CME GROUP INC.
Form 8-K
April 24, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): April 18, 2012

CME Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-31553	36-4459170
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

20 South Wacker Drive, Chicago, Illinois	60606
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: 312-930-1000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 18, 2012, CME Group Inc. (the "Company") entered into a revised employment agreement with Terrence A. Duffy and Phupinder S. Gill. Mr. Duffy is currently Executive Chairman of the Company and will become Executive Chairman and President upon the retirement of Craig S. Donohue, but in no event later than December 31, 2012 (the "Transition Date"). Mr. Gill is currently President of the Company and will become Chief Executive Officer of the Company on the Transition Date.

The following is a summary of the key terms of each agreement, which replace Mr. Duffy's existing agreement dated as of November 9, 2010, as amended on April 6, 2011, and Mr. Gill's existing agreement dated as of August 5, 2009, as amended on April 6, 2011. A copy of the employment agreements for Mr. Duffy and Mr. Gill are attached to this report as Exhibit 10.1 and 10.2, respectively, and are incorporated herein by reference as though each was fully set forth herein. The description below is only a summary of the terms of the employment agreements and are qualified in their entirety by the complete text of the employment agreements themselves.

Duffy Employment Agreement

Under the terms of his agreement, Mr. Duffy's minimum annual base salary will increase from $1,000,000 to $1,250,000 on the Transition Date. Mr. Duffy is eligible to participate in the Company's bonus incentive plan for its named executive officers and in the Company's equity incentive plan. Mr. Duffy is also entitled to employee benefits consistent with programs in place for other executives of the Company, including life insurance and long-term disability coverage.

In the event of a termination of Mr. Duffy's employment by the Company without cause, as defined in the agreement, in addition to his accrued benefits, Mr. Duffy is entitled to a one time lump sum severance payment equal to the greater of (i) one times his then current base salary and (ii) the remaining base salary payable to Mr. Duffy during the agreement term but in no event more than two times his then current base salary, which payments are subject to Mr. Duffy's timely execution and delivery of a general release. Additionally, upon such a termination all of Mr. Duffy's outstanding unvested time-vesting equity awards that were granted after November 4, 2010 will automatically vest and in the case of stock options and stock appreciation rights will remain exercisable for a period of four years from the date of termination (but not beyond the maximum term of the award). All of Mr. Duffy's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of a change of control, as defined in the agreement, prior to termination of Mr. Duffy's employment, all of Mr. Duffy's unvested time-vesting equity awards shall become vested and all of Mr. Duffy's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term. If Mr. Duffy is involuntarily terminated without cause within 60 days prior to a change of control, all of his unvested time-vesting equity awards that would have been outstanding had he been employed on the date of the change of control will become vested and all of Mr. Duffy's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of Mr. Duffy's death or disability, as defined in the agreement, all unvested time-vesting equity awards granted after November 4, 2010 will vest and in the case of stock options and stock appreciation rights will remain exercisable for a period of four years from the date of the event (but not beyond the maximum term of the award) and all of Mr. Duffy's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of Mr. Duffy's disability or following any termination of Mr. Duffy's employment by him voluntarily or by the Company without cause, Mr. Duffy will also be entitled to receive insurance and health benefits until the earlier to occur of (i) the fourth anniversary of the expiration or termination, as applicable, or (ii) the date Mr. Duffy is covered by comparable insurance and health benefits.

The agreement also contains provisions prohibiting Mr. Duffy during the term of his employment, and for one year thereafter, from rendering services to, or serving on the board of directors (or similar governing body) or any advisory committees of, any derivatives exchange or person, organization or entity providing clearing services and from soliciting the Company's employees.

All equity awards granted to Mr. Duffy prior to November 4, 2010 will continue to be governed by the terms and conditions of such awards at the time of grant.

Mr. Duffy's agreement will expire on December 31, 2015, unless sooner terminated by the Company or Mr. Duffy.

Gill Employment Agreement

Under the terms of his agreement, Mr. Gill's minimum annual base salary will increase from $800,000 to $1,000,000 on the Transition Date. Mr. Gill is eligible to participate in the Company's bonus incentive plan for its named executive officers and in the Company's equity incentive plan. Mr. Gill is also entitled to employee benefits consistent with programs in place for other executives of the Company.

In the event of a termination of Mr. Gill's employment by the Company without cause, as defined in the agreement, in addition to his accrued benefits, Mr. Gill is entitled to a one time lump sum severance payment equal to the greater of (i) one times his then current base salary and (ii) the remaining base salary payable to Mr. Gill during the agreement term but in no event more than two times his then current base salary, which payments are subject to Mr. Gill's timely execution and delivery of a general release. Additionally, upon such a termination all of Mr. Gill's outstanding unvested time-vesting equity awards that were granted after August 5, 2009 will automatically vest and in the case of stock options and stock appreciation rights will remain exercisable for a period of four years from the date of termination (but not beyond the maximum term of the award). All of Mr. Gill's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of a change of control, as defined in the agreement, prior to termination of Mr. Gill's employment, all of Mr. Gill's unvested time-vesting equity awards shall become vested and all of Mr. Gill's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term. If Mr. Gill is involuntarily terminated without cause within 60 days prior to a change of control, all of his unvested time-vesting equity awards that would have been outstanding had he been employed on the date of the change of control will become vested and all of Mr. Gill's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of Mr. Gill's death or disability, as defined in the agreement, all unvested time-vesting equity awards granted after August 5, 2009 will vest and in the case of stock options and stock appreciation rights will remain exercisable for a period of four years from the date of the event (but not beyond the maximum term of the award) and all of Mr. Gill's performance-based equity awards shall become vested or be forfeited solely based on actual performance measured over the full performance term.

In the event of Mr. Gill's disability or following any termination of Mr. Gill's employment by him voluntarily or by the Company without cause, Mr. Gill will also be entitled to receive insurance and health benefits until the earlier to occur of (i) the fourth anniversary of the expiration or termination, as applicable, or (ii) the date Mr. Gill is covered by comparable insurance and health benefits.

The agreement also contains provisions prohibiting Mr. Gill during the term of his employment, and for one year thereafter, from rendering services to, or serving on the board of directors (or similar governing body) or any advisory committees of, any derivatives exchange or person, organization or entity providing clearing services and from soliciting the Company's employees.

All equity awards granted to Mr. Gill prior to August 5, 2009 will continue to be governed by the terms and conditions of such awards at the time of grant.

Mr. Gill's agreement will expire on December 31, 2014, unless sooner terminated by the Company or Mr. Gill.

Item 9.01 Financial Statements and Exhibits.

A copy of the employment agreements for Mr. Duffy and Mr. Gill are attached to this report as Exhibit 10.1 and 10.2, respectively, and are incorporated herein by reference as though each was fully set forth herein.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CME Group Inc.

April 24, 2012

By: Kathleen M. Cronin

Name: Kathleen M. Cronin
Title: Senior Managing Director, General Counsel & Corporate Secretary

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Exhibit Index

Exhibit No.	Description
10.1	Agreement, effective as of April 18, 2012, by and between CME Group Inc. and Terrence A. Duffy.
10.2	Agreement, effective as of April 18, 2012, by and between CME Group Inc. and Phupinder S. Gill.