



Date: August 7, 2006

To: Membership

From: Nominating Committee

Re: Selection of Nominees for Board of Directors and Nominating Committee

The Nominating Committee is accepting applications for nominees for the 2006 annual election to fill positions on the Board of Directors and Nominating Committee. Available positions include:

<u>Board of Directors</u>	1	At-Large Director	3-year term
	2	Floor Directors	3-year term and 2-year term
	3	Off-Floor Directors	Two 3-year terms and a 1-year term
	4	Public Directors	3-year terms
<u>Nominating Committee</u>	1	Firm Member	2-year term
	1	Floor Member	3-year term
	1	Lessor Member	1-year term
	1	Public Member	1-year term

The Nominating Committee is re-issuing this circular in place of Information Circular IC06-87 because there is now an additional available Floor Director position on the Board of Directors for a 2-year term which is reflected above.

Please note that to the extent the governance structure of the Exchange is proposed to be modified as part of a demutualization, the current governance structure of the Exchange (including the current nomination and annual election process) will continue in place until the approval and effectiveness of a demutualization, including its approval by a membership vote.

The qualification criteria for the available positions on the Board of Directors and Nominating Committee are described in the attached materials.

The Nominating Committee requests that candidates who wish to be considered for nomination by the Nominating Committee complete and submit the attached Candidate Application Form ("Application") by Monday, August 28, 2006. The Nominating Committee strongly encourages candidates to submit a current resume or curriculum vitae along with their Application.

The Nominating Committee will seek to interview all candidates that submit an Application by August 28, 2006. Although the Nominating Committee will continue to accept and consider any Applications submitted after August 28, 2006 up until the Committee meets to determine its slate of candidates (which it currently plans to do on October 9, 2006), candidates that submit an Application after August 28, 2006 are not guaranteed to have a Committee interview.

The Application form is attached to this circular and may be obtained on the CBOE Membership website at www.cboe.org and at the 4th and 7th floor reception desks at the Exchange. You may print or type the requested information into either the hard copy version or electronic version of the Application form. The electronic version of the Application form is posted on www.cboe.org in an interactive pdf format which allows you to type the applicable information into the form and to print and electronically save the completed form.

You may submit your Application in any of the following ways: (i) by hand, mail, or courier delivery to Arthur Reinstein, CBOE, 400 South LaSalle Street, 7th Floor, Chicago, Illinois 60605; (ii) by e-mail to reinstei@cboe.com;

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or (iii) by facsimile to Arthur Reinstein at (312) 786-7919.

Individuals generally submit their names to the Nominating Committee for consideration by submitting an Application instead of through the submission of written nominations by others. The names of those who have submitted an Application to the Nominating Committee to be considered for nomination will be posted on the Exchange's bulletin board and on the Membership website.

The Nominating Committee will hold candidate interviews by appointment in September and the beginning of October. The Nominating Committee will schedule interviews by contacting candidates to appear before the Nominating Committee for an individual interview at one of its meetings. During these interviews, the Nominating Committee questions candidates about a broad range of relevant issues and seeks to ascertain the experience and expertise the candidate would bring to the Board of Directors or Nominating Committee. A candidate's previous CBOE committee experience and regulatory history is also reviewed. After the interviews, the Nominating Committee selects the nominees that it believes will most effectively fill the available positions.

A candidate must satisfy the applicable qualification criteria for a position on the Board of Directors or Nominating Committee at the time of the Nominating Committee slating meeting (currently scheduled for October 9, 2006) in order to be considered for nomination. A candidate that does not satisfy the qualification criteria at the time the candidate submits an Application may take steps to qualify before the Nominating Committee slating meeting. The postings listing the candidates that have applied to be considered for nomination will indicate for each candidate as of the date of the posting whether the candidate satisfies the applicable qualification criteria, does not satisfy the applicable qualification criteria, or is being reviewed to determine whether or not the candidate satisfies the applicable qualification criteria.

The Nominating Committee expects to post its slate of candidates for available positions on the Board of Directors and Nominating Committee on or about October 10, 2006.

To run against the slated candidates, an individual must submit to the Office of the Secretary a petition signed by not less than 100 voting members of the Exchange. Any petitions must be received by no later than 5:00 p.m. (Chicago time) on October 30, 2006. The names of petition candidates, if any, will be posted on the Exchange bulletin board and on the Membership website.

The annual election meeting will be held on Thursday, November 16, 2006. The membership makes the final decisions with respect to ensuring that CBOE has the best leadership in the industry.

The following persons currently serve on the Nominating Committee: Terrence Andrews (TAN) (Chairman), Dennis Carta (DAX), Daniel Carver (DPC), Steven Chilow (SCK), Timothy Feeney (FNY), Richard Fuller (FUL), J. Douglas Gray, Jeffrey Kirsch, John Streibich, and Pamela Strobel.

Please feel free to contact Terrence Andrews, Nominating Committee Chairman, at (312) 863-8044 if you have any questions regarding the nominating process or Arthur Reinstein, Legal Division, at (312) 786-7570 if you have any procedural questions regarding the nominating process or regarding how to complete the Application form.

[Attachment](#)