

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC
Form DEF 14A
March 10, 2003

QuickLinks -- Click here to rapidly navigate through this document

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Chicago Mercantile Exchange Holdings Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

30 South Wacker Drive
Chicago, Illinois 60606

March 10, 2003

Dear Shareholder:

You are cordially invited to attend the 2003 Annual Meeting of Shareholders of Chicago Mercantile Exchange Holdings Inc. The meeting will be held at 3:30 p.m., Central Time, on Tuesday, April 22, 2003, in the Grand Ballroom of The Westin Chicago River North Hotel, located at 320 North Dearborn, Chicago, Illinois.

This solicitation is being made on behalf of the Board of Directors of Chicago Mercantile Exchange Holdings Inc. This letter and the accompanying proxy statement, proxy card and Annual Report are first being mailed to shareholders on or about March 10, 2003.

Your vote is very important. We urge you to vote by signing, dating and mailing the enclosed proxy card before the meeting, even if you plan to attend the meeting. You also may vote by telephone or over the Internet by following the instructions on the enclosed proxy card. We look forward to seeing you at the meeting.

Sincerely,

Terrence A. Duffy
Chairman of the Board

James J. McNulty
President and Chief Executive Officer

30 South Wacker Drive
Chicago, Illinois 60606

Notice of Annual Meeting of Shareholders

April 22, 2003

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

The Annual Meeting of Shareholders of Chicago Mercantile Exchange Holdings Inc. will be held at 3:30 p.m., Central Time, on Tuesday, April 22, 2003, in the Grand Ballroom of The Westin Chicago River North Hotel, located at 320 North Dearborn, Chicago, Illinois, for the following purposes:

1. to elect seven directors that we refer to as "Equity Directors" (elected by Class A and Class B shareholders voting together as a single class);
2. to elect one Class B-1 director, one Class B-2 director and one Class B-3 director;
3. to elect five members of the Class B-1 Nominating Committee and five members of the Class B-2 Nominating Committee;
4. to approve an amendment to the Chicago Mercantile Exchange Holdings Inc. Amended and Restated Omnibus Stock Plan;
5. to approve the Chicago Mercantile Exchange Holdings Inc. Annual Incentive Plan;
6. to ratify the appointment of Ernst & Young LLP as our independent auditors for the 2003 fiscal year; and
7. to transact any other business that properly comes before the meeting.

You are entitled to notice of and to vote at the Annual Meeting if you were a shareholder of record of Chicago Mercantile Exchange Holdings Inc. Class A or Class B common stock at the close of business on February 26, 2003.

Your vote is important. We urge you to vote your shares promptly, even if you plan to attend the meeting. You may vote over the Internet, by telephone or by returning the enclosed proxy card. Specific instructions on how to vote can be found on the proxy card.

Our proxy tabulator, Computershare Investor Services, must receive any proxy that will not be delivered in person to the Annual Meeting by noon, Central Time, on Tuesday, April 22, 2003 in order for your vote to be counted.

By Order of the Board of Directors,

Kathleen M. Cronin
Corporate Secretary

March 10, 2003
Chicago, Illinois

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.

30 South Wacker Drive
Chicago, Illinois 60606

Proxy Statement

GENERAL INFORMATION

When and where is the Annual Meeting?

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

The Annual Meeting of Shareholders of Chicago Mercantile Exchange Holdings Inc. will be held on Tuesday, April 22, 2003, at 3:30 p.m., Central Time, in the Grand Ballroom of The Westin Chicago River North Hotel, located at 320 North Dearborn, Chicago, Illinois. In this proxy statement, we refer to Chicago Mercantile Exchange Holdings Inc. as "CME Holdings" and to Chicago Mercantile Exchange Inc. as "CME." In this proxy statement, the terms "we," "us" and "our" refer to CME Holdings and CME.

All holders of Class A and Class B common stock on February 26, 2003, the record date for the Annual Meeting, are invited to attend the Annual Meeting. If you attend, you may be asked to present valid picture identification, such as a driver's license or passport, and, if you are not a shareholder of record, evidence from your broker that you are a shareholder and are eligible to attend the meeting. Shareholders will not be allowed to use cameras, recording devices and other electronic devices at the meeting.

What proposals are we being asked to vote on?

Holders of all classes of Class A and Class B common stock of CME Holdings are being asked to vote on the following:

the election of seven directors that we refer to as "Equity Directors" (elected by Class A and Class B shareholders voting together as a single class);

the approval of an amendment to the CME Holdings Amended and Restated Omnibus Stock Plan to, among other things, increase the number of shares available for awards under the Plan and extend the termination date;

the approval of the CME Holdings Annual Incentive Plan; and

the ratification of our appointment of Ernst & Young LLP as our independent auditors for the 2003 fiscal year.

Holders of Class B-1, Class B-2 and Class B-3 shares are also each being asked to vote on the election of one director for their respective class.

In addition, holders of Class B-1 and Class B-2 shares will vote on the election of five members of the Class B Nominating Committee for their respective class, each from a slate of 10 candidates.

1

Who is entitled to vote?

You may vote if you owned shares of Class A or Class B common stock of CME Holdings as of the close of business on February 26, 2003, the record date for the Annual Meeting. The table below shows how many shares of each class of our common stock were outstanding on the record date and the number of votes to which each share is entitled on the proposals on which shareholders will vote at the Annual Meeting:

Class of Common Stock	Number of Outstanding Shares	Election of Equity Directors	Election of Class B Director	Election of Class B Nominating Committee	Approval of an Amendment to the Omnibus Stock Plan	Approval of Annual Incentive Plan	Ratification of Independent Auditors
Class A	5,463,730	1	N/A	N/A	1	1	1
Class A-1	6,998,494	1	N/A	N/A	1	1	1
Class A-2	6,961,187	1	N/A	N/A	1	1	1
Class A-3	6,768,969	1	N/A	N/A	1	1	1
Class A-4	6,406,392	1	N/A	N/A	1	1	1
Class B-1	625	1	1	1	1	1	1
Class B-2	813	1	1	1	1	1	1
Class B-3	1,287	1	1	N/A	1	1	1
Class B-4	413	1	N/A	N/A	1	1	1

Why is this proxy statement being sent to me?

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

We sent you these proxy materials because our Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. This proxy statement summarizes the information you need to vote at the Annual Meeting. On March 10, 2003, we began mailing these proxy materials to all of our holders of record of each class of Class A and Class B common stock, as of the close of business on February 26, 2003.

How do I vote?

You may vote by proxy or in person at the Annual Meeting. If you want to vote by proxy, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-prepaid envelope, or promptly cast your vote by telephone or over the Internet. If you plan to attend the meeting and vote in person, we will give you a ballot when you arrive.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Telephone and Internet voting also will be offered to shareholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the Annual Meeting, you should contact your broker or agent to obtain a broker's proxy card and bring it to the Annual Meeting in order to vote.

If you vote by proxy, the individuals named on the proxy card (your proxies) will vote your shares in the manner you indicate. You may specify whether your shares should be voted for all, some or none of the nominees for Equity Directors and, if applicable, Class B directors or Class B Nominating Committee members, and whether your shares should be voted for or against the other proposals.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares by completing, signing, dating and mailing the enclosed proxy card in the accompanying envelope. You may also cast your vote by telephone by calling the number on your proxy card or electronically over the Internet by going to the Web site designated on your proxy card. Voting by proxy will not affect your right to attend the meeting and vote your shares in person.

2

What if I return my proxy card but do not provide voting instructions?

If you sign, date and return the proxy card without indicating your instructions on how to vote your shares, the proxies will vote your shares as follows:

"FOR" the election of the seven nominees for Equity Directors;

"ABSTAIN" from voting for Class B directors, if applicable;

"ABSTAIN" from voting for Class B Nominating Committee members, if applicable;

"FOR" the approval of the amendment to the CME Holdings Amended and Restated Omnibus Stock Plan;

"FOR" the approval of the CME Holdings Annual Incentive Plan; and

"FOR" the ratification of our appointment of Ernst & Young LLP as our independent auditors for the 2003 fiscal year.

If any other matter is presented at the Annual Meeting, your proxies will vote in accordance with their best judgment. At the time this proxy statement went to press, we knew of no matters to be addressed at the Annual Meeting beyond those described in this proxy statement.

Can I change my mind after I vote?

Yes, if you attend the meeting, you may change your vote at any time before the voting closes at the meeting. If you give a proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in the following ways:

You may sign and deliver another proxy with a later date;

You may vote by telephone or over the Internet at a later date;

You may deliver a written revocation to our Corporate Secretary, Kathleen M. Cronin, before the Annual Meeting; or

You may attend the meeting and vote in person.

Your most current vote is the one that is counted. Simply attending the meeting will not automatically revoke your proxy. You must vote in person at the meeting in order to revoke your proxy.

If you do not attend the Annual Meeting, your vote or revocation must be received by our proxy tabulator, Computershare Investor Services, by noon, Central Time, on April 22, 2003 to be counted.

Is my vote confidential?

All proxies, ballots and tabulations that identify the vote of a particular shareholder will be kept confidential, except as necessary to allow the inspectors of election to certify the voting results or to meet legal requirements. Representatives of Computershare Investor Services, our transfer agent, will act as the inspectors of election and will count the votes.

Comments written on proxy cards or ballots may be provided by Computershare to our Corporate Secretary, Kathleen M. Cronin, with the name and address of the shareholder. Each comment will be provided without reference to the vote of the shareholder, unless the vote is mentioned in the comment or unless disclosure of the vote is necessary in order to understand the comment. At our request, the inspectors of election may provide us with a list of shareholders who have not voted and periodic status reports on the aggregate vote. These status reports may include breakdowns of vote totals by different types of shareholders, although it is expected that we will not be able to determine how individual shareholders voted.

How many votes must be present to hold the Annual Meeting?

Your shares will be counted as present at the Annual Meeting if you attend the meeting and vote in person, if you properly return a proxy card or if you vote by telephone or over the Internet. In order for us to conduct the meeting, shareholders possessing at least one-third of the votes entitled to be cast on a particular proposal as of February 26, 2003, must be present. This is referred to as a quorum. A quorum will exist for each of the proposals to be voted on at the Annual Meeting if the following holders are present, either in person or by proxy:

Proposal	Quorum: Presence in Person or by Proxy Required
Election of Equity Directors	Holders of at least one-third of the total number of votes entitled to be cast by all classes of Class A shares and all classes of Class B shares
Election of each Class B director	Holders of at least one-third of the total number of votes entitled to be cast by the applicable class of Class B shares
Election of Class B Nominating Committee members	Holders of at least one-third of the total number of votes entitled to be cast by the applicable class of Class B shares
Approval of the amendment to the Amended and Restated Omnibus Stock Plan	Holders of at least one-third of the total number of votes entitled to be cast by all classes of Class A shares and all classes of Class B shares
Approval of the Annual Incentive Plan	Holders of at least one-third of the total number of votes entitled to be cast by all classes of Class A shares and all classes of Class B shares
Ratification of Ernst & Young LLP as our	Holders of at least one-third of the total number of votes entitled to be cast by all classes of

Proposal**Quorum: Presence in Person or by Proxy Required**

independent auditors

Class A shares and all classes of Class B shares

Proxies marked "withhold" or "abstain" and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a broker does not vote on some matter on the proxy card because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. To ensure that there will be a quorum for each of the proposals to be voted on, please vote before the Annual Meeting, and allow your shares to be represented at the meeting by your proxies. Voting before the Annual Meeting will not prevent you from voting in person at the meeting. If you vote in person at the meeting, your previous vote will be revoked automatically.

4

How many votes are needed to approve the various proposals?

Each of the proposals presented at the Annual Meeting will be considered separately. Assuming that a quorum is present for the particular proposal, the following votes are required to approve the proposal:

Proposal	Vote Required to Approve
Election of Equity Directors	Seven nominees receiving the highest number of "FOR" votes from all classes of Class A and Class B common stock, voting together as a single class, will be elected
Election of each Class B director	One Class B-1 nominee, one Class B-2 nominee and one Class B-3 nominee receiving the highest number of "FOR" votes in his or her class will be elected as a Class B director for that class
Election of Class B Nominating Committee members	Five nominees receiving the highest number of "FOR" votes in their class will be elected to the Class B Nominating Committee for that class
Approval of the amendment to the Amended and Restated Omnibus Stock Plan	Must receive a "FOR" vote from holders of a majority of the shares present at the Annual Meeting
Approval of the Annual Incentive Plan	Must receive a "FOR" vote from holders of a majority of the shares present at the Annual Meeting
Ratification of Ernst & Young LLP as our independent auditors	Must receive a "FOR" vote from holders of a majority of the shares present at the Annual Meeting

Proxies marked "withhold" or "abstain" will have the same effect as a vote against any proposal. Broker non-votes will have no effect on the outcome of any proposal.

Under the rules of the New York Stock Exchange ("NYSE") in effect at the time this Proxy Statement was printed, if you hold your shares through a bank or broker, your broker is permitted to vote your shares on the election of the Equity Director nominees, approval of the amendment to the Omnibus Stock Plan, approval of the Annual Incentive Plan and ratification of Ernst & Young LLP as our independent auditors, even if the broker does not receive instructions from you. The NYSE has proposed changes to its rules regarding brokers' discretionary voting authority, which may limit your broker's ability to vote on the proposals relating to our Omnibus Stock Plan, unless you provide your broker with voting instructions. If these proposed changes to the NYSE rules become effective prior to the Annual Meeting, your broker may not be able to vote your shares on Proposal 3, the proposed amendment to the Omnibus Stock Plan, without receiving instructions from you.

5

PROPOSAL 1
ELECTION OF DIRECTORS

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

Our certificate of incorporation provides that our Board of Directors be composed of 20 members. Our Board of Directors is divided into two classes, Class I and Class II, each of whose members serve for a staggered two-year term. At each Annual Meeting of Shareholders, the term of one class of directors expires, and the shareholders vote at that meeting to elect the directors nominated for that expiring class to hold office for a two-year term.

At this year's Annual Meeting, ten Class II directors will be elected. Seven Equity Directors will be elected by all shareholders voting together as a single class. Additionally, the holders of the Class B-1 shares, Class B-2 shares and Class B-3 shares each will elect one director. Other than Mr. Miller and Ms. Savage, each of the Equity Director nominees presented in this proxy statement is currently a director. If elected, each director's term will last until the 2005 Annual Meeting of Shareholders or until he is succeeded by another qualified director who has been elected.

Nominees for Equity Directors (Class A and Class B Shares Voting Together)

Can Vote "For" or "Withhold" for Each Candidate

Name and Age	For a Term Expiring	Background
James J. McNulty, 51	2005	Mr. McNulty was appointed to his present position as President and Chief Executive Officer with CME Holdings upon its formation in August 2001 and with CME in February 2000. He has served as an appointed director of the Boards of CME Holdings and CME since April 2002 and previously served as a non-voting member of the Board of CME from February 2000 to April 2002 and of CME Holdings from its inception on August 2, 2001 to April 2002. Mr. McNulty has over 26 years experience in global financial markets. Prior to joining CME, Mr. McNulty served as Managing Director and Co-Head of the Corporate Analysis and Structuring Team in the Corporate Finance Division at Warburg Dillon Read, an investment banking firm now known as UBS Warburg. He was a general partner with O'Connor and Associates, a futures and options trading organization and a provider of risk management technology, from 1987 to 1992. From 1984 to 1987, he was the founder and President of Hayes & Griffith Futures, Inc. He serves on the Boards of Directors of OneChicago, LLC and World Business Chicago. Mr. McNulty is also a member of the Board of Visitors of the University of Illinois at Chicago College of Liberal Arts and Sciences and a member of the Archdiocese of Chicago Finance Council.
Terrence A. Duffy, 44	2005	Mr. Duffy has served as Chairman of CME Holdings' and CME's Boards since April 2002, has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 1995, and has been a member of our Exchange for more than 22 years. Mr. Duffy served as Vice Chairman of CME of Holdings' Board from its formation on August 2, 2001 until April 2002 and of CME's Board from 1998 until April 2002. Mr. Duffy has served as President of T.D.A. Trading, Inc. since 1981.
Daniel R. Glickman, 58	2005	Mr. Glickman has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 2001. Since August 5, 2002, Mr. Glickman has served as Director of the Institute of Politics at Harvard University's John F. Kennedy School of Government and has been a Senior Advisor in the law firm of Akin, Gump, Strauss, Hauer & Feld, where he was a Partner from February 2001. Mr. Glickman previously served as U.S. Secretary of Agriculture from March 1995 through January 2001 and as a member of the U.S. Congress, representing a district in Kansas, from January 1977 through January 1995.

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

William P. Miller II, 47	2005	<p>Mr. Miller has been a risk management adviser for the Rockefeller Foundation, a non-profit foundation, since June 2002. From September 1996 through May 2002, Mr. Miller served as Senior Vice President and Independent Risk Oversight Officer for Commonfund Group, an investment management firm for educational institutions. Mr. Miller previously served as Director, Trading Operations and Asset Mix Management with General Motors Investment Management Corp. Mr. Miller served as a director of CME from 1999 through April 2002 and currently serves as an adviser to CME's Compensation Committee and Governance Committee. Mr. Miller is the Chairman of the Executive Committee, End-Users of Derivatives Council for the Association of Financial Professionals, is a member of the Investor Risk Steering Committee for the International Association of Financial Engineers and is an advisor to AfricaGlobal LLC. Mr. Miller is also a Chartered Financial Analyst and member of the Association of Investment Management and Research.</p>
James E. Oliff, 54	2005	<p>Mr. Oliff has served as Vice Chairman of CME Holdings' and CME's Boards since April 2002, as a director of CME since 1994 and has been a member of our Exchange for more than 25 years. Mr. Oliff served as Second Vice Chairman of CME Holdings' Board from its formation on August 2, 2001 until April 2002 and of CME's Board from 1998 until April 2002. He previously served on CME's board from 1982 to 1992. Mr. Oliff has served as President and Chief Executive Officer of FFast Trade U.S., LLC, since December 2001, as Chief Operating Officer of FFastFill, Inc., an organization that provides trading and risk management software solutions, since December 2001, as Executive Director of International Futures and Options Associates since 1996, and as President of FILO Corp., a floor brokerage business, since 1982. He also served as President of LST Commodities, LLC (an introducing broker), now known as FFast Trade U.S., LLC, from 1999 until January 2002. He currently serves on the board of directors of OneChicago, LLC and is a visiting lecturer in financial market ethics at the Lemberg School of International Finance and Economics at Brandeis University, Waltham, Massachusetts.</p>
7		
John F. Sandner, 61	2005	<p>Mr. Sandner has served a Special Policy Advisor and as a director of CME Holdings since its formation on August 2, 2001. Mr. Sandner has been Special Policy Advisor to CME since 1998, a director of CME since 1978 and a member of our Exchange for more than 31 years. Previously he served as Chairman of CME's Board for 13 years. Mr. Sandner has served as President and Chief Executive Officer of RB&H Financial Services, L.P., a futures commission merchant and one of our clearing member firms, since 1985. Mr. Sandner currently serves on the board of directors of Click Commerce Inc. and as a member of that company's audit committee. He also currently serves on the board of directors of the National Futures Association.</p>
Terry L. Savage, 58	2005	<p>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, NBC and PBS. Ms. Savage was a member of our Exchange from 1975 to 1980. Ms. Savage is a director of McDonald's Corporation, the Executives' Club of Chicago, Northwestern Memorial (Hospital) Foundation, Chicago's Museum of Science and Industry and Junior Achievement of Illinois.</p>

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

Your proxies will vote for each of the seven nominees for Equity Directors set forth above unless you specifically withhold authority to vote for a particular nominee. We have no reason to believe that any of the nominees listed above will be unable or unwilling to serve if elected. However, if any nominee should become unable or unwilling to serve for any reason, our Board may substitute another nominee upon recommendation of our Nominating Committee.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE SEVEN EQUITY DIRECTOR NOMINEES DESCRIBED ABOVE.

8

Nominees for Class B-1 Director (Class B-1 Shares Only)

Must Select One of Two Candidates

Name and Age	For a Term Expiring	Background
Thomas A. Bentley, 47	2005	Mr. Bentley has been a member of our Exchange for more than 20 years and served as a director of CME in 1998 and 1999. Mr. Bentley has been an independent floor broker and trader since 1982.
William G. Salatich, Jr., 51	2005	Mr. Salatich has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 1997. Mr. Salatich has been a member of our Exchange for more than 26 years. Mr. Salatich has been an independent floor broker and trader since 1975.

OUR BOARD OF DIRECTORS IS NOT PROVIDING ANY RECOMMENDATION AS TO HOW YOU VOTE WITH RESPECT TO THE CLASS B-1 DIRECTOR NOMINEES DESCRIBED ABOVE.

9

Nominees for Class B-2 Director (Class B-2 Shares Only)

Must Select One of Two Candidates

Name and Age	For a Term Expiring	Background
Richard J. Appel, 62	2005	Mr. Appel has been a member of our Exchange for more than 23 years. Mr. Appel has been an independent floor broker and trader since 1983.
David J. Wescott, 45	2005	Mr. Wescott has been a member of our Exchange for more than 21 years. Mr. Wescott previously served as a director of CME from 1989 through 1996 and has served as President of The Wescott Group Ltd., one of our clearing firms, since 1991.

OUR BOARD OF DIRECTORS IS NOT PROVIDING ANY RECOMMENDATION AS TO HOW YOU VOTE WITH RESPECT TO THE CLASS B-2 DIRECTOR NOMINEES DESCRIBED ABOVE.

10

Nominees for Class B-3 Director

(Class B-3 Shares Only)

Must Select One of Three Candidates

Name and Age	For a Term Expiring	Background
Thomas J. Esposito, 42	2005	Mr. Esposito has been a member of our Exchange for more than 17 years. Mr. Esposito has been an independent floor broker and trader since 1985.
Gary M. Katler, 56	2005	Mr. Katler has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 1993 and has been a member of our Exchange for more than 14 years. He is currently Vice President of O'Connor & Company LLC. Previously, Mr. Katler was Head of the Professional Trading Group of Fimat USA from November 2000 to April 2002. Prior to that, Mr. Katler served as Senior Vice President of ING Barings Futures and Options Inc.
Leon C. Shender, 48	2005	Mr. Shender has been a member of our Exchange for 27 years and previously served as a director of CME from 1999 to 2001. Mr. Shender has been an independent floor broker and trader since 1976.

OUR BOARD OF DIRECTORS IS NOT PROVIDING ANY RECOMMENDATION AS TO HOW YOU VOTE WITH RESPECT TO THE CLASS B-3 DIRECTOR NOMINEES DESCRIBED ABOVE.

11

Members of Our Board Not Standing for Election This Year

Set forth below is information about our directors who are not standing for election at the Annual Meeting.

Name and Age	Term Expires	Background
Timothy R. Brennan, 61	2004	Mr. Brennan has served as a director of CME Holdings since its formation on August 2, 2001, a director of CME since 1990 and has been a member of our Exchange for more than 26 years. Mr. Brennan has been a floor broker and trader since 1974 and has also served as Executive Vice President of RB&H Financial Services, L.P., one of our clearing firms, for more than six years.
Martin J. Gepsman, 50	2004	Mr. Gepsman has served as Secretary of CME Holdings' Board since its formation on August 2, 2001 and Secretary of CME's Board since 1998. He has served as a director of CME since 1994 and has been a member of our Exchange for more than 18 years. Mr. Gepsman has been an independent floor broker and trader since 1985.
Scott Gordon, 50	2004	Mr. Gordon has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 1982 and has been a member of our Exchange for more than 25 years. Mr. Gordon served as Chairman of CME Holdings from its formation on August 2, 2001 until April 2002 and as Chairman of CME from 1998 to April 2002, as Vice Chairman from 1995 to 1997 and as Secretary from 1984 to 1985 and 1988 to 1994. Mr. Gordon has been President, Chief Operating Officer and director since 1999 of Tokyo-Mitsubishi Futures (USA), Inc., one of our clearing firms, wholly owned by the Bank of Tokyo-Mitsubishi, Ltd. He previously served as that firm's Executive Vice President and director. He is also a member of the Commodity Futures Trading Commission's Global Markets Advisory Committee and the Advisory Committee to the Illinois Institute of

Mutual Funds, the American Century Mutual Funds and Intelligent Markets.

William R. Shepard, 56	2004	Mr. Shepard has served as Second Vice Chairman of CME Holdings and CME since April 2002 and as a director of CME Holdings since its formation on August 2, 2001. Mr. Shepard has served as a director of CME since 1997 and has been a member of our Exchange for more than 28 years. Mr. Shepard is founder and President of Shepard International, Inc., a futures commission merchant.
Howard J. Siegel, 46	2004	Mr. Siegel has served as a director of CME Holdings since its formation on August 2, 2001 and of CME since 2000 and has been a member of our Exchange for more than 25 years. Mr. Siegel has been an independent trader since 1977.

14

MEETINGS OF OUR BOARD AND BOARD COMMITTEES

Our Board held 24 meetings during 2002. In addition to meetings of the full Board, some directors also attended meetings of Board committees on which they serve. Each incumbent director attended at least 75% of the Board meetings and meetings of committees of which he was a member during the 2002 fiscal year, except for Mr. Scholes. The Board of Directors has eight standing committees Executive, Audit, Board Steering, Compensation, Electronic Transition, Governance, Marketing and Public Relations Advisory and Nominating. Set forth below is a brief summary of each committee, its members and the number of meetings it held during 2002.

Name of Committee and Members	Committee Functions	Number of Meetings During 2002	
<u>Executive</u>			
Terrence A. Duffy, <i>Chairman</i> Martin J. Gepsman Scott Gordon Patrick B. Lynch James J. McNulty	Leo Melamed James E. Oliff John F. Sandner William R. Shepard	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 charter, bylaws or applicable law.	9
<u>Audit</u>			
John W. Croghan, <i>Chairman</i> Patrick B. Lynch	John F. Sandner Verne O. Sedlacek	Recommends to the Board the selection of the independent auditors.	24
		Reviews the quarterly and annual financial statements and audit results and reports, including management comments and recommendations.	
		Reviews the results and scope of audits and other services provided by our independent auditors.	
		Reviews accounting and internal control procedures and policies.	
		Reviews risk exposure of actual or threatened litigation.	
		Reviews significant accounting policies, estimates, audit adjustments and other matters as required.	
		Reviews and approves any non-audit services by our independent auditors in accordance with our Non-Audit Services Policy.	

Name of Committee and Members	Committee Functions	Number of Meetings During 2002
<u>Board Steering</u>		
Leo Melamed, <i>Chairman</i> Terrence A. Duffy Martin J. Gepsman Scott Gordon Yra G. Harris	Patrick B. Lynch James J. McNulty James E. Oliff John F. Sandner William R. Shepard Reviews management recommendations regarding strategic, business, legislative and regulatory policy determinations. Reviews goals and priorities for the Chief Executive Officer and Executive Vice President and Chief Administrative Officer.	30

15

Compensation

William R. Shepard, <i>Chairman</i> Terrence A. Duffy Martin J. Gepsman Daniel R. Glickman	Recommends compensation for officers, determines employee compensation policy, oversees the design and administration of our employee benefit plans and monitors performance against previously established objectives.	14
---	---	----

Electronic Transition

James E. Oliff, <i>Chairman</i> William R. Shepard Timothy R. Brennan Yra R. Harris	John D. Newhouse Myron S. Scholes Howard J. Siegel Oversees our Exchange's policies and programs to assist members in the transition to electronic trading.	12
--	--	----

Governance

John F. Sandner, <i>Chairman</i> Terrence A. Duffy Martin J. Gepsman Daniel R. Glickman	Scott Gordon Gary M. Katler Leo Melamed Develops and recommends to the Board governance principles. Oversees policies, practices and procedures in the area of corporate governance.	10
--	--	----

Marketing and Public Relations**Advisory**

William G. Salatch, Jr., <i>Chairman</i> Gary M. Katler	John F. Sandner Howard J. Siegel Reviews and provides advice regarding marketing, branding, advertising and corporate communications policies and programs.	20
--	---	----

Nominating

William R. Shepard, <i>Chairman</i> Martin J. Gepsman Leo Melamed	Myron S. Scholes Howard J. Siegel Reviews qualifications of potential candidates for Equity Directors. Recommends to the Board the Equity Director nominees for election by the shareholders or appointment by the Board, as the case may be.	3
---	--	---

The Nominating Committee considers Equity Director nominees recommended by shareholders if the recommendations are submitted in writing, accompanied by a description of the proposed nominee's 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, in care of Kathleen M. Cronin, Corporate Secretary, Chicago Mercantile Exchange Holdings Inc., 30 South Wacker Drive, Chicago, Illinois 60606.

16

DIRECTORS' COMPENSATION AND BENEFITS

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

Each non-executive director, other than Messrs. Duffy, Melamed and Sandner, receives an annual stipend of \$25,000. Each non-executive director also receives a meeting attendance fee of \$1,500 for each regular meeting of the Board that he attends, excluding special administrative meetings. Non-executive directors also receive a fee of \$1,000 for each Board committee meeting, meeting of special Board hearing committees, which are appointed as needed, and functional committee meetings that they attend. Functional committees include the arbitration, business conduct, market regulation oversight, membership, probable cause, pit supervision and trading floor operations committees. Three of our directors also received a fee of \$1,000 per meeting for approximately 85 meetings in which they participated with investors during our initial public offering in 2002, subject to a maximum fee of \$50,000 per director. Our directors are reimbursed for travel expenses incurred in connection with the performance of their duties as members of our Board of Directors. Mr. McNulty does not receive any additional compensation for his service on our Board of Directors.

Our Chairman, Mr. Duffy, receives an annual stipend of \$350,000, plus reimbursement of other Board-related expenses. Our Chairman Emeritus and Senior Policy Advisor, Mr. Melamed, and our Special Policy Advisor, Mr. Sandner, each receive an annual stipend of \$200,000. Our Chairman Emeritus and Senior Policy Advisor is also entitled to reimbursement of up to \$150,000 annually for non-travel expenses. These expenses relate to his duties as a director and advisor, such as office and secretarial expenses. The stipends and expense reimbursement paid to our Senior Policy Advisor and Special Policy Advisor are paid in respect of the significant time and effort these advisors devote to their work as directors above that demanded of other directors who do not serve in a similar role. The stipends and expense reimbursements of our Senior Policy Advisor and Special Policy Advisor are subject to the review and approval of our Board on an annual basis.

17

EXECUTIVE OFFICERS

The following table sets forth information with respect to our executive officers. Each of the executive officers holds the same position with respect to the operations of both CME and CME Holdings.

Name and Age	Position	Background
James J. McNulty, 51	President and Chief Executive Officer	Mr. McNulty was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in February 2000. He has served as an appointed director of the Boards of CME Holdings and CME since April 2002 and previously served as a non-voting member of the Board of CME from February 2000 to April 2002 and of CME Holdings from its inception on August 2, 2001 to April 2002. Mr. McNulty has over 26 years experience in global financial markets. Prior to joining CME, Mr. McNulty served as Managing Director and Co-Head of the Corporate Analysis and Structuring Team in the Corporate Finance Division at Warburg Dillon Read, an investment banking firm now known as UBS Warburg. He was a general partner with O'Connor and Associates, a futures and options trading organization and a provider of risk management technology, from 1987 to 1992. From 1984 to 1987, he was the founder and President of Hayes & Griffith Futures, Inc. He serves on the Boards of Directors of OneChicago, LLC and World Business Chicago. Mr. McNulty is also a member of the Board of Visitors of the University of Illinois at Chicago College of Liberal Arts and Sciences and a member of the Archdiocese of Chicago Finance Council.
Craig S. Donohue, 41	Executive Vice President and Chief Administrative Officer	Mr. Donohue was appointed to his present position with CME Holdings and CME in October 2002. Prior to that, he served as Managing Director and Chief Administrative Officer of CME Holdings from its formation on August 2, 2001 and of CME from April 2001, when his title was changed from Managing Director, Business Development and Corporate/Legal Affairs of CME, which he had held since March 2000. He had also previously served as Senior Vice President and General Counsel of CME from October 1998 to March 2000. Prior to that, Mr. Donohue served as Vice President, Division of Market Regulation, from 1997 to 1998 and

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

Name and Age	Position	Background
		Vice President and Associate General Counsel of CME from 1995 to 1997.

18

Phupinder Gill, 42	Managing Director and President, Clearing House Division and GFX	Mr. Gill was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in March 2000. Prior to that, he served as President of CME's Clearing House Division from July 1998 to March 2000, Senior Vice President of the Clearing House Division from May 1997 to July 1998 and Vice President from May 1994 to May 1997. Mr. Gill has held numerous other positions with CME since 1988.
David G. Gomach, 44	Managing Director and Chief Financial Officer	Mr. Gomach was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in March 2000. He previously served as Senior Vice President and Chief Financial Officer of CME from December 1997 to March 2000, Vice President, Administration and Finance, and Chief Financial Officer of CME from June 1997 to December 1997 and Vice President, Administration and Finance of CME from December 1996 to June 1997. Mr. Gomach is a certified public accountant.
Scott L. Johnston, 39	Managing Director and Chief Information Officer	Mr. Johnston was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in April 2000. Prior to joining CME, he served as Managing Director in the Information Technology Division at UBS Warburg, an investment banking firm, from 1998 to 2000. Mr. Johnston also served as that firm's Executive Director in the Foreign Exchange/Interest Rate Technology Division from 1996 to 1997 and as Director in the Foreign Exchange Division from 1994 to 1996.
Eileen Beth Keeve, 49	Managing Director, Organizational Development	Ms. Keeve was appointed to her present position with CME Holdings and with CME in November 2002. She previously served as Director, Human Resources, from March 2000 to November 2002 and as Vice President of Human Resources from July 1994 to March 2000.
James R. Krause, 54	Managing Director, Operations and Enterprise Computing	Mr. Krause was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in April 2001. He previously served as Managing Director, Enterprise Computing, from March 2000 to April 2001. Prior to that, he served as Senior Vice President, Enterprise Computing, from January 1999 to March 2000, Senior Vice President, Systems Development, from May 1998 to January 1999 and Vice President, Systems Development, from August 1990 to May 1998.

19

Satish Nandapurkar, 39	Managing Director, Products and Services	Mr. Nandapurkar was appointed to his present position with CME Holdings upon its formation in August 2001 and with CME in April 2001, when his title was changed from Managing Director, e-Business, of CME, which he had held since March 2000. Prior to joining CME, Mr. Nandapurkar served as Head of Strategic Solutions for OptiMark Technologies. He also served as Managing Director and
------------------------	--	---

Global Head of Foreign Exchange Options for Bank of America in Chicago from 1997 to 1999, Managing Director and Head of Structured Equity Products Trading at Deutsche Bank Morgan Grenfell from 1996 to 1997 and Managing Director and Global Head of Exotic Options and Quantitative Methodologies for Swiss Bank Corporation in London from 1994 to 1996.

Nancy W. Goble, 49

Managing Director and Chief
Accounting Officer

Ms. Goble was appointed to her present position with CME Holdings and with CME in February 2002. She previously served as Director and Controller of CME Holdings from August 2001 to February 2002 and of CME from July 2000 to February 2002. Ms. Goble also served as Associate Director and Assistant Controller of CME from October 1997 to July 2000. Prior to joining CME, Ms. Goble was Senior Vice President and Chief Financial Officer with Richard Ellis Inc., a commercial real estate firm, from 1993 until 1997. Ms. Goble is a certified public accountant.

20

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table shows, as of February 20, 2003, the amount of common stock beneficially owned by each of our directors and Equity Director nominees and by each executive officer named in the Summary Compensation Table on page 36 of this Proxy Statement, and by all directors, Equity Director nominees and executive officers as a group. In general, "beneficial ownership" includes those shares over which a person has the power to vote, or the power to transfer, and stock options that are currently exercisable or will become exercisable within 60 days of February 20, 2003. Except as otherwise noted, the persons named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Beneficial Ownership Table

Name(1)	Class A			Class B			Percent of Vote as a Single Class(2)
	Number of Shares	Class	Percent of Class	Number of Shares	Class	Percent of Class	
James J. McNulty(3)	1,190	A	*		B-1	*	5.65%
	487,031	A-1	6.52%		B-2	*	
	487,031	A-2	6.55		B-3	*	
	487,023	A-3	6.73		B-4	*	
	486,898	A-4	7.08				
Terrence A. Duffy(4)	1,190	A	*	1	B-1	*	*
	4,525	A-1	*		B-2	*	
	4,525	A-2	*		B-3	*	
	4,525	A-3	*	1	B-4	*	
	4,523	A-4	*				
Timothy R. Brennan(5)		A	*	1	B-1	*	*
	6,025	A-1	*		B-2	*	
	6,025	A-2	*	1	B-3	*	
	6,025	A-3	*	1	B-4	*	
	6,022	A-4	*				
John W. Croghan(6)	1,190	A	*	1	B-1	*	*
	4,500	A-1	*		B-2	*	
	4,500	A-2	*		B-3	*	
	4,500	A-3	*		B-4	*	
		A-4	*				

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

	Class A			Class B			
	4,499	A-4	*				
Martin J. Gepsman(7)	1,190	A	*		B-1	*	*
	1,525	A-1	*		B-2	*	
	1,525	A-2	*	1	B-3	*	
	1,525	A-3	*	1	B-4	*	
	1,523	A-4	*				
Daniel R. Glickman(8)	420	A	*		B-1	*	*
		A-1	*		B-2	*	
		A-2	*		B-3	*	
		A-3	*		B-4	*	
		A-4	*				
21							
Scott Gordon(9)		A	*	2	B-1	*	*
	21,025	A-1	*	2	B-2	*	
	21,025	A-2	*	2	B-3	*	
	21,025	A-3	*	1	B-4	*	
	21,017	A-4	*				
Yra G. Harris(10)		A	*		B-1	*	*
	7,500	A-1	*	2	B-2	*	
	7,500	A-2	*	1	B-3	*	
	7,500	A-3	*		B-4	*	
	7,497	A-4	*				
Bruce F. Johnson	1,190	A	*	1	B-1	*	*
	4,525	A-1	*		B-2	*	
	4,525	A-2	*		B-3	*	
	4,525	A-3	*	1	B-4	*	
	4,523	A-4	*				
Gary M. Katler(11)		A	*		B-1	*	*
	1,500	A-1	*		B-2	*	
	1,500	A-2	*	1	B-3	*	
	1,500	A-3	*		B-4	*	
	1,499	A-4	*				
Patrick B. Lynch	1,190	A	*		B-1	*	*
	3,000	A-1	*	1	B-2	*	
	3,000	A-2	*		B-3	*	
	3,000	A-3	*		B-4	*	
	2,999	A-4	*				
Leo Melamed	1,290	A	*		B-1	*	*
	3,000	A-1	*	1	B-2	*	
	3,000	A-2	*		B-3	*	
	3,000	A-3	*		B-4	*	
	2,999	A-4	*				
William P. Miller II		A	*		B-1	*	*
		A-1	*		B-2	*	
		A-2	*		B-3	*	
		A-3	*		B-4	*	
		A-4	*				

Edgar Filing: CHICAGO MERCANTILE EXCHANGE HOLDINGS INC - Form DEF 14A

John D. Newhouse(12)		A	*		B-1	*	*
	10,525	A-1	*	3	B-2	*	
	10,525	A-2	*	1	B-3	*	
	10,525	A-3	*	1	B-4	*	
	10,520	A-4	*				

22

James E. Oliff(13)	1,190	A	*		B-1	*	*
	3,025	A-1	*	1	B-2	*	
	3,025	A-2	*		B-3	*	
	3,025	A-3	*	1	B-4	*	
	3,023	A-4	*				

William G. Salatich, Jr.(14)	1,190	A	*	1	B-1	*	*
	4,525	A-1	*		B-2	*	
	4,525	A-2	*		B-3	*	
	4,525	A-3	*	1	B-4	*	
	4,523	A-4	*				

John F. Sandner	1,290	A					
	25,525	A-1					
	25,525	A-2					
	25,525	A-3					
	25,515	A-4					