

NASDAQ OMX GROUP, INC.
Form DEFA14A
May 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

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

The NASDAQ OMX Group, Inc.

(Name of Registrant as Specified In its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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PROXY TOPICS: ANNUAL MEETING OF
STOCKHOLDERS MAY 22, 2012

DIRECTOR NOMINEE: BÖRJE EKHOLM
SHAREHOLDER PROPOSAL: ABILITY TO CALL SPECIAL
SHAREHOLDER MEETINGS

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SHAREHOLDER PROPOSAL: ADOPTION OF A SIMPLE
MAJORITY VOTE

APPENDIX:

DIRECTOR NOMINEES AND NOMINATING PROCESS
NASDAQ OMX CORPORATE GOVERNANCE BEST PRACTICES
NASDAQ OMX
2012 PROXY

DISCUSSION TOPICS

NASDAQ OMX SHAREHOLDER ENGAGEMENT

Investor AB is a relatively small (less than 90 employees) industrial holding company, similar to an investment company, with each investment managed separately.

Investor AB states that there are no

shared functions across the holdings and that it increases its own value by *generating value in each holding independently*.

DIRECTOR NOMINEE

BORJE EKHOLM

NASDAQ OMX Board of Directors

recommends that shareholders vote

FOR

the election of director

nominee Börje Ekholm. Mr. Ekholm's

role on the NASDAQ OMX Board is

to deliver increased value to our

stockholders.

Glass

Lewis

has

recommended

a

FOR

vote,

acknowledging Mr. Ekholm's role in increasing

stockholder value and noting that he serves on a

fewer number of boards this year than in prior years.

ISS Europe understands the Investor AB business

model and has not issued an overboarding

comment on Mr. Ekholm.

ISS

U.S.

has

recommended

AGAINST

Mr.

Ekholm

based on the fact that he serves on a total of four

publicly traded boards, including Investor AB.

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Investor AB states that it aims *to generate long-term returns for*

stockholders

by owning and developing companies with a long-term

ownership horizon. Investor AB has reported that over the past 20 years,

the company has generated a total return of 13% per annum, which

according to Investor AB compares favorably to returns generally

available

over

the

same

period

in

the

Swedish

stock

market.

Investor AB's stated objective is to *grow its net asset value*. Investor AB explains that this is achieved through increasing the value of each underlying holding. Mr. Ekholm's participation on various boards, including NASDAQ OMX's Board, serves to *deliver increased value to* stockholders of NASDAQ OMX.

Investor AB, with the stated total net asset value of \$25 billion in 15 long-term holdings, is, based on its SEC filings, one of NASDAQ OMX's largest stockholders, beneficially owning approximately 19 million shares of

NDAQ.

We

are

not

presently

aware

of

any

material

conflicts

of

interest

between NASDAQ OMX and Investor AB.

Source of Investor AB factual information: www.investorab.com

As CEO of Investor AB, Mr. Ekholm is expected to participate in the management of the investments made by the holding company.

Mr. Ekholm serves on two SEC registered company boards, NASDAQ OMX

and Ericsson. Mr. Ekholm also serves on the boards of Investor AB and Husqvarna, which are not SEC registered companies.

DIRECTOR NOMINEE
BORJE EKHOLM
NASDAQ OMX Board of Directors recommends that shareholders vote

FOR the election of director nominee Börje Ekholm. Mr. Ekholm's role on the NASDAQ OMX Board is to deliver increased value to our stockholders.

Glass Lewis has recommended a

FOR vote, acknowledging Mr. Ekholm's role in increasing shareholder value and noting that he serves on a fewer number of boards this year than in prior years.

ISS Europe understands the Investor AB business model and has not issued an overboarding comment on Mr. Ekholm.

ISS U.S has recommended AGAINST Mr.

Ekholm based on the fact that he serves on a total of four publically traded boards, including Investor AB.

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Mr. Ekholm is the manager of Investor AB's interests in NASDAQ OMX.

His actions, insights and experience at the Board meetings *have to date* delivered substantial value for NASDAQ OMX stockholders.

ISS Europe understands the Investor AB business model and has not

issued an
overboarding
comment
on
Mr.
Ekholm.
Mr.
Ekholm's
primary
role on the NASDAQ OMX Board is *to generate long-term returns for*
stockholders.

Mr.
Ekholm's
service
on
four
public
company
Boards
is his
primary job at Investor AB.
Mr. Ekholm began his career at McKinsey before joining Investor AB. At
Investor AB, Mr. Ekholm led an early stage venture capital company and
new investment
operations
before
assuming
his
current
role.
Mr.
Ekholm
holds an M.S. in Electrical Engineering (Royal Institute of Technology,
Stockholm) and M.B.A. (INSEAD, France).
Source of Investor AB factual information: www.investorab.com

NASDAQ OMX Nominating and Governance Committee members have discussed the matter of simple majority vote and will place the topic

on
the 2012 committee meeting agenda.

STOCKHOLDER
PROPOSAL: ADOPTION
OF A SIMPLE MAJORITY
VOTE

NASDAQ OMX Board of
Directors Recommends a Vote
AGAINST

this Stockholder
Proposal.

ISS has recommended voting FOR
this proposal, noting it would enhance
shareholder rights.

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NASDAQ OMX's certificate of incorporation and by-laws require more
than a majority vote for a limited number of actions, such as removal of
directors, stockholder amendments to the by-laws and certain
amendments

to
the
certificate
of
incorporation.

This
requirement
is
intended
to
protect
our
stockholders
against
coercive
tactics
in
a
small
number of significant corporate matters.

Because we operate securities exchanges in the U.S., the Exchange Act
requires that the Securities and Exchange Commission review and/or
approve most amendments to our certificate of incorporation and by-
laws. The current language in the NASDAQ OMX certificate of
incorporation and by-laws has been approved by the Securities and
Exchange Commission.

NASDAQ OMX is unable to determine if the Securities and Exchange
Commission would accept the amendments being proposed by the
stockholder.

Pursuant to this stockholder proposal an *investor owning a single share*
of
NASDAQ
OMX
stock
may
be
able
to
call
a
special

meeting.

STOCKHOLDER

PROPOSAL: SPECIAL

SHAREHOLDER

MEETINGS

NASDAQ OMX Board of

Directors Recommends a Vote

AGAINST

this Stockholder

Proposal.

ISS and Glass Lewis have

recommended a vote FOR

this

proposal noting that it would provide

stockholders with a means to call a

special meeting to vote on issues that

may arise between annual meetings.

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The low threshold suggested to call a special stockholder meeting could

subject the organization to disruption (and impose costs) from an

individual

or

special

interest

groups,

who

have

no

fiduciary

duties

to

other

stockholders

and

who

may

have

an

agenda

that

is

not

in

the

best

interest of the majority of stockholders or the company.

Throughout the year NASDAQ OMX executives regularly engage in

dialogue with stockholders, inviting comments on corporate governance

and executive compensation matters. Matters of importance to

stockholders are regularly communicated to the Board.

Amending NASDAQ OMX's certificate of incorporation and by-laws as suggested by the stockholder proposal would require review and/or approval by the Securities and Exchange Commission. NASDAQ OMX is unable to determine if the Securities and Exchange Commission would accept the proposed amendments.

NASDAQ OMX annual stockholder outreach includes in-person investor meetings, quarterly earnings presentations, SEC filings and frequent electronic and web communications.

**NASDAQ OMX
STOCKHOLDER
ENGAGEMENT**

NASDAQ OMX management recognizes the importance of communication with a wide range of stakeholders, including stockholders; we listen and act on stockholder feedback and

suggestions.

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NASDAQ OMX executives regularly engage with institutional stockholders as part of our outreach program to discuss corporate strategy and performance, corporate governance matters and executive compensation matters.

At NASDAQ OMX Investor Day (May 10, 2012) management is presenting information regarding NASDAQ OMX, its strategy and

financial

outlook

to

investors.

A

webcast

of

the

2012

Investor

Day

may

be

found

at

www.nasdaqomx.com

Investor

Relations

link.

Stockholder and investor events take place at the NASDAQ Marketsite in New York City throughout the year.

NASDAQ
OMX
Board
of
Directors
recommends
a
vote
FOR
the
election of all director nominees.
DIRECTOR NOMINEES &

NOMINATING PROCESS

Director Nominees:

Steven D. Black

Börje Ekholm

Robert Greifeld

Glenn H. Hutchins

Essa Kazim

John D. Markese

Ellyn A. McColgan

Thomas F. O Neill

James S. Riepe

Michael R. Splinter

Lars Wedenborn

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Evaluation of director nominees by the NASDAQ OMX Nominating and Governance Committee includes a review of skills, qualifications, characteristics and experience with the objective of having a board with a diverse background and experience in the areas of global business, finance, legal and regulatory, technology and marketing.

The NASDAQ OMX Nominating and Governance Committee seeks certain characteristics in all director nominees including a high level of integrity, personal and professional ethics, sound business judgment, ability and willingness to commit sufficient time to fulfill board responsibilities and a commitment to represent the long-term interests of NASDAQ OMX stockholders.

The Nominating and Governance Committee, in evaluating director nominees, considers each candidate in the context of the board as a whole with the objective of maintaining a board that represents the interest of stockholders while furthering the success of NASDAQ OMX.

NASDAQ OMX CORPORATE GOVERNANCE BEST PRACTICES

Majority Voting for Directors in Uncontested Elections
Annual Election of Directors
Majority Independent Board
Three Fully Independent Committees
Board Regularly Meets in Executive Session
All Directors Attended More Than 75% of Board and Committee Meetings
Annual Board and Committee Evaluations
Corporate Governance Guidelines
Global Ethics Program and Confidential Whistleblower Process
No Poison Pill
Comprehensive Succession Planning Program
Strong Risk Management Program
Corporate Sustainability Program

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NASDAQ OMX EXECUTIVE COMPENSATION BEST PRACTICES

- Pay for Performance Philosophy
- Elimination of Share Recycling Provision
- Stock Ownership Guidelines

Stock Holding Requirement

- Prohibition on Short Selling
- Frozen Pension Plan and SERP
- Limited Severance Arrangements
 - Double Trigger

Change in Control Agreements

- Elimination of Tax-Gross Up Payments on Severance Arrangements
- Limited Perquisites
- Incentive Recoupment Policy (Clawback Policy)
- Limited Employment Agreements
- Engagement of Independent Compensation Consultant
- Extensive Risk Assessment of Compensation Programs

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QUESTIONS REGARDING THE NASDAQ OMX ANNUAL MEETING AND RELATED
PROPOSALS MAY BE DIRECTED TO
CORPORATE
SECRETARY:
JOAN.CONLEY@NASDAQOMX.COM
OR

INVESTOR
RELATIONS:
JOHN.SWEENEY@NASDAQOMX.COM