advice on both short- and long-term incentives, including the design of our performance share program for our senior management group, and other more general executive compensation matters. Such consultants may attend compensation committee meetings and provide advice to the compensation committee. The committee at its discretion may also include its independent advisor in such reviews and decision-making processes, meeting either jointly or separately from management and management s consultant.

The committee assessed the independence of its advisors relative to the six factors identified by the SEC and NASDAQ and determined that both Meridian and Exequity are independent and without conflict of interest.

OUR COMMITTEE IS COMPOSED OF INDEPENDENT MEMBERS WITH LIMITED RELATIONSHIPS WITH THE COMPANY

During 2012, none of the members of the committee served at any time as an officer or employee of CME Group or received any compensation from us other than in his capacity as a member of the board or a committee thereof. Except as described below regarding Mr. Shepard, none of the members has any relationship with us other than service as a director or member of one of our exchanges or as an employee of one of our clearing or member firms. Mr. Shepard owns a minority interest in one of our clearing firms, which made payments to us of approximately $60.0 million in 2012 in connection with trading activity conducted on our exchanges, and we made payments to the firm of approximately $10.1 million for market making activity. Such fees are consistent with those prevailing at the time for corresponding activity by other similarly situated unrelated third parties. None of our executive officers served as a director or member of the compensation committee of another entity, one of whose executive officers served on our compensation committee during 2012.

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This discussion provides you with a detailed description of our compensation program for our named executive officers. It also provides an overview of our compensation philosophy and our policies and programs, which are designed to achieve our compensation objectives, and an overview of our program as it relates to other members of our management team. These individuals along with our named executive officers are referred to as our senior management group.

CME Group named executive officers

Our named executive officers for 2012 were:

- Phupinder S. Gill, Chief Executive Officer
- James E. Parisi, Chief Financial Officer
- Terrence A. Duffy, Executive Chairman & President
- Kimberly S. Taylor, President CME Clearing
- Bryan T. Durkin, Chief Operating Officer
- Craig S. Donohue, Former Chief Executive Officer

Opportunity for shareholder feedback

The compensation committee carefully considers feedback from our shareholders regarding the compensation program for our senior management group. Following the results of our 2011 say-on-pay proposal, the compensation committee reviewed the design of our program specifically as it related to the alignment of pay and performance for our senior management group. To enhance our program, our 2011 annual equity award to our senior management group, which was granted after the 2011 annual meeting, included performance shares based on cash earnings performance and total shareholder return relative to the S&P 500 measured over 2012. In early 2012, we provided additional information on our compensation program to our institutional shareholders and invited further feedback. For the 2012 annual equity awards, the committee:

- further increased the proportion of performance shares to 50% of the long-term incentive award and eliminated the use of stock options for our senior management group;
- extended the performance period; and

added a new performance metric.
As a result, the performance shares awarded in September 2012 are tied to our cash earnings growth on a per share basis and total shareholder return relative to the S&P 500 measured over 2013-2015.

We believe these changes are responsive to the feedback from our investors and enhance the performance orientation of our senior management group pay program.

At our 2012 annual meeting of shareholders, approximately 96% of shareholders voted FOR the approval of our non-binding advisory vote on the compensation of our named executive officers. These results reflect a significant increase from our prior vote and we believe reflects the enhancements we implemented in response to the 2011 say-on-pay voting results. We plan to continue to hold an annual advisory vote on executive compensation, which is consistent with the outcome of the shareholder advisory vote in 2011 on the frequency of such votes.

Shareholders who wish to directly communicate with members of the compensation committee may do so using *directors@cmegroup.com* as discussed on **page 15** of this proxy statement.

You should read this section in conjunction with the advisory vote that we are conducting on the compensation of our named executive officers under **Item 3** on **page 21** as it contains information that is relevant to your voting decision.

EXECUTIVE SUMMARY

Our business

As the operator of a global derivatives marketplace, we offer the widest range of global benchmark products across all major asset classes based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. We bring buyers and sellers together through our CME Globex electronic trading platform across the globe and our open outcry trading facilities in Chicago, New York City and Kansas City. We also provide clearing and settlement services for exchange-traded contracts, as well as for cleared over-the-counter derivatives transactions. We also offer a wide range of market data services. For more information on our business, see **Business** and **Management s Discussion and Analysis of Financial Condition and Results of Operations** in our **2012 annual report**.

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2012 business highlights

The year 2012 continued to prove challenging for the global financial services industry. Our performance during the year was solid and we continued our focus to position ourselves for strong long-term performance. We believe we delivered significant value to our shareholders based on the following accomplishments:

- Generated $3.0 billion of revenue.

- Traded nearly 3.0 billion contracts with average daily volume of 11.4 million.

- Continued to deliver on our strategic initiatives to globalize our business, enhance and further diversify our core business and provide an effective over-the-counter clearing solution.

- Returned more than $1.2 billion to our shareholders in dividend payments, which included the variable fifth dividend based on our 2012 performance that was accelerated to December.

2012 compensation highlights for our senior management group

The compensation committee took the following compensation actions with respect to our named executive officers during 2012 or related to 2012 performance:

- Entered into revised employment agreements with Messrs. Duffy and Gill in connection with our CEO transition and leadership succession. To compensate Mr. Duffy for his expanded role as Executive Chairman & President, his base salary was increased from $1,000,000 to $1,250,000 and in connection with his promotion to CEO, Mr. Gill s base salary was increased from $800,000 to $1,000,000. A discussion of the CEO transition can be found on **page 35.** The details of the revised employment agreements for Messrs. Duffy and Gill can be found beginning on **page 53**. A discussion of the compensation of our former CEO, Mr. Donohue, can be found on **page 35**.

- Awarded performance shares to our senior management group in September 2012 with goals tied to our cash earnings growth on a per share basis and total shareholder return as compared to the S&P 500 measured over a three-year period, 2013-2015, as described on **page 41**. The committee increased the level of performance shares to represent 50% of the 2012 annual equity award. As shown in the following chart, the increased use of performance shares and the elimination of stock options in 2012 increased the portion of compensation for our named executive officers that was tied to cash earnings and relative stock price performance from approximately 39% of the aggregate target total compensation in 2011 to approximately 50% in 2012.

- Certified results for the September 2011 award of performance shares tied to 2012 cash earnings and total shareholder return relative to the S&P 500, resulting in 77% of the target number of shares being earned. Twenty-five percent of the earned shares vested in March 2013 with the remaining vesting annually over the next three years, subject to continued employment.

Awarded performance shares tied to our most critical strategic initiatives, which included an award granted to Ms. Taylor in December 2012 for her leadership role on one of the initiatives. These shares will be earned based on the achievement of initiative-specific operational milestones and financial goals over the coming years.

Awarded bonuses to our senior management group based on our achievement of 2012 cash earnings at 86% of the target goal as described beginning on **page 39**. For 2012, we continued to set a cash earnings goal that would require significant effort on behalf of our management with the 2012 target representing an 8% increase over 2011 actual cash earnings despite the continued challenging environment.

Key elements of the program are designed to ensure pay for performance

Our overall goals and philosophy are complemented by several specific elements that are designed to align the compensation for our senior management group with performance and position the company for creating long-term shareholder value including:

Our annual bonus is tied to our generation of cash earnings. To the extent we fail to achieve cash earnings at the threshold level, representing 20% below the target in

2012, no bonuses would be paid to our senior management group. The bonus opportunities for our named executive officers are set forth on **page 40**. We believe this metric is a key component to measuring our growth and contributes directly to deriving value for our shareholders as it is the metric used for determining our regular quarterly dividend payments.

The aggregate amount of our bonus pool is subject to an overall cap when we achieve cash earnings at the maximum level, representing 20% above the established target. We believe this cap provides transparency to our investors as to our compensation exposure as the expected expense is accrued on a quarterly basis based on actual cash earnings performance.

In addition to verifying the achievement of cash earnings, our compensation committee also considers other elements of our historical performance, including our net income, earnings per share and return on equity, as appropriate.

With our September 2012 long-term incentive award, we increased the portion of the annual equity award delivered in performance shares from 25% to 50%. We lengthened the performance period of these awards from one year to three years with cash earnings growth per share and total shareholder return relative to the S&P 500 as the performance metrics. We also use performance shares for key longer-term growth initiatives to focus select leaders on the achievement of financial metrics and/or operational milestones associated with our most critical growth initiatives. The annual equity award opportunities for our named executive officers are set forth on **page 42**.

Our senior management group is subject to stock ownership guidelines as discussed on **page 44**.

To ensure alignment with our shareholders, we have a policy that prohibits all employees and board members from engaging in any hedging or other derivative transactions with respect to CME Group stock and have adopted a policy which restricts pledging of our Class A common stock by our board members and executive officers.

Overview of pay and performance alignment

One of the guiding principles of our compensation program is to focus on achievement that benefits us and our shareholders. In support of that objective, a significant portion of the pay package for our CEO, Mr. Gill, and each of the other named executive officers is delivered in the form of stock-based compensation, the value of which rises and falls in alignment with our stock performance.

The following graphic depicts the alignment of the total pay of

the individual serving as CEO at the end of the applicable year with our total shareholder return and cash earnings achievement for each of the last five years. Total shareholder return (TSR) is shown on a year-over-year, indexed basis. Specifically, an investment of $100 (with reinvestment of all dividends) is assumed to have been made in our Class A common stock on December 31, 2008 and its performance is tracked through December 31, 2012.

CEO pay, as depicted in the following graphic, is the sum of reported pay elements set forth in the **Summary Compensation Table** for each of the last five years except for the values of stock option, restricted stock, and performance share awards which are included as follows:

The value of stock option awards is shown as (1) the value realized at exercise for any options exercised during the year as reported in the **Option Exercises and Stock Vested** table, and (2) the value of all outstanding, in-the-money stock options at year end measured as the difference between our stock price at year end minus the option exercise price.

The value of restricted stock awards is shown as (1) the value realized on vesting for any shares that vested during the year as reported in the **Option Exercises and Stock Vested** table, and (2) the value of all outstanding restricted shares at year end measured at our stock price at year end.

The value of performance share awards is shown as the market value of the shares actually earned at the completion of the performance period, as reported in the **Outstanding Equity Awards at Fiscal Year End** table, and as certified by the committee, based on our achievement of cash earnings and relative TSR goals.

While the **Summary Compensation Table** discloses the fair value of stock option, restricted stock and performance share awards on the grant date in the manner required by the SEC (for purposes of allocating the accounting expense over the requisite service period), we feel that those values do not reflect the value actually received as a result of actual stock and cash earnings performance. We believe the value of stock option, restricted stock and performance share awards as shown in this section better reflects the true alignment of our CEO s pay with our stock performance. As the graphic shows, our CEO s total actual pay plus the unrealized value of his outstanding equity awards at year end has been aligned with TSR over the last five years, which accords with the primary objectives of our executive compensation program.

On balance, CEO pay shows alignment with both stock performance and cash earnings given the heavy weighting of incentives tied to these measures in the total pay package.

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	2008	2009	2010	2011	2012
Summary Compensation Table					
Salary	$ 850,000	$ 850,000	$ 1,000,000	$ 1,000,000	$ 937,692
Non-Equity Incentive Plan Compensation	$ 642,600	$ 789,641	$ 2,295,737	$ 1,568,179	$ 609,047
Change in Pension Value	$ 19,787	$ 30,430	$ 24,106	$ 51,907	$ 66,481
All Other Compensation	$ 160,374	$ 116,764	$ 140,349	$ 284,230	$ 153,094
Option Exercises and Stock Vested					
Option Awards: Value Realized on Exercise	$ 4,427,125	$ 906,330	$ 6,148,392	$	$
Restricted Stock Awards: Value Realized on Vesting	$ 776,768	$ 423,678	$ 604,876	$ 979,143	$ 609,212
Total Actual Pay	**$ 6,876,654**	**$ 3,116,843**	**$ 10,213,460**	**$ 3,883,459**	**$ 2,375,526**
Outstanding Equity Awards at Fiscal Year End(1)					
Option Awards: Unrealized Gain(1)	$ 9,091,508	$ 17,735,988	$ 11,269,341	$ 6,287,878	$ 3,500,295
Restricted Stock Awards: Market Value of Shares That Have Not Vested(2)	$ 612,052	$ 2,449,148	$ 3,893,175	$ 3,759,341	$ 1,849,455
Performance Stock Awards: Market Value of Performance Shares Earned but Not Vested	$	$	$	$	$ 269,564
Total Unrealized Value of Outstanding Equity Awards(3)	**$ 9,703,560**	**$ 20,185,136**	**$ 15,162,516**	**$ 10,047,219**	**$ 5,619,314**
Percent Change in Total Unrealized Value of Outstanding Equity Awards	**%**	**108%**	**(25)%**	**(34)%**	**(44)%**
CEO Name	**Donohue**	**Donohue**	**Donohue**		