NASDAQ, INC.
Form DEF 14A
March 29, 2017
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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

Nasdaq, Inc.

(Name of Registrant as Specified In its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

X No fee required.

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(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

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(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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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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MARCH 29, 2017

Dear Fellow Stockholders,

The Board of Directors works closely with the management team to develop and execute a sound strategic and governance framework to ensure Nasdaq is focused on the issues, investments and application of resources that will position the company to realize its fullest potential and maximize long-term value creation. In 2016, as stewards of your company, we helped guide Nasdaq through a period of significant progress that we believe further establishes a foundation for the company to better serve its clients and the capital markets in the months and years to come. We are pleased to share with you our progress and thoughts on the year regarding the actions we took on your behalf.

Leadership for the Future

Cultivating a leadership team with strong vision and a diverse skillset has always been a priority for this Board. Detailed succession planning and talent development are vital to sound management of risk and the achievement of our long-term objectives. Following a well-developed, multi-year succession plan, we were extremely pleased to appoint Adena T. Friedman as President and CEO of Nasdaq. Having spent most of her career at Nasdaq, Adena brings a passion, energy and insight to the role that we believe uniquely positions her for success. She was instrumental in helping Bob Greifeld steer the strategic transformation of the company s business model which now generates approximately 75% of its revenue from subscription and recurring sources. We look forward to continuing to work with her as she builds on the remarkable progress made over the last 14 years under Bob s leadership. This, along with the other additions to the leadership team, including the appointment of Michael Ptasznik as EVP, Corporate Strategy and CFO, Stacie Swanstrom as EVP, Corporate Solutions and Bjørn Sibbern as EVP, Global Information Services, gives us great confidence in the company s ability to continue to execute on its long-term strategy and growth objectives.

In addition, there were significant leadership transitions announced at the Board level. Börje E. Ekholm, who served as Chairman of our Board from May 2012 through December 2016, will end his service as a director at our 2017 Annual

Meeting after being named CEO of Ericsson. We thank Börje for his service and contributions to the Board and Nasdaq and wish him well. Bob Greifeld, who stepped in to act as Chairman of the Board in January 2017 during this period of transition, also will end his service as a director at the 2017 Annual Meeting. We also wish to thank Bob for his 14 years of service as CEO of Nasdaq. During his tenure, he took Nasdaq from a small U.S. equities exchange to a global financial technology and capital markets franchise that is worth over $11 billion today. Following our 2017 Annual Meeting, the Board will elect a new Chairman. We continue to evaluate our Board composition to ensure that we have the right balance of viewpoints and expertise.

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Oversight of Allocation of Capital and Long-Term Strategic Priorities

Sound capital allocation continues to play an important role in the company s strategy and the achievement of its long-term objectives. The Board is fully involved in thoughtful allocation of capital and the investments the company makes in its future. To this end, we re-initiated the Finance Committee in 2016 to review the corporate capital plan and ensure we remain focused on maximizing value for our stockholders through the strategic deployment of capital.

In 2016, Nasdaq continued to execute across a number of areas that greatly enhance its capabilities to serve clients and strengthen its competitive position as a leading provider to the global capital markets. For example, we completed four strategic transactions that enhance our capabilities across our Market Services segment with the acquisitions of the International Securities Exchange, the operator of three U.S. equity options exchanges, and Nasdaq CXC, formerly Chi-X Canada, an alternative Canadian equity trading platform, and across our Corporate Solutions business with the acquisitions of Marketwired, a global provider of news distribution services, and Boardvantage, a leading board collaboration and productivity platform. The company is well on its way to achieve the synergy targets for these acquisitions along with the benefits they provide the business and clients.

In addition, the company continued to make progress with important organic investments such as NFX, Nasdaq s energy futures market, which has represented one of the most successful market launches in the company s history. NFX continues to grow both volumes and client base since its launch in 2015 and continues to play a vital role in Nasdaq s overall long-term growth strategy.

Technology has always been fundamental to Nasdaq s strategy to better serve its clients, and as such, the Board is keenly focused on investments in areas that are driving its future. Last year, the company made significant progress to enhance its use of emerging technologies like blockchain, machine intelligence and the cloud. Staying ahead of these trends is vital to evolving and advancing the company s Market Technology segment and continuing to meet clients growing demand for these services as the pace of technology change accelerates across the industry. The high point of these efforts in 2016 was the development of the Nasdaq Financial Framework, which brings together all the elements of Nasdaq s market technology capabilities into a single platform. This framework will enable clients to take full advantage of all the technology that Nasdaq continues to invest in and develop and accelerate the pace of their own initiatives and objectives.

Core to this effort is Nasdaq s robust R&D process, which continues to fund key proofs of concept like the blockchain-driven proxy voting solution that we are developing in Estonia as well as many others. The Board will continue actively to monitor the R&D process to ensure that Nasdaq is developing the kinds of opportunities that better serve clients and lead to long-term value creation.

Cybersecurity is another area of increasing focus for us. Cybersecurity is a critical component of our risk assessment and mitigation framework. To this end, Nasdaq today utilizes an array of tools, processes and policies to prevent, detect and respond to attacks and ultimately to mitigate risk for its own internal systems and those of its client-facing systems. To this end, in 2016 the Audit Committee approved a strategic plan that establishes a critical long-term framework to monitor and mitigate cyber risk.

Developing and Maintaining a Strong Ethical Culture

In addition to ensuring a long-term focus, sound capital allocation management practices and measures to control risk, the Board works very closely with the management team to ensure that a proper ethical tone is established at the top. Nasdaq plays a vital role in the global economy that is built on trust and doing the right thing. As a role model to companies, regulators and the clients and constituents we serve, we take this responsibility very seriously, and acting with integrity is a core value of our culture. As such, the Board regularly reviews the company s initiatives and programs to ensure the ongoing development of a strong ethical culture. Last year the company rolled out a number of new initiatives internally to increase awareness of ethics and compliance issues and strengthen channels for employees to anonymously bring potential issues to the management team. Our strong commitment to our values, transparency and sound business practices have always been crucial to our success and a top focus of the management team and the Board.

Listening to Your Views

In addition to the highlights and areas of focus mentioned above, your feedback and input are vital to the progress we make as a public company. As such, we continue to work with stockholders to increase the level and transparency of our stockholder engagement. As an example and as a result of your input, last year we adopted proxy access, which enables stockholders that meet the requirements set forth in the By-Laws to place a limited number of additional nominees for director on the ballot. We view engagement with our stockholders as vital to our long-term success.

Finally, your support is important and we value your opinions, suggestions and feedback about our company and governance practices. You can submit your views by writing to us at: **AskBoard@nasdaq.com** or Nasdaq Board of Directors c/o Joan Conley, SVP and Corporate Secretary, 805 King Farm Blvd., Rockville, MD 20850.

Nasdaq continues to play a critical role at the intersection of the capital markets and technology. Through a thoughtful strategic approach and governance framework, the Board will continue to work on your behalf to ensure Nasdaq continues advancing its business to better serve broker-dealers, exchange operators, clients, investors and employees and foremost you, our stockholders. We thank you again for your support and confidence.

The Board of Directors of Nasdaq, Inc.

March 29, 2017

Charlene T. Begley / Steven D. Black / Börje E. Ekholm / Adena T. Friedman

Robert Greifeld / Glenn H. Hutchins / Essa Kazim / Thomas A. Kloet

Ellyn A. McColgan / Michael R. Splinter / Lars R. Wedenborn

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Wednesday, May 10, 2017

8:30 a.m. (EDT)

Nasdaq

FMC Tower

2929 Walnut Street

Philadelphia, PA 19104

To the Stockholders of Nasdaq, Inc.:

You are receiving this proxy statement because you were a stockholder at the close of business on the record date of March 13, 2017 and are entitled to vote at the meeting. The Annual Meeting will be held to:

· elect nine directors for a one-year term;

· approve the company s executive compensation on an advisory basis;

· conduct an advisory vote on the frequency of future advisory votes on executive compensation;

- ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017;

- consider a stockholder proposal described in the accompanying proxy statement, if properly presented at the meeting; and

- transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the meeting.

We urge you to read the attached proxy statement for additional information concerning the matters to be considered at this meeting.

If you plan to attend the meeting in Philadelphia, you will need to request an admission ticket in advance and present a valid form of photo identification and proof of ownership of our common stock as of the record date as detailed on page 69 of the proxy statement. Please plan to arrive at the meeting location in enough time to check in and join the meeting.

If you are unable to attend in person, please join the live webcast from our Investor Relations website.

By Order of the Board of Directors,

Adena T. Friedman

President and CEO

New York, New York

March 29, 2017

How to Vote

Your vote is important. You are eligible to vote if you were a stockholder of record at the close of business on March 13, 2017.

Please read the proxy statement with care and vote right away using any of the following methods and your control number.

By Internet Using Your Tablet or Smart Phone

Scan this QR code 24/7 to vote with your mobile device

By Phone

Call +1 800 690 6903 in the U.S. or Canada to vote your shares

By Internet Using Your Computer

Visit 24/7

www.proxyvote.com

By Mail

Cast your ballot, sign your proxy card and return by free post

Attend the Annual Meeting

Vote in Person

Join the live webcast of the meeting from our Investor Relations website:

http://ir.nasdaq.com/annual-meeting-info.cfm

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COBRA	Consolidated Omnibus Budget Reconciliation Act
ECIP	Executive Corporate Incentive Plan
EQUITY PLAN	Nasdaq s Equity Incentive Plan
ESPP	Employee Stock Purchase Plan
EXCHANGE ACT	Securities Exchange Act of 1934, as amended
FASB ASC TOPIC 718	Financial Accounting Standards Board Accounting Standards Codification Topic 718, Stock Compensation
GAAP	Generally Accepted Accounting Principles
H.E.	His Excellency
	Initial Public Offering

IPO	
NEO	Named Executive Officer
PCAOB	Public Company Accounting Oversight Board
PSUs	Performance Share Units
RSUs	Restricted Stock Units
SEC	U.S. Securities and Exchange Commission
S&P	Standard & Poor s
TSR	Total Stockholder Return

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This summary highlights information contained elsewhere in this proxy statement. It does not contain all of the information that you should consider in voting your shares. You should read the entire proxy statement, as well as our 2016 annual report on Form 10-K, carefully before voting.

Voting Roadmap

Proposal	Our Board s Recommendation
Proposal 1. Election of Directors (Page 14)	
The Board and Nominating & Governance Committee believe that the nine director nominees possess the skills, experience and diversity to effectively monitor performance, provide oversight and advise management on the company s long-term strategy.	FOR EACH NOMINEE
Proposal 2. Approval of the Company s Executive Compensation on an Advisory Basis (Page 27)	
The company seeks a non-binding advisory vote to approve the compensation of its NEOs as described in the Compensation Discussion and Analysis section beginning on page 28. The Board values stockholders opinions and the Management Compensation Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	FOR

Proposal 3. Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation (Page 58)	
The company seeks a non-binding advisory vote to approve the frequency of future advisory votes on executive compensation. The Board recommends that the advisory vote to approve executive compensation occur every year and believes this frequency is appropriate at this time.	ONE YEAR
Proposal 4. Ratification of the Appointment of Ernst & Young LLP as Our Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2017 (Page 61)	
The Board and Audit Committee believe that the retention of Ernst & Young LLP to serve as the company s independent auditor for 2017 is in the best interests of the company and its stockholders.	FOR
Proposal 5. Stockholder Proposal - Right to Act by Written Consent (Page 62)	
The Board believes that the stockholder proposal to allow stockholder action by written consent is inconsistent with Nasdaq s commitment to transparency in governance and not in the best interests of Nasdaq and its stockholders.	AGAINST

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PROXY SUMMARY

Performance Highlights

Nasdaq delivered excellent results for stockholders in 2016 as we continued to propel our business forward and position ourselves as a financial technology leader.

86.2%	3-Year Cumulative Total Stockholder Return, significantly outperforming both the S&P 500 and Nasdaq Composite [1]

Key Acquisitions Completed: Boardvantage, International Securities Exchange, Marketwired and Nasdaq CXC (formerly known as Chi-X Canada)	1-Year Total Stockholder Return [1]	Returned to Stockholders in Repurchased Stock and Dividends over the Last Three Years	Year-over-Year Increase in Net Revenues [2]

1. In this proxy statement, TSR is calculated by adding cumulative dividends to the ending stock price, and dividing this by the beginning stock price. A 60-trading-day average is used to calculate the beginning and ending stock prices.

2. Represents revenues less transaction-based expenses.

Board Refreshment

· Adena T. Friedman joined the Board effective January 1, 2017, and Melissa M. Arnoldi has been nominated to join the Board.

- Börje E. Ekholm, Robert Greifeld and Ellyn A. McColgan will leave the Board when their current terms expire at the Annual Meeting.

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Director Nominees

Name	Age	Director Since	Principal Occupation	Independent	Current Committee Memberships[1] AC	FC	MCC	NGC	Other Public Co. Boards
Melissa M. Arnoldi Non-Industry; Public	44	N/A	President, Technology Development, AT&T Services, Inc.	X					None
Charlene T. Begley Non-Industry; Public	50	2014	Retired SVP & Chief Information Officer, General Electric Company	X	X				2
Steven D. Black Non-Industry; Public	64	2011	Co-CEO, Bregal Investments	X			X	X	None
	47	2017				X			None

Adena T. Friedman Staff			President and CEO, Nasdaq, Inc.						
Glenn H. Hutchins Non-Industry; Public	61	2005	Co-Founder, Silver Lake	X		Chair		X	1
Essa Kazim Non-Industry	58	2008	Governor, Dubai International Financial Center; Chairman, Borse Dubai and Dubai Financial Market	X		X			None
Thomas A. Kloet Non-Industry; Public	58	2015	Retired CEO & Executive Director, TMX Group Limited	X	Chair				None
Michael R. Splinter Non-Industry; Public	66	2008	Retired Chairman and CEO, Applied Materials, Inc.	X			Chair		2
Lars R. Wedenborn Non-Industry	58	2008	CEO, FAM AB	X	X				None
					10	5	5	8	

Number of
Meetings in 2016

1. The current Committee composition also includes directors who are not standing for re-election. The Committees will be reconstituted immediately following the 2017 Annual Meeting.

AC: Audit Committee	**MCC: Management Compensation Committee**
FC: Finance Committee	**NGC: Nominating & Governance Commitee**

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The Board of Directors works closely with the management team to develop and execute a sound strategic and governance framework to ensure Nasdaq is focused on the issues, investments and application of resources that will position the company to realize its fullest potential and maximize long-term value creation.

Nasdaq s Board of Directors

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PROXY SUMMARY

Corporate Governance Highlights

We are committed to good corporate governance, as it promotes the long-term interests of stockholders, strengthens Board and management accountability and builds public trust in the company. The Corporate Governance section beginning on page 8 describes our governance framework, which includes the following highlights.

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Engaging with Our Stockholders

We value our stockholders perspectives and maintain a vigorous stockholder engagement program. During 2016, we conducted outreach to a cross-section of stockholders owning approximately 75% of our outstanding shares. In 2016, our key stockholder engagement activities included 6 investor (non-deal) road shows in 8 countries, 19 investor conferences, our Investor/Analyst Day and our 2016 Annual Meeting of Stockholders. We also conducted quarterly outreach to the governance teams at many of our top institutional holders.

Executive Compensation Highlights

Compensation decisions made for 2016 were aligned with Nasdaq s strong financial and operational performance and reflected continued emphasis on variable, at-risk compensation paid out over the long-term. Compensation decisions are intended to reinforce our focus on performance and sustained, profitable growth.

The majority of our NEOs pay is based on performance and consists primarily of equity-based compensation. 90% of our NEOs total direct compensation was performance-based or at risk in 2016; 62% of our NEOs total direct compensation was equity-based compensation. Total direct compensation includes base salary, annual cash incentive awards and equity awards.

Questions and Answers about Our Annual Meeting

Beginning on page 69, you will find answers to frequently asked questions about proxy materials, voting, our Annual Meeting and company filings and reports. We also created an Annual Meeting Information page on our Investor Relations website, which allows our stockholders to easily access the company s proxy materials, vote through the Internet, submit questions in advance of the 2017 Annual Meeting of Stockholders, access the webcast of the meeting and learn more about our company. Come visit us at **http://ir.nasdaq.com/annual-meeting-info.cfm**.

Annual incentives are based on achievement of rigorous performance goals. In 2016, payouts of annual incentives reflected our achievement of above target corporate net revenues and corporate operating income (run rate), in addition to accomplishment of strategic objectives and business unit financial results. The resulting payouts to NEOs ranged from 110%-166% of targeted amounts.

We use long-term incentives to promote retention and reward our NEOs. Our main long-term incentive plan for NEOs consists of PSUs based on TSR relative to other companies, including the S&P 500 companies and a group of peer companies. Over the three-year period from January 1, 2014 through December 31, 2016, Nasdaq s cumulative TSR was 86.2%, which was at the 94th percentile of S&P companies and the 87th percentile of peer companies. This TSR performance resulted in performance vesting of PSUs at 200% of target shares.

Our compensation program is grounded in best practices. Our best practices include strong stock ownership guidelines, a long-standing clawback policy, no tax gross-ups on severance arrangements or perquisites and no hedging or pledging of Nasdaq stock.

Our executive compensation program does not encourage excessive risk-taking.

The Audit and Management Compensation Committees closely monitor the risks associated with our executive compensation program and individual compensation decisions. We conduct a comprehensive risk assessment of our compensation program annually.

Corporate Governance Framework

Nasdaq is committed to stockholder-focused corporate governance, and the Board of Directors has adopted clear corporate policies that promote excellence. Our policies are consistent with our commitment to transparency and best-in-class practices, including annual elections of directors, majority voting for directors in uncontested elections, elimination of supermajority voting requirements and last year s adoption of proxy access.

Our governance framework is designed to promote transparency and ensure our Board has the necessary authority to review and evaluate our business operations and make decisions that are independent of management and in the best interests of stockholders. Our goal is to align the interests of directors, management and stockholders and comply with or exceed the requirements of The Nasdaq Stock Market and applicable law. This governance framework establishes the practices our Board follows with respect to:

- fostering a culture of integrity;
- establishing corporate governance structures, principles and practices that contribute to effective oversight of Nasdaq and its subsidiaries;
- rigorous strategic planning;
- succession planning and evaluating performance and approving compensation of senior management;
- identifying risks and overseeing risk management; and
- overseeing internal controls, communications and public disclosure.

Governance Documents

These documents are available on our Investor Relations webpage at: **http://ir.nasdaq.com/**.

- Amended and Restated Certificate of Incorporation
- Audit Committee Charter

- Board of Directors Duties & Obligations
- By-Laws
- Code of Conduct for the Board of Directors
- Code of Ethics
- Corporate Governance Guidelines
- Finance Committee Charter
- Management Compensation Committee Charter
- Nominating & Governance Committee Charter
- Procedures for Communicating with the Board of Directors

Board Leadership Structure

In accordance with our Corporate Governance Guidelines, Nasdaq separates the roles of Chairman of the Board and CEO. We believe that this separation of roles and allocation of distinct responsibilities to each role facilitates communication between senior management and the full Board about issues such as corporate governance, management development, succession planning, executive compensation and company performance. In November 2016, we adopted a policy to require a Lead Independent Director, if the Chairman of the Board is not an independent director.

Separate Roles of Chairman and CEO. Nasdaq s President and CEO, Adena T. Friedman, who has over 20 years experience in the securities industry, is responsible for the strategic direction, day-to-day leadership and performance of Nasdaq. After retiring as Nasdaq s CEO in December 2016, Robert Greifeld assumed the position of Nasdaq s Chairman from January 2017 through the 2017 Annual Meeting. In appointing Mr. Greifeld as Chairman, the Board determined that doing so would promote a number of important objectives, including providing important continuity to the Board leadership during a period of transition for Nasdaq s management. The Board also took into account Mr. Greifeld s long-standing relationships with other members of the Board of Directors. The Board was uniformly of the view that electing him as Chairman for the transition period through the 2017 Annual Meeting would serve the best interests of stockholders. Mr. Greifeld is not standing for re-election at the 2017 Annual Meeting; following the meeting, the Board will elect a new Chairman.

Role of the Lead Independent Director. At the time Mr. Greifeld became Chairman, the independent directors unanimously elected Michael R. Splinter as Lead Independent Director. Mr. Splinter also serves as Chair of the Management Compensation Committee.

The Lead Independent Director focuses on optimizing the Board s processes and ensuring that the Board is prioritizing the right matters. Specifically, the Lead Independent Director has the following responsibilities (and may also perform other functions at the Board s request), as detailed in our Corporate Governance Guidelines:

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- presiding at all meetings of the Board at which the Chairman is not present;
- presiding during all Executive Sessions of the Board;
- briefing the CEO and the Chairman on issues discussed during Executive Sessions;
- serving as a liaison among the CEO, the Chairman and the other directors; and
- together with the CEO and the Chairman, approving Board meeting agendas and schedules to assure content and sufficient time for discussion of all agenda items.

Board Independence

- **Substantial majority of independent directors.** Eight of our nine director nominees are independent of the company and management.
- **Executive Sessions of independent directors.** At each Board meeting, independent directors have the opportunity to meet in Executive Session without company management present. In 2016, the Board met 15 times in Executive Session.
- **Independent advisors.** Each Committee has the authority and budget to retain independent advisors. In 2016, the Nominating & Governance Committee retained such independent advisors to assist with the annual Board assessment and director recruitment.

Board Committee Independence and Expertise

- **Committee independence.** All Board Committees, with the exception of the Finance Committee, are comprised exclusively of independent directors, as required by the listing rules of The Nasdaq Stock Market.
- **Executive Sessions of independent directors.** At each Committee meeting, members of the Audit Committee, Finance Committee, Management Compensation Committee and Nominating & Governance Committee have the opportunity to meet in Executive Session. In 2016, these Committees met 22 times in Executive Session.

- **Financial sophistication and expertise.** Each member of the Audit Committee is independent as defined in Rule 10A-3 adopted pursuant to the Sarbanes-Oxley Act of 2002 and in the listing rules of The Nasdaq Stock Market. All members of the Audit Committee meet the financial sophistication standard of The Nasdaq Stock Market and are audit committee financial experts within the meaning of SEC regulations.

Stockholder Rights

- **New in 2017: Lead Independent Director.** If the Chairman of the Board is not an independent director, the Board of Directors will annually elect a non-management, independent director to serve in a lead capacity.

- **New in 2016: Proxy Access.** We implemented proxy access at 3%/3 years, through a By-Law amendment to allow stockholder director nominations.

- **Annual elections.** All directors are elected annually. Nasdaq does not have a classified Board.

- **Majority voting.** We have a majority vote standard for uncontested director elections.

- **Special meetings.** Shareholders representing 15% or more of outstanding shares can convene a special meeting.

Meetings and Meeting Attendance

The Board held 15 meetings during the year ended December 31, 2016, and the Board met in Executive Session without management present during 15 of those meetings. None of the current directors attended fewer than 95% of the meetings of the Board and those Committees on which the director served during the 2016 fiscal year. Nasdaq s policy is to encourage all directors to attend annual and special meetings of our stockholders. All of the current members of the Board attended the Annual Meeting held on May 5, 2016.

Nasdaq s Board of Directors: 2016 By the Numbers

	meetings held by the Board of Directors
	times the Board met in Executive Session without management present
	total Board and Committee meetings
	of the current members of the Board attended the Annual Meeting held on May 5, 2016

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Succession Planning

The Board is committed to positioning Nasdaq for further growth through ongoing talent management, succession planning and the deepening of our leadership bench. In this regard, formally on an annual basis and informally throughout the year in Executive Session, the Management Compensation Committee, the Board and the CEO review the succession planning and leadership development program, including a long-term succession plan for development, retention and replacement of senior officers. The Board has a formal process for reviewing internal succession candidates through regular interaction during Board meetings and strategy presentations, individual meetings between directors and potential internal candidates and internal and external feedback from a variety of sources, including meeting with stockholders. In addition, the CEO prepares, and the Board reviews, a short-term succession plan that delineates a temporary delegation of authority to certain officers of the company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. In conjunction with the annual report of the succession plan, the CEO also reports on Nasdaq s program for senior management leadership development.

In 2012, the Board initiated a formal CEO succession plan in anticipation of the potential retirement of Mr. Greifeld at the end of his employment agreement term in February 2017. Over the past five years, the CEO, Board and/or its Committees completed the following CEO succession activities:

· drafted a CEO success profile, including skills, expertise, and competencies, with input from Board members;

· identified and assessed internal and external candidates for succession against the CEO success profile;

· recruited Adena T. Friedman as President in May 2014 with responsibility for the Information Services, Listing Services, Corporate Solutions and Market Technology businesses;

- continued to consider and assess internal and external candidates;
- promoted Ms. Friedman to President and Chief Operating Officer in December 2015;
- continued to consider and assess internal and external candidates throughout 2016; and
- held extensive discussions in Executive Session relating to CEO succession.

At the end of 2016, the Board assessed Ms. Friedman against the CEO success profile, considered her performance in the roles of President and President and Chief Operating Officer and determined her readiness to assume the role of President and CEO as of January 1, 2017. CEO and executive session planning will continue to be a priority for the Board in 2017 and beyond.

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Risk Oversight

Nasdaq s management has day-to-day responsibility for: (i) identifying risks and assessing them in relation to Nasdaq s strategies and objectives, (ii) implementing suitable risk mitigation plans, processes and controls and (iii) appropriately managing risks in a manner that serves the best interests of Nasdaq, its stockholders and other stakeholders. Nasdaq has a Global Risk Management Committee, comprised of employees, that regularly reviews risks for materiality and refers significant risks to the Board or specific Board Committees. To support the work of the Global Risk Management Committee, Nasdaq has a Technology Risk Steering Committee, which is responsible for monitoring technology and cyber systems risks across the organization, a Global Compliance Council, which monitors regulatory and corporate compliance risks across the company, and a Nordic Local Risk Management Forum, which facilitates and ensures an effective risk management process in the region. Nasdaq also has an internal Global Risk Management Group that oversees the enterprise risk management framework, supports its implementation, and aggregates and reports risk information.

Nasdaq s Board has ultimate responsibility for overseeing risk management with a focus on the most significant risks facing the company. The Board is assisted in meeting this responsibility by several Board Committees as described below under Board Committees. Furthermore, non-management directors meet in Executive Session on a regular basis without the presence of management to discuss matters, including matters pertaining to risk. Nasdaq does not believe that the Board s role in risk oversight has affected its leadership structure.

Compensation

- **Stock ownership.** We have stock ownership policies for directors, executive officers and other senior executives to promote a long-term perspective in managing the enterprise and to help align the interests of our stockholders, executives and directors.

- **Anti-hedging, anti-pledging and anti-short sale policy.** We prohibit our directors and executive officers from hedging their ownership of Nasdaq stock, including (without limitation) short sales as well as any hedging transactions in derivative securities (e.g., puts, calls, swaps or collars) related to Nasdaq stock. We also prohibit our directors and executive officers from pledging their shares of Nasdaq stock.

- **Compensation clawback.** We have an incentive recoupment policy that applies to officers with the rank of EVP and above.

Director Orientation and Continuing Education

Our comprehensive orientation programs familiarize new and existing directors with Nasdaq s businesses, strategies and policies and assist new directors in developing the skills and knowledge required for their service on the Board. We also provide in-person or telephonic tutorials to educate Board members regarding new and evolving businesses and strategies. In addition, directors attend continuing education programs at external organizations and universities that provide relevant learning opportunities.

Board and Committee Evaluations

Each year, through an independent consultant, our Board and Board Committees conduct a self-evaluation to assess the governing entities effectiveness and adherence to the Corporate Governance Guidelines and Committee charters. The results of the evaluation provide an opportunity to identify potential areas of improvement, resulting in an action plan for the improvements.

The processes used to determine Board and Committee effectiveness include an annual evaluation of the performance of the Board and each Committee as well as individual Board members. The results are reported to and discussed with the Board in Executive Session.

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CORPORATE GOVERNANCE

Code of Ethics: Board and Employees

We embrace good governance by holding ourselves to the highest ethical standards in all of our interactions. As such, we have adopted the Nasdaq Code of Ethics, which is applicable to the Board, all of our employees, including the principal executive officer, the principal financial officer and the controller and principal accounting officer, and contractors. We also have a separate Nasdaq Code of Conduct for the Board, which contains supplemental provisions specifically applicable to directors. These codes embody the company s fundamental ethics and compliance principles and expectations of business conduct.

These codes are supported by the Global Ethics and Corporate Compliance Program, which is based on industry-leading practices and is designed to meet or exceed available standards, including those promulgated by U.S. and European regulators in the jurisdictions in which we operate. Pillars of the program include structural elements, such as policies, risk assessment, monitoring, training and communications, and key risk areas, including anti-bribery and corruption, data privacy and antitrust and competition. Furthermore, in 2016 we launched our SpeakUp! Program which enhanced existing policies and procedures to ensure that Nasdaq employees and other stakeholders have channels to raise issues, seek guidance and report potential violations of our Code of Ethics or other company policies. The program is administered within the Legal and Regulatory Group and implemented by cross-functional teams representing all areas of the company. Oversight is provided by the Global Compliance Council.

We can only bring the best of Nasdaq to our clients, stakeholders and each other through our unwavering commitment to integrity. Our strong ethical principles form the very cornerstones of our mission and values and are pivotal to everything we do.

Adena T. Friedman, President and CEO

We post amendments to and intend to post waivers from the Nasdaq Code of Ethics (to the extent applicable to the principal executive officer, the principal financial officer or the controller and principal accounting officer) or to the Nasdaq Code of Conduct for the Board on our Investor Relations website. We also will disclose amendments or waivers to the codes in any manner otherwise required by the standards applicable to companies listed on The Nasdaq Stock Market.

Corporate Responsibility and Focus on Entrepreneurship

Nasdaq s Corporate Responsibility Program demonstrates an ongoing commitment to thoughtfully manage our social, environmental and corporate governance operations. Corporate responsibility encompasses a broad range of disciplines within the company, including sustainability, philanthropy, volunteerism and corporate citizenship. Good corporate responsibility practices help us cut costs, create new business opportunities, attract top talent to the company and support the communities where we live and work.

Sustainability. Nasdaq recognizes the growing scarcity of natural resources and our shared responsibility for the betterment of the planet. To that end, we embed sustainability into our corporate structure and way of life. Nasdaq was included in the 2016 Dow Jones Sustainability Index, which honors the most sustainable and transparently operated companies. Our Helsinki Stock Exchange has been carbon-neutral since 2011, and again won recognition for its Green Office programs.

Nasdaq was one of 16 companies selected for the Dow Jones Sustainability North America Index in 2016.

Philanthropy. Nasdaq provides philanthropic assistance to local communities and institutions in a variety of ways. Our donation matching program, open to all employees and contractors, provides 100% corporate matching funds (and sometimes more for specific initiatives) for donations to an IRS-registered, 501(c)(3)-compliant organization. In 2016, over 400 qualifying donations were made through this program, generating $289,000 in charitable impact. We also launched our first global impact matching day Giving Tuesday in 2016, recording nearly $100,000 in donations in 24 hours. Nasdaq again partnered with Angelwish to send toys to chronically ill children. The company also continued a separate contributions program that regularly evaluates charitable causes and institutions for donations, as well as a system for generating need-based donations in times of crisis.

Volunteerism. A robust and inclusive corporate volunteering program benefits not only our company and employees, but also the community. Nasdaq offers employees two paid days per year to donate their time to a worthy cause, and our employees generated a 150% increase in the use of this benefit in 2016. The company sponsored more than a dozen team volunteering events, partnering with New York Cares, Junior Achievement, Mentoring USA, Habitat for Humanity, College Summit and others. Nasdaq also awarded its second annual Volunteer of the Year award.

Corporate Citizenship. In addition to these activities, Nasdaq reinforced its corporate citizenship throughout 2016. By leveraging the Nasdaq MarketSite Opening and Closing Bell platform to publicize dozens of charitable causes and non-profit institutions at no cost Nasdaq enhanced media exposure and public awareness of certain issues, including STEM education, gender equality, health and fitness, disease prevention and literacy.

Focus on Entrepreneurship. The Nasdaq Entrepreneurial Center is a San Francisco-based non-profit organization whose mission is to educate, innovate, and connect aspiring and current entrepreneurs. Since launching in September 2015, the Nasdaq Entrepreneurial Center has developed 185 original programs that have benefitted 5,000 entrepreneurs across the globe. In keeping with a commitment to advancing inclusivity, the Center is proud that 49% of its entrepreneurs are women. To achieve these milestones, the Center has partnered with universities and thought leaders around the world, including Wilson Sonsini Goodrich & Rosati, KPMG, Lehigh University and The University of Melbourne. In addition to its own entrepreneurial education

and original research, the Center supports a wide variety of like-minded organizations, including non-profits, accelerators, investors, universities and government agencies, with curriculum and joint programming to serve local and international audiences.

The Center was established with the support of the Nasdaq Educational Foundation, a non-profit organization whose mission is to connect the business, capital and innovative ideas that advance global economies. In 2016, the Nasdaq Educational Foundation also supported academic programs on entrepreneurship at Columbia University, Fordham University and the Massachusetts Institute of Technology.

Stockholder Outreach

Nasdaq believes that strong corporate governance should include regular, constructive year-round engagement. We actively engage with our stockholders as part of our annual corporate governance cycle as described below.

Spring	Summer	Fall	Winter
· Active outreach with institutional holders to discuss important governance items to be	· Post Annual Meeting results on Nasdaq website	· Conduct annual Board assessment of governance, including feedback of stockholders	· Active outreach with institutional holders to understand their priorities in the areas of

considered at Annual Meeting · Publish annual communications to stockholders: annual report, proxy statement and 10-K · Conduct Annual Meeting	· Review results and feedback from Annual Meeting with institutional holders · Share investor feedback with the entire Board · Active outreach with institutional holders to discuss vote and follow up issues	· Active outreach with institutional holders to identify focus and priorities for the coming year	corporate governance, executive compensation, environmental sustainability and other disclosures · Share investor feedback with the entire Board · Review governance best practices and trends, regulatory developments and our governance framework

Stockholder Communication with Directors

Stockholders and other interested parties are invited to contact the Board by writing us at: **AskBoard@nasdaq.com** or Nasdaq Board of Directors, c/o Joan C. Conley, SVP and Corporate Secretary, 805 King Farm Boulevard, Rockville, Maryland 20850.

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The Board of Directors unanimously recommends a vote FOR each of the nominees for director.

Proposal 1: Election of Directors

The business and affairs of Nasdaq are managed under the direction of our Board of Directors. Our directors have diverse backgrounds and experience and represent a broad spectrum of viewpoints.

Pursuant to our Amended and Restated Certificate of Incorporation and By-Laws and based on our governance needs, the Board may determine the total number of directors. The Board is authorized to have nine directors following our 2017 Annual Meeting.

Each of the nine nominees identified in this proxy statement has been nominated by our Nominating & Governance Committee and Board of Directors for election to a one-year term. All nominees have consented to be named in this proxy statement and to serve on the Nasdaq Board, if elected.

In an uncontested election, our directors are elected by a majority of votes cast at any meeting for the election of directors at which a quorum is present. This election is an uncontested election and therefore, each of the nine nominees must receive the affirmative vote of a majority of the votes cast to be duly elected to the Board. Any shares not voted, including as a result of abstentions or broker non-votes, will not impact the vote.

Our Corporate Governance Guidelines require that, in an uncontested election, an incumbent director must submit an irrevocable resignation as a condition to his or her nomination for election. If an incumbent director fails to receive the requisite number of votes in an uncontested election, the irrevocable resignation becomes effective and such resignation will be considered by the Nominating & Governance Committee. This Committee will recommend to the full Board whether or not to accept the resignation. The Board is required to act on the recommendation and to disclose publicly its decision-making process with respect to the resignation. All the incumbent directors have submitted an irrevocable resignation.

Director Nomination Process

The Nominating & Governance Committee considers possible candidates suggested by Board and Committee members, industry groups, stockholders and senior management. In addition to submitting suggested nominees to the Nominating & Governance Committee, a Nasdaq stockholder may nominate a person for election as a director, provided the stockholder follows the procedures specified in Nasdaq s By-Laws. The Nominating & Governance Committee reviews all candidates in the same manner, regardless of the source of the recommendation. In addition, the Nominating & Governance Committee may engage a third-party search firm from time-to-time to assist in identifying and evaluating qualified candidates. The Nominating & Governance Committee has retained the search firm of Spencer Stuart to help identify director prospects, perform candidate outreach, assist in reference and background checks and provide other related services. For 2017, the new nominee to our Board was brought to the attention of the Nominating & Governance Committee by one of our current directors.

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We are obligated by the terms of a stockholders agreement dated February 27, 2008 between Nasdaq and Borse Dubai, as amended, to nominate and generally use best efforts to cause the election to the Nasdaq Board of one individual designated by Borse Dubai, subject to certain conditions. H.E. Kazim is the individual designated by Borse Dubai as its nominee.

Director Independence

Nasdaq s common stock is currently listed on The Nasdaq Stock Market and Nasdaq Dubai. In order to qualify as independent under the listing rules of The Nasdaq Stock Market, a director must satisfy a two-part test. First, the director must not fall into any of several categories that would automatically disqualify the director from being deemed independent. Second, no director qualifies as independent unless the Board affirmatively determines that the director has no direct or indirect relationship with the company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Under the Nasdaq Dubai listing rules and the Markets Rules of the Dubai Financial Services Authority, a director is considered independent if the Board determines the director to be independent in character and judgment and to have no commercial or other relationships or circumstances that are likely to affect, or could appear to impair, the director s judgment in a manner other than in the best interests of the company.

Based upon detailed written submissions by each individual, the Board has determined that all of our current directors and director nominees are independent under the rules of each of The Nasdaq Stock Market and Nasdaq Dubai, other than Ms. Friedman and Mr. Greifeld. Ms. Friedman is deemed not to be independent because she is Nasdaq s President and CEO. Mr. Greifeld is deemed not to be independent because he is Nasdaq s Chairman, which is currently an executive officer position.

None of the current directors or director nominees are party to any arrangement with any person or entity other than

the company relating to compensation or other payments in connection with the director s or nominee s candidacy or service as a director, other than arrangements that existed prior to the director s or nominee s candidacy.

Director Criteria, Qualifications, Experience and Tenure

In evaluating the suitability of individual Board nominees, the Nominating & Governance Committee takes into account many factors, including a general and diverse understanding of the global economy, capital markets, finance and other disciplines relevant to the success of a large publicly-traded financial technology company; a general understanding of Nasdaq s business and technology; the classification requirements under our By-Laws; the individual s educational and professional background and personal accomplishments; and factors such as geography, gender, age and diversity. The Committee evaluates each individual candidate in the context of the Board as a whole, with the objective of maintaining a group of directors that can further the success of Nasdaq s business, while representing the interests of stockholders, employees and the communities in which the company operates. In determining whether to recommend a Board member for re-election, the Nominating & Governance Committee also considers the director s past attendance at meetings, participation in and contributions to the activities of the Board and the most recent Board self-assessment.

The average Board tenure of Nasdaq s independent director nominees is 6.3 years compared to 8.2 years for S&P 500 companies.

As illustrated below, the Board and the Nominating & Governance Committee believe there are certain characteristics all director nominees exhibit.

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BOARD OF DIRECTORS

Our Director Nominees

In addition, there are other attributes, skills and experience that should be represented on the Board as a whole, but not necessarily by each director. The table below summarizes key qualifications, skills and attributes most relevant to the decision to nominate candidates to serve on the Board of Directors. A mark indicates a specific area of focus or expertise on which the Board relies most. The lack of a mark does not mean the director does not possess that qualification or skill. Each director biography below describes each director s qualifications and relevant experience in more detail.

	Capital Markets	Cybersecurity	FinTech	Mergers & Acquisitions	Public Company Board & Corporate Governance	Risk Management	Senior Leadership
Melissa M. Arnoldi							
Charlene T. Begley							
Steven D. Black							
Adena T. Friedman							

Glenn H. Hutchins

Essa Kazim

Thomas A. Kloet

Michael R. Splinter

Lars R. Wedenborn

Melissa M. Arnoldi

Age: 44

Director since: N/A

Other Public Company Boards: None

Nasdaq Board Committees: N/A

Ms. Arnoldi has been President of Technology Development at AT&T Services, Inc., a telecommunications company, since September 2016. Ms. Arnoldi has served in various capacities at AT&T since 2008 including: SVP, Technology Solutions & Business Strategy, from December 2014 to September 2016; VP, IT Strategy &

Business Integration, from December 2012 to December 2014; and AVP, IT from January 2008 to December 2012. Prior to AT&T, Ms. Arnoldi was a partner in the Communications & High Technology Industry Group at Accenture Ltd. from 2006-2008 serving in various other capacities from 1996-2008.

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Charlene T. Begley

Age: 50

Director since: 2014

Other Public Company Boards: Red Hat, Inc. (Audit and Nominating and Governance Committees); WPP plc (Audit and Nominating and Governance Committees)

Nasdaq Board Committees: Audit

Ms. Begley served in various capacities for the General Electric Company, a diversified infrastructure and financial services company, from 1988-2013. Ms. Begley served in a dual role as SVP and Chief Information Officer, as well as President and CEO of GE s Home and Business Solutions Office, from January 2010-December 2013. Previously, Ms. Begley served as President and CEO of GE s Enterprise Solutions from 2007-2009. At GE, Ms. Begley served as President and CEO of GE Plastics and GE Transportation. She also led GE s Corporate Audit staff and served as CFO for GE Transportation and GE Plastics Europe and India.

Steven D. Black

Age: 64

Director since: 2011

Other Public Company Boards: None

Nasdaq Board Committees: Management Compensation and Nominating & Governance

Mr. Black has been Co-CEO of Bregal Investments, a private equity firm, since September 2012. He was the Vice Chairman of JP Morgan Chase & Co. from March 2010-February 2011 and a member of the firm s Operating and Executive Committees. Prior to that position, Mr. Black was the Executive Chairman of JP Morgan Investment Bank from October 2009-March 2010. Mr. Black served as Co-CEO of JP Morgan Investment Bank from 2004-2009. Mr. Black was the Deputy Co-CEO of JP Morgan Investment Bank since 2003. He also served as head of JP Morgan Investment Bank s Global Equities business since 2000 following a career at Citigroup and its predecessor firms.

Adena T. Friedman

Age: 47

Director since: 2017

Other Public Company Boards: None

Nasdaq Board Committees: Finance

Ms. Friedman was appointed President and CEO and elected to the Board effective January 1, 2017. Previously, Ms. Friedman served as President and Chief Operating Officer since December 2015. Ms. Friedman rejoined Nasdaq in 2014 as President, after serving as CFO and Managing Director at The Carlyle Group, a global alternative asset manager, from March 2011 to June 2014. Prior to joining Carlyle, Ms. Friedman was a key member of Nasdaq s management team for over a decade including as head of data products, head of corporate strategy and CFO.

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BOARD OF DIRECTORS

Glenn H. Hutchins

Age: 61

Director since: 2005

Other Public Company Boards: AT&T Inc.

Nasdaq Board Committees: Finance (Chair) and Nominating & Governance

Mr. Hutchins is a Co-Founder of Silver Lake, a technology investment firm that was established in January 1999 where he served as Managing Director and Co-CEO until 2011. Mr. Hutchins serves as a director of the Federal Reserve Bank of New York. He served as Chairman of the Board of SunGard Capital Corp. and SunGard Capital Corp. II until November 2015.

Essa Kazim

Age: 58

Director since: 2008

Other Public Company Boards: None

Nasdaq Board Committees: Finance

H.E. Kazim has been Governor of the Dubai International Financial Center since January 2014. Since 2006, he has served as Chairman of Borse Dubai and Chairman of the Dubai Financial Market. H.E. Kazim began his career as a Senior Analyst in the

Research and Statistics Department of the UAE Central Bank in 1988 and then he moved to the Dubai Department of Economic Development as Director of Planning and Development in 1993. He was then appointed Director General of the Dubai Financial Market from 1999-2006. H.E. Kazim is Deputy Chairman of the Supreme Legislation Committee in Dubai and a member of the Supreme Fiscal Committee of Dubai.

Thomas A. Kloet

Age: 58

Director since: 2015

Other Public Company Boards: None

Nasdaq Board Committees: Audit (Chair)

Mr. Kloet was the first CEO and Executive Director of TMX Group Limited, the holding company of the Toronto Stock Exchange; TSX Venture Exchange; Montreal Exchange; Canadian Depository for Securities; Canadian Derivatives Clearing Corporation and the BOX Options Exchange, from 2008-2014. Previously, he served as CEO of the Singapore Exchange and as a senior executive at Fimat USA (a unit of Société Générale), ABN AMRO and Credit Agricole Futures, Inc. He also served on the Boards of CME and various other exchanges worldwide. Mr. Kloet is a CPA and a member of the AICPA. He is also a member of the U.S. Commodity Futures Trading Commission s Market Risk Advisory Committee and was inducted into the FIA Hall of Fame in March 2015. Mr. Kloet is a Trustee of Northern Funds, which offers 44 portfolios, and Northern Institutional Funds, which offers 7 portfolios. Mr. Kloet also chairs the Boards of Nasdaq s U.S. exchange subsidiaries.

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Michael R. Splinter

Age: 66

Director since: 2008

Other Public Company Boards: Meyer Burger Technology Ltd; TSMC, Ltd.

(Audit and Compensation Committees)

Nasdaq Board Committees: Management Compensation (Chair)

Mr. Splinter was elected Lead Independent Director of Nasdaq s Board effective January 1, 2017. He is a business and technology consultant and the co-founder of WISC Partners, a regional technology venture fund started in June 2016. He served as Executive Chairman of the Board of Directors of Applied Materials, a leading supplier of semiconductor equipment from September 2013 until he retired in June 2015. At Applied Materials, he served as Chairman of the Board of Directors from March 2009-September 2013 and CEO from April 2003-September 2013. An engineer and technologist, Mr. Splinter is a 40-year veteran of the semiconductor industry. Prior to joining Applied Materials, Mr. Splinter was an executive at Intel Corporation. Mr. Splinter was elected to the National Academy of Engineers in 2017.

Lars R. Wedenborn

Age: 58

Director since: 2008

Other Public Company Boards: None

Nasdaq Board Committees: Audit

Mr. Wedenborn is CEO of FAM AB, which is owned by the three largest Wallenberg foundations. He started his career as an auditor. During 1991-2000, he was Deputy Managing Director and CFO at Alfred Berg, a Scandinavian investment bank. He served with Investor AB, a Swedish industrial holding company, as EVP and CFO from 2000-2007. Mr. Wedenborn was a member of the Board of OMX AB prior to its acquisition by Nasdaq. Mr. Wedenborn was elected Chairman of the Nasdaq Nordic Ltd. Board in October 2009.

Board Committees

Our Board has four standing Committees: an Audit Committee, a Finance Committee, a Management Compensation Committee and a Nominating & Governance Committee. Each of these Committees, other than the Finance Committee, is composed exclusively of directors determined by the Board to be independent. The Chair of each Committee reports to the Board in Chairman s Session or Executive Session on the topics discussed and actions taken at each meeting. The Lead Independent Director is responsible for chairing the Executive Sessions of the Board and reporting to the CEO, Chairman and Corporate Secretary on any actions taken during Executive Sessions. A description of each standing Committee is included on the following pages.

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BOARD OF DIRECTORS

Audit Committee

Meetings in 2016

Thomas A. Kloet (Chair)

Charlene T. Begley

Ellyn A. McColgan

Lars R. Wedenborn

Individual characteristics of Audit Committee members support a group dynamic that drives a Board towards excellence.

Thomas A. Kloet

Key Objectives:

· Oversees Nasdaq s financial reporting process on behalf of the Board.

· Appoints, retains, approves the compensation of and oversees the independent registered public accounting firm.

· Assists the Board by reviewing and discussing the quality and integrity of accounting, auditing, staffing and financial reporting practices at Nasdaq.

· Assists the Board by reviewing the adequacy and effectiveness of internal controls and the effectiveness of Nasdaq s enterprise risk management, corporate compliance and regulatory programs.

· Reviews key enterprise risk management, regulatory, control and compliance matters.

· Reviews and approves or ratifies all related party transactions, as further described below under Certain Relationships and Related Transactions.

· Assists the Board in reviewing and discussing Nasdaq s Global Ethics and Corporate Compliance Program and confidential whistleblower process.

· Assists the Board in its oversight of the internal audit function.

· Reviews and recommends to the Board for approval the company s regular dividend payments.

· Updates the Board on discussions and decisions from the Audit Committee meetings.

2016 Highlights:

· Oversaw Nasdaq s financial reporting process, reviewing the disclosures in the company s quarterly earnings releases, quarterly reports on Form 10-Q and annual report on Form 10-K.

· Reviewed non-GAAP disclosures, impairment assessments and the impact or potential impact of changes in various accounting standards.

· Provided oversight on the performance of the internal audit function during the year.

· Oversaw control remediation efforts by management.

· Reviewed and discussed the company s enterprise risk management process including its governance structure, risk assessment and risk management practices and guidelines.

- Reviewed and approved the company s Corporate Information Security and Technology Risk Strategic Plan and focused significant attention on the company s information and cybersecurity program and market systems resiliency.

- Received updates on cybersecurity, new U.S. and global technology initiatives from the Chief Information Officer.

- Reviewed key regulatory compliance matters.

- Provided oversight for the Global Ethics and Corporate Compliance Program.

- Evaluated the performance of the independent auditor and continued to review and approve all services provided and fees charged by such auditors.

- Reviewed and approved or ratified all related party transactions, as further described below under Certain Relationships and Related Transactions.

- Oversaw and discussed with management at every meeting key risks, including emerging and escalating risks.

- Held Executive Sessions individually with external auditors, internal auditors, the General Counsel, the CFO and the Chief Information Officer.

Risk Oversight Role:

- Reviews the systems of internal controls, financial reporting and the Global Ethics and Corporate Compliance Program.

- Reviews the enterprise risk management structure and process.

Independence:

- Each member of the Audit Committee is independent as defined in Rule 10A-3 adopted pursuant to the Sarbanes-Oxley Act of 2002 and in the listing rules of The Nasdaq Stock Market. The Board determined that all of the members of the Audit Committee are audit committee financial experts within the meaning of SEC regulations. Each also meets the financial sophistication standard of The Nasdaq Stock Market.

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Finance Committee

Meetings in 2016

Glenn H. Hutchins (Chair)

Börje E. Ekholm

Adena T. Friedman [1]

Essa Kazim

Our prudent approach to managing our capital structure has allowed us to execute our company s strategy and puts us in a stronger position to create long-term value for our stockholders.

Glenn H. Hutchins

1. Appointed effective January 1, 2017 to replace Robert Greifeld, who served on the Finance Committee in 2016.

Key Objectives:

- Reviews and recommends for approval by the Boar the capital plan of the company, including the plan for repurchasing shares of the company s common stock and the proposed dividend plan.
- Reviews and recommends for approval by the Board significant mergers, acquisitions and business divestitures.
- Reviews and recommends for approval by the Board significant capital market transactions and other financing arrangements.

- Reviews and recommends for approval by the Board significant capital expenditures, lease commitments and asset disposals, excluding those included in the approved annual budget.

- Oversees and approves the Treasury policy.

2016 Highlights:

- Reviewed and approved certain financing transactions in connection with the acquisition of International Securities Exchange.

- Reviewed and recommended for Board approval the 2017 Capital Allocation Plan.

- Reviewed and approved an updated Finance Authorization Policy and a template for Board analysis of future M&A transactions.

Risk Oversight Role:

- Monitors operational and strategic risks related to Nasdaq s financial affairs, including capital structure and liquidity risks.

- Reviews the policies and strategies for managing financial exposure and certain risk management activities of Nasdaq s treasury function.

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BOARD OF DIRECTORS

Management Compensation Committee

Meetings in 2016

Michael R. Splinter (Chair)

Steven D. Black

Börje E. Ekholm

The Management Compensation Committee remains focused on maintaining a strong link between executive compensation and the company s strategy. To that end, we continue to align performance metrics with the company s strategic priorities.

Michael R. Splinter

Key Objectives:

- Establishes and annually reviews the executive compensation philosophy.

- Reviews and approves all compensation and benefit programs applicable to Nasdaq s executive officers annually. Any program changes applicable to the CEO and CFO are referred to the Board for final approval.

- Reviews and approves the base salary, incentive compensation, performance goals and equity awards for executive officers. For the CEO and CFO, these items will be referred to the Board for final approval.

·

Reviews and approves the base salary and incentive compensation for those non-executive officers with target total cash compensation in excess of $1,000,000 or an equity award valued in excess of $600,000.

2016 Highlights:

- Extensive focus on development of executive talent and succession planning, specifically CEO succession planning.
- Reviewed the effectiveness of the annual and long-term incentive plans.
- Together with the Nominating & Governance Committee, led the annual performance evaluation of the CEO.

Risk Oversight Role:

- Monitors the risks associated with elements of the compensation program, including organizational structure, compensation plans and goals, succession planning, organizational development and selection processes.
- Evaluates the effect the compensation structure may have on risk-related decisions.

Independence:

- Each member of the Management Compensation Committee is independent and meets the additional eligibility requirements set forth in the listing rules of The Nasdaq Stock Market.

Nominating & Governance Committee

Meetings in 2016

Börje E. Ekholm (Chair)

Steven D. Black

Glenn H. Hutchins

The Nominating & Governance Committee seeks a Board with diverse opinions and perspectives that is representative of our global business and our stockholders.

Börje E. Ekholm

Key Objectives:

- Determines the skills and qualifications necessary for the Nasdaq Board and develops criteria for selecting potential directors.
- Identifies, reviews, evaluates and nominates candidates for annual elections to the Nasdaq Board.
- Leads the annual review of the overall effectiveness of the Board and Committees.
- Monitors company compliance with corporate governance requirements.
- Reviews and recommends the Board and Committee membership and leadership structure.

- Reviews and recommends to the Board candidates for election as officers with the rank of EVP or above.

- Together with the Management Compensation Committee, leads the annual performance review of the CEO.

2016 Highlights:

- Focused significant time on the ongoing Board refreshment process.

- Discussed the qualifications and skills of potential director nominees.

- Conducted the annual Board effectiveness assessment and monitored follow-up items.

- Discussed and considered stockholder input on governance topics and evolving governance issues, trends and policies.

- Reviewed and recommended the By-Law amendments to implement proxy access.

Risk Oversight Role:

- Oversees risks related to the company s governance structure, trends, policies and processes.

- Monitors independence of the Board.

Independence:

- Each member of the Nominating & Governance Committee is independent, as required by the listing rules of The Nasdaq Stock Market.

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BOARD OF DIRECTORS

Director Compensation

Annual non-employee director compensation is based upon a compensation year beginning and ending in May. Staff directors, including Mr. Greifeld and Ms. Friedman, do not receive compensation for serving on the Board. Every two years, the Management Compensation Committee reviews the Director Compensation Policy, considers a competitive market analysis of director compensation data and recommends changes, if any, to the policy to the Board for approval. The table below reflects the compensation policy for non-employee directors for the current and prior compensation years. The 2016 revisions to the policy eliminated Board and Committee meeting fees and placed a greater emphasis on equity awards.

Under the Board Compensation Policy that was in effect from May 2015 through May 2016, each non-employee director received Board and Committee meeting fees that the director could elect to receive in cash or equity. Cash payments for Board and Committee meeting fees were made in arrears on a semi-annual basis. If a director elected to receive equity for Board and Committee meeting fees in lieu of cash, the equity will be awarded on the date of the Annual Meeting and will vest in full immediately.

Each non-employee director may elect to receive the annual retainer in cash (payable in equal semi-annual installments), equity or a combination of cash and equity. The annual equity award and any equity elected as part of the annual retainer are awarded automatically on the date of the Annual

Meeting of Stockholders immediately following election and appointment to the Board. These equity awards vest in full one year from the date of grant.

Each non-employee director also may elect to receive Committee Chair and/or Committee member fees in cash or equity. Cash payments for Committee service are made in a lump sum near the beginning of the compensation year. If a director elects to receive equity for Committee service in lieu of cash, the equity will be awarded on the date of the Annual Meeting and will vest in full one year from the date of grant.

All equity paid to Board members consists of RSUs. The amount of equity to be awarded is calculated based on the closing market price of our common stock on the date of the Annual Meeting. Unvested equity is forfeited in certain circumstances upon termination of the director s service on the Board.

Directors are reimbursed for business expenses and reasonable travel expenses for attending Board and Committee meetings. Non-employee directors do not receive retirement, health or life insurance benefits. Nasdaq provides each non-employee director with director and officer liability insurance coverage, as well as accidental death and dismemberment and travel insurance for and only when traveling on behalf of Nasdaq.

Item	May 2016- May 2017	May 2015-

		May 2016
Board Meeting Attendance Fee (Per Meeting)		$1,500
Committee Meeting Attendance Fee (Per Meeting)		$1,500
Annual Retainer for Board Members (Other than the Chairman and Lead Independent Director)	$75,000	$80,000
Annual Retainer for Board Chairman	$240,000	$205,000
Annual Retainer for Lead Independent Director	$150,000	
Annual Equity Award for All Board Members (Grant Date Market Value)	$200,000	$115,000
Annual Audit Committee Chair Compensation	$30,000	$25,000
Annual Audit Committee Member Compensation	$10,000	$5,000
Annual Management Compensation Committee Chair Compensation	$30,000	$25,000

Annual Management Compensation Committee Member Compensation	$10,000	$5,000
Annual Nominating & Governance Committee Chair Compensation	$20,000	$15,000
Annual Nominating & Governance Committee Member Compensation	$5,000	

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Stock Ownership Guidelines

Under our stock ownership guidelines, non-employee directors must maintain a minimum ownership level in Nasdaq common stock of five times the annual cash retainer. Shares owned outright, through shared ownership and in the form of vested and unvested restricted stock, are taken into consideration in determining compliance with these stock ownership guidelines. Exceptions to this policy may be necessary or appropriate in individual situations and the Chairman of the Board may approve such exceptions from time to time. New directors have until four years after their initial election to the Board to obtain the minimum ownership level. All of the directors were in compliance with the guidelines as of December 31, 2016.

2016 Director Compensation Table

Name [1]	Fees Earned or Paid in Cash ($) [2,3]	Stock Awards ($) [4,5,6]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Charlene T. Begley	$104,000	$196,168					$300,168
Steven D. Black	$33,000	$269,700					$302,700
	$48,000	$431,582					$479,582

Börje E. Ekholm [7]			
Glenn H. Hutchins	$17,000	$269,700	$286,700
Essa Kazim	$50,500	$269,700	$320,200
Thomas A. Kloet [8]	$222,472	$196,168	$418,640
John D. Markese [9]	$86,743		$86,743
Ellyn A. McColgan [7]	$31,000	$269,700	$300,700
Michael R. Splinter	$43,500	$269,700	$313,200
Lars R. Wedenborn [10]	$98,309	$269,700	$368,009

1. Robert Greifeld and Adena T. Friedman are not included in this table as they are employees of Nasdaq and thus receive no compensation for their service as directors. For information on the compensation received by Mr. Greifeld and Ms. Friedman as employees of the company, see Compensation Discussion and Analysis and Executive Compensation Tables.

2. The differences in fees earned or paid in cash reported in this column largely reflect differences in each individual director s election to receive the annual retainer in cash or RSUs. This election is made at the beginning of the Board compensation year in May and applies throughout the year. In addition, the difference in fees earned or paid also reflects Committee service and meeting attendance.

3. As discussed above, Nasdaq allows directors to receive Committee Chair and/or Committee member fees in equity, rather than cash. In addition, for part of 2016, directors received meeting fees, which they could elect to receive in equity, rather than cash. Accordingly, Directors Black, Hutchins and Splinter have elected to receive the amounts reported in this column in the form of equity that will be awarded in May 2017.

4. The amounts reported in this column reflect the grant date fair value of the stock awards computed in accordance with FASB ASC Topic 718. The assumptions used in the calculation of these amounts are included in note 12 to the company s audited financial statements for the fiscal year ended December 31, 2016 included in our annual report on Form 10-K. The differences in the amounts reported among non employee directors primarily reflect differences in each individual director s election to receive the annual retainer in cash or RSUs.

5. These stock awards, which were awarded on May 5, 2016, represent the annual equity award and the annual retainer if the director elected to receive it in equity. Each non-employee director received the annual equity award, which consisted of 3,164 RSUs with a grant date fair value of $196,168. Mr. Ekholm elected to receive his Chairman retainer in equity so he received an additional 3,797 RSUs with a grant date fair value of $235,414. Directors Black, Hutchins, Kazim, McColgan, Splinter and Wedenborn elected to receive all of their annual retainers in equity, so they each received an additional 1,186 RSUs with a grant date fair value of $73,532.

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BOARD OF DIRECTORS

6. The aggregate number of unvested and vested shares and units of restricted stock beneficially owned by each non-employee director as of December 31, 2016 is summarized in the following table.

Director	Number of Unvested Restricted Shares and Units	Number of Vested Restricted Shares and Units
Charlene T. Begley	3,164	5,465
Steven D. Black	4,350	21,712
Börje E. Ekholm	6,961	32,685
Glenn H. Hutchins	4,350	33,684
Essa Kazim	4,350	25,181
Thomas A. Kloet	3,164	2,348
		62,246

John D. Markese		
Ellyn A. McColgan	4,350	22,196
Michael R. Splinter	4,350	39,807
Lars R. Wedenborn	4,350	

7. Mr. Ekholm and Ms. McColgan are not standing for re-election at the 2017 Annual Meeting of Stockholders.

8. Fees Earned or Paid in Cash to Mr. Kloet include fees for his service as a director of both Nasdaq, Inc. ($124,000) and our U.S. exchange subsidiaries ($98,472). Mr. Kloet directs the fees for his service as a director to a 501(c)(3) charity of his choice. Mr. Kloet was elected Chairman of the Boards of our U.S. exchange subsidiaries and their Regulatory Oversight Committees in June 2016. Fees earned for Board and Committee service for our exchange subsidiaries are paid only in cash.

9. Fees Earned or Paid in Cash to Dr. Markese include fees for his partial year of service as a director of both Nasdaq, Inc. ($48,743) and our U.S. exchange subsidiaries ($38,000). Fees earned for Board and Committee service for our exchange subsidiaries are paid only in cash. In 2016, Dr. Markese did not stand for re-election either to the Boards of Nasdaq, Inc. or our U.S. exchange subsidiaries.

10. Fees Earned or Paid in Cash to Mr. Wedenborn include fees for his service both as a director of Nasdaq, Inc. ($66,500) and as Chairman of the Board of Nasdaq Nordic Ltd ($31,809 (28,750)). The latter amount was converted to U.S. dollars from euros at an exchange rate of $1.1064 per euro, which was the average exchange rate for 2016. Fees earned for Board and Committee service for our exchange subsidiaries are paid only in cash.

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The Board of Directors unanimously recommends a vote FOR the approval of the company s executive compensation on an advisory basis.

Proposal 2: Approval of the Company s Executive Compensation on an Advisory Basis

We are asking stockholders to approve, on an advisory basis, the company s executive compensation as reported in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the executive compensation program and practices described in this proxy statement.

We urge stockholders to read the Compensation Discussion and Analysis on the following page as well as the executive compensation tables and narrative beginning on page 44. The Compensation Discussion and Analysis describes our executive compensation program and the decisions made by our Management Compensation Committee in 2016 in more detail. The compensation tables provide detailed information on the compensation of our NEOs. The Board and the Management Compensation Committee believe that the compensation program for our NEOs has been effective in meeting the core principles described in the Compensation Discussion and Analysis in this proxy statement and has contributed to the company s long-term success.

In accordance with Section 14A of the Exchange Act and as a matter of good corporate governance, we are asking stockholders to approve the following advisory resolution at the 2017 Annual Meeting of Stockholders.

RESOLVED, that the stockholders of Nasdaq, Inc. approve, on an advisory basis, the compensation of Nasdaq s NEOs, as disclosed in the proxy statement for Nasdaq s 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the executive compensation tables and other related tables and narrative disclosure.

This advisory vote is not binding on the Board and the Management Compensation Committee. Although non-binding, the Board and the Management Compensation Committee will review and consider the outcome of the vote when making future decisions regarding our executive compensation program.

The Board has adopted a policy providing for annual stockholder advisory votes to approve the company s executive compensation. Under the current version of the policy, the next advisory vote to approve executive compensation will occur at the 2018 Annual Meeting of Stockholders.

NAMED EXECUTIVE OFFICER COMPENSATION

Compensation Discussion and Analysis

Key Topics Covered

- Business Performance Highlights, page 28
- Pay for Performance Framework, page 29
- What We Pay and Why: Elements of Executive Compensation, page 33
- Risk Mitigation and Other Pay Practices, page 42

This Compensation Discussion and Analysis provides a summary of our executive compensation philosophy and programs and describes the compensation decisions we have made under these programs and the factors considered in making those decisions. This Compensation Discussion and Analysis and the Executive Compensation Tables focus on the compensation of our NEOs for 2016. 2016 was a year of significant transition for Nasdaq and our management team. The description below outlines the current and former roles of each of our NEOs.

- **Robert Greifeld** was appointed Chairman of the Board effective January 1, 2017, transitioning from his role as CEO, a position he held through December 31, 2016.
- **Michael Ptasznik** was appointed EVP, Corporate Strategy and CFO upon joining Nasdaq on July 11, 2016.
- **Adena T. Friedman** was appointed President and CEO effective January 1, 2017, transitioning from her role as President and Chief Operating Officer, a position she held through December 31, 2016.
- **Hans-Ole Jochumsen** was appointed Vice Chairman effective January 1, 2017, transitioning from his role as President with responsibility for Global Trading and Market Services, a position he held through December 31, 2016.
- **Bradley J. Peterson** continues to serve as EVP and Chief Information Officer, a position he also held in 2016.

- **Ronald Hassen** served as SVP, Controller and Principal Accounting Officer through March 31, 2016. After the announcement of Mr. Shavel s retirement, Mr. Hassen served as SVP and Interim CFO from February 1, 2016 through July 10, 2016. From July 11, 2016 through his retirement date of December 31, 2016, Mr. Hassen served as Strategic Advisor.

- **Lee Shavel** served as CFO and EVP, Corporate Strategy through January 31, 2016. Effective February 1, 2016, Mr. Shavel transitioned to the role of Strategic Advisor through his retirement date of March 31, 2016.

Business Performance Highlights

We achieved strong financial and operational performance across many of our business segments in 2016 while continuing to diversify our business, invest significantly in future initiatives and integrate our recent acquisitions.

Achieved record revenues less transaction-based expenses of **$2.3 billion** for the full year ended December 31, 2016

Led all U.S. exchanges with **91 IPOs**, representing **73% of all U.S. IPOs**, and welcomed 283 total new listings on The Nasdaq Stock Market

Introduced the **Nasdaq Financial Framework** to deliver to our Market Technology clients a single operational core that ties together Nasdaq s portfolio of technology offerings across the trade lifecycle

Increased our Information Services revenues **5.5% year-over-year to $540 million**

Achieved the **largest market share** in the U.S. market for multiply-listed options on equities and exchange traded funds

Closed four key acquisitions, including Boardvantage, International Securities Exchange, Marketwired and Nasdaq CXC (formerly Chi-X Canada)

Returned **$300 million** in value to stockholders through **$100 million** in repurchased stock and **$200 million** in paid dividends

Achieved **86.2%** three-year cumulative total stockholder return, significantly outperforming the S&P 500 and the Nasdaq composite over this time period

Pay for Performance Framework

We design our executive compensation program to reward financial and operational performance, effective strategic leadership and achievement of business unit goals and objectives, which are key elements in driving stockholder value and sustainable growth. Our compensation program is grounded in best practices and ethical and responsible conduct.

Key Governance Features of Executive Compensation Program

The following table summarizes the specific features of our executive compensation program. We believe our executive compensation practices drive performance and serve our stockholders long-term interests.

What We DO	What We DON T Do
Pay for performance; 100% of annual incentives and annual long-term incentive grants are performance-based	Guarantee bonus payments for our NEOs
Maintain robust stock ownership guidelines	Allow hedging or pledging of Nasdaq stock
Maintain a long-standing incentive clawback policy	Award non-performance based stock options

Provide change in control protection that requires a double trigger	Pay tax gross-ups on severance arrangements and perquisites
Provide only limited perquisites, which provide nominal additional assistance to allow executives to focus on their duties	Provide ongoing supplemental executive retirement plans; all benefits have been frozen
Conduct a comprehensive annual risk assessment of our compensation program	Permit re-pricing of underwater stock options without shareholder approval
	Accrue or pay dividends on unearned or unvested equity awards

Compensation Philosophy

We have endeavored to create a performance-based compensation program that meets the needs of our global company and its stockholders. On an annual basis, the Management Compensation Committee reviews Nasdaq s compensation philosophy, programs and practices. The following core principles reflect the Management Compensation Committee s current compensation philosophy.

- **The compensation program creates long-term stockholder value by fostering an ownership culture.** We promote employee stock ownership by granting long-term incentives to all employees and providing the ability to buy shares through our ESPP.
- **The compensation program focuses on key business objectives.** Our compensation program starts with strategic and financial goals and objectives, which inform all compensation decisions. Compensation decisions are also strongly influenced by client focus, regulatory compliance and ethical behavior.
- **The compensation program supports a high-performance environment via performance-based rewards.** Variable pay is emphasized over fixed pay through participation of all employees in annual and long-term incentive plans.
- **The compensation program reinforces the importance of meeting and/or exceeding performance targets through superior awards for superior performance and through differentiated awards based on performance achieved.** However, compensation plans and arrangements do not encourage

excessive risk-taking by management.

- **The compensation program enables Nasdaq to compete effectively for talent.** The program is designed to attract, motivate and retain talented, high-performing individuals who are willing to commit to our success and to build long-term stockholder value.

- **We communicate compensation objectives and program clearly.** Ongoing employee educational programs ensure that the compensation objectives and program are well understood and serve as an effective motivational tool.

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NAMED EXECUTIVE OFFICER COMPENSATION

Our philosophy is based on the following guiding principles. Each individual component of compensation is considered independently and is not based on a formula. Each component, however, is intended to be complementary to the overall compensation package awarded to the executive.

Pay For Performance	Retention	Competitive Market Analysis
A substantial portion of compensation is variable or at risk and directly linked to individual, company and business unit performance.	Long-term vesting features ensure that an employee must remain with the company for a period of time to receive value from an award.	Total compensation is sufficiently competitive with industry peers to attract and retain executives with similar levels of experience, skills, education and responsibilities.

Internal Equity	Collateral Implications	Stockholder Alignment
Compensation takes into account the different levels of responsibilities, scope, risk, performance and future potential of our executives.	Our total compensation mix encourages executives to take appropriate, but not excessive, risks to improve our	The financial interests of executives are aligned with the long-term interests of our stockholders through stock-based compensation and performance metrics that correlate with long-term stockholder value.

performance and build
long-term

stockholder value.

Say on Pay Results

For the last three consecutive years, more than 98% of the votes cast on our say-on-pay proposal were in favor of our executive compensation program and policies.

Each year we carefully consider the results of our Say on Pay advisory vote from the prior year. At our 2016 Annual Meeting of Stockholders, over 98% of the votes cast were in favor of the advisory vote to approve executive compensation. These results demonstrated significant stockholder support of our compensation program s design and goals, and we took into account the results of this advisory vote when making compensation decisions through the remainder of 2016 and into early 2017. In addition to the Say on Pay results, we also consider many other factors in evaluating our executive compensation programs, including our pay for performance philosophy and a competitive market analysis of peer companies. Consistent with our Say on Pay results and these other factors, in 2016 we retained the core elements of our executive compensation program, policies and decisions and believe that our programs continue to appropriately motivate and reward our senior management.

In addition to the perspective provided by the Say on Pay results, we also carefully solicit and consider feedback from our stockholders on executive compensation, corporate governance and other issues throughout the year. We welcome input from our stockholders on our executive compensation program through the communication process discussed in Stockholder Communication with Directors.

Compensation Determinations

We have established a process for evaluating the performance of the company, the CEO and other NEOs for compensation purposes. On an annual basis, the Management Compensation Committee, the Board and Nominating & Governance Committee review our CEO s performance in Executive Session. As part of their deliberative process, the Management Compensation Committee and Board evaluate our CEO s performance against the pre-established corporate goals and determine appropriate CEO compensation. The factors considered include our CEO s performance against annual performance objectives, the performance of the company, the quality and development of the management team and employee engagement.

With the support of the Human Resources Department, our CEO develops compensation recommendations for the executive officers for consideration by the Management Compensation Committee and/or the Board. As part of this process, our CEO meets individually with each executive to discuss his or her performance against pre-established objectives determined during the previous year, as well as performance objectives and development plans for the coming year. This meeting gives each executive an opportunity to present his or her perspective of his or her performance and potential objectives and challenges for the upcoming year. Our CEO presents the results of each of the executive meetings to the Management Compensation Committee for its review and consideration as part of its deliberation process.

Competitive Positioning

To evaluate the external competitiveness of our executive compensation program, we compare certain elements of the program to similar elements used by peer companies. In setting 2016 compensation levels, the Management Compensation Committee used a comprehensive peer group, consisting of 20 companies, to conduct a competitive market analysis of the compensation program for our NEOs. We believe using and disclosing a peer group supports good governance and provides valuable input into compensation levels and program design.

When forming the peer group, we considered potential peers among both direct industry competitors and companies in related industries with similar talent needs. After identifying potential peers on this basis, we used the seven screening criteria to the right to select appropriate peer companies.

Each of these factors was initially weighted equally to develop a more refined list of companies for consideration. We then further reviewed each remaining company to determine its appropriateness for the final peer group with a particular focus on identifying meaningful talent peers. Certain companies were eliminated because of factors such as a significantly different market capitalization, limited competitive position for executive talent or limited global complexity relative to Nasdaq.

We believe the current peer group includes an accurate representation of Nasdaq s industry competitors and size-relevant, talent-focused comparators. In addition, we believe that year-over-year consistency in peer group usage is desirable for reviewing trends in market pay movement.

Screening Criteria

Used to Select

Peer Companies

REVENUE SIZE

MARKET CAPITALIZATION SIZE

FINANCIAL PERFORMANCE

DIRECT EXCHANGE COMPETITORS

FINANCIAL SERVICE
COMPANIES

TECHNOLOGY

DEPENDENT
COMPANIES

COMPANIES WITH
GLOBAL COMPLEXITY

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NAMED EXECUTIVE OFFICER COMPENSATION

Peer Group

The peer group consists of the following companies. [1]

Automatic Data Processing, Inc.	Deutsche Börse	Fidelity National Information Services, Inc.	Legg Mason, Inc.	TD Ameritrade Holding Corporation
BGC Partners Inc.	Discover Financial Services	Fiserv, Inc.	London Stock Exchange Group plc	TMX Group Inc.
CBOE Holdings, Inc.	DST Systems, Inc.	Intercontinental Exchange, Inc.	MasterCard Incorporated	The Charles Schwab Corporation
CME Group Inc.	E*TRADE Financial Corporation	Invesco Ltd.	McGraw Hill Financial	Visa Inc.

1. This peer group differs from the peer group used for the performance graph included in Item 5 of our annual report on Form 10-K, which is for stock performance comparisons and includes industry-only competitors.

In addition to the peer group, we also take into account that Nasdaq faces competition for talent from private firms, such as high frequency and other small trading firms, private equity funds and non-public technology companies for which public compensation data is not available.

Peer group data serves as only one reference point in evaluating our executive compensation program. We use this data to see how various elements of our executive compensation program compare to other companies. However, we do not set the compensation of our executives based on this data or target executive compensation to a specific percentile of the compensation set by our competitors. Instead, the comparison is conducted solely to determine if the compensation is competitive to the market. Each executive is evaluated individually based on skills, knowledge, performance, growth potential and, in the Management Compensation Committee s business judgment, the value he or she brings to the organization and Nasdaq s retention risk.

CEO s Role in the Executive Compensation Process

Our CEO regularly attends Management Compensation Committee meetings at the invitation of the Management Compensation Committee and provides his (or in 2017, her) perspective to the Management Compensation Committee regarding executive compensation matters generally and the specific performance of the other executive officers.

However, in accordance with the listing rules of The Nasdaq Stock Market, the CEO does not vote on executive compensation matters or attend Executive Sessions of the

Management Compensation Committee or Board and the CEO is not present when his (or in 2017, her) own compensation is being discussed or approved.

Role of Compensation Consultants

In 2016, our Human Resources Department engaged Meridian Compensation Partners to assist staff in gathering data, reviewing best practices and making recommendations to the Management Compensation Committee about our executive compensation program. Meridian does not provide any other services to Nasdaq other than executive compensation consulting. Meridian does not directly advise the Management Compensation Committee or attend meetings. In 2016, we paid Meridian $48,184 in fees for competitive market data for executives and outside directors and $83,321 in fees for other executive compensation services. However, Meridian does not determine or recommend the amount or form of executive or director compensation.

Tally Sheets

When recommending compensation for the CEO and other NEOs, the Management Compensation Committee reviews tally sheets that detail the various elements of compensation for each executive. These tally sheets are used to evaluate the appropriateness of the total compensation package, to compare each executive s total compensation opportunity with his or her actual payout and to ensure that the compensation appropriately reflects the compensation program s focus on pay for performance.

What We Pay and Why: Elements of Executive Compensation

	Element	Description	Objectives
Fixed	Base Salary	Fixed amount of compensation for service during the year	Reward scope of responsibility, experience and individual performance
At-Risk	Annual Incentive Compensation	At-risk compensation, dependent on goal achievement Formula-driven annual incentive linked to corporate financial, business unit financial and strategic objectives and other organizational priorities	Promote strong business results by rewarding value drivers, without creating an incentive to take excessive risk Serve as key compensation vehicle for rewarding results and differentiating individual performance each year
	Long-Term Incentive Compensation	Award values are granted based on market competitive norms and individual performance For Executive Vice Presidents and above, 100% PSUs are paid in shares of common stock upon vesting based on three-year relative TSR ranking compared to peers and to the broad market, over each cycle	Motivate and reward executives for outperforming peers over several years Ensure that executives have a significant stake in the long- term financial success of the company, aligned with the stockholder experience Promote longer-term retention

		For Senior Vice Presidents, 50% PSUs are paid in shares of common stock upon vesting based on three-year relative TSR ranking compared to peers and to the broad market, over each cycle, and 50% paid in common shares upon vesting based on one-year Operating Income, then subject to three-year vesting	
Benefits	Retirement, Health and Welfare	401(k) plan with company match Competitive welfare benefits Frozen pension plan and frozen supplemental executive retirement plan	Provide market-competitive benefits to attract and retain top talent Frozen plans reflect legacy arrangements
Severance	Severance Arrangements Termination Due to Change in Control (Double Trigger)	Severance and related benefits paid upon termination without cause or resignation for good reason following a change in control Accelerated equity vesting upon termination post-change in control	Assist in attracting top talent Preserve executive objectivity when considering transactions in the best interest of stockholders Retention of executives through a change in control Equity provisions keep executives whole in situations where shares may no longer exist or awards cannot otherwise be replaced

	Severance Arrangements - Other	Specified amounts under employment arrangements with some executive officers	Assist in attracting top talent
		Discretionary guidelines, for involuntary terminations without cause	Provide transition assistance if employment ends involuntarily
			Promote smooth succession planning upon retirement
			Allow the company to obtain release of employment-related claims
Other	Limited Perquisites	Limited additional benefits provided to certain executives	Provide nominal additional assistance that allows executives to focus on their duties

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NAMED EXECUTIVE OFFICER COMPENSATION

Pay for Performance

Nasdaq s executive compensation program is designed to deliver pay in accordance with corporate, business unit and individual performance. A large percentage of total target compensation is at-risk through long-term equity awards and annual cash incentive awards. These awards are linked to actual performance and include a substantial portion of equity. The mix of actual direct compensation for our NEOs in 2016 is shown below.

Base Salary

We review base salaries on an annual basis in December. In addition, we may make adjustments to base salaries during the year in response to significant changes in an executive s responsibilities or events that would impact the long-term retention of a key executive. Salaries are established at levels commensurate with each executive s title, position and experience, recognizing that each executive is managing a component of a complex global company.

Under the terms of Mr. Greifeld s employment agreement, his base salary for 2016 was $1 million, which has remained unchanged since 2006, consistent with the terms of his employment agreement.

In January 2016, Mr. Hassen s base salary was increased from $380,000 to $500,000 to reflect his role as Interim CFO.

The table to the right shows each NEO s base salary at December 31, 2016 and 2015.

Named Executive Officer	Base Salary at December 31, 2016 ($)	Base Salary at December 31, 2015 ($)
Robert Greifeld	$1,000,000	$1,000,000
	$500,000	

Michael Ptasznik		
Adena T. Friedman	$850,000	$850,000
Hans-Ole Jochumsen	$600,000	$600,000
Bradley J. Peterson	$525,000	$525,000
Ronald Hassen	$500,000	$380,000
Lee Shavel		$500,000

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Annual Incentive Compensation

Annual performance-based cash incentives are an integral part of our executive compensation program. Our NEOs receive such awards through our ECIP.

Plan-Based Target Award Opportunities. At the beginning of each year, target annual cash incentive award opportunities are established for our NEOs based on an assessment of each officer s position and responsibilities, the competitive market analysis and the company s retention objectives.

In 2016, Mr. Greifeld s target annual incentive compensation remained unchanged at $2,300,000. Ms. Friedman s target annual incentive compensation was increased from $1,250,000 to $1,500,000 associated with her promotion to President and Chief Operating Officer. Mr. Hassen s target annual incentive compensation was increased to $750,000 from $380,000 in connection with his transition to the role of Interim CFO.

The table below shows each NEO s target annual incentive opportunity in 2016 and 2015.

Named Executive Officer	2016 Target Annual Incentive Opportunity ($)	2015 Target Annual Incentive Opportunity ($)
Robert Greifeld	$2,300,000	$2,300,000
Michael Ptasznik	$750,000	
Adena T. Friedman	$1,500,000	$1,250,000

Hans-Ole Jochumsen	$1,000,000	$1,000,000
Bradley J. Peterson	$800,000	$800,000
Ronald Hassen	$750,000	$380,000
Lee Shavel		$750,000

Performance Goals. The annual cash incentive award payments for our executives are based on the achievement of pre-established, quantifiable performance goals. The CEO selects and recommends goals for the other executive officers based on their areas of responsibility and input from each executive. The Management Compensation Committee and/ or the Board review and consider our CEO s recommendations and approve the goals for the coming year after identifying the objectives most critical to our future growth and most likely to hold executives accountable for the operations for which they are responsible.

The annual cash incentive awards are tied to results in the following areas:

- corporate objectives, including:
    - operating income (run rate), which measures business efficiency and profitability;
    - net revenues, which measure the ability to drive revenue growth; and
    - employee engagement, which measures overall employee satisfaction and motivation; and
- business unit objectives, which are defined business unit-specific goals (financial and strategic) that contribute to the company s short and long-term performance.

Operating income (run rate) and net revenues are the company s primary measures of short-term business success and key drivers of long-term stockholder value. Targets for operating income (run rate) and net revenues are set at the beginning of each year, as part of the company s annual budgeting process and are subject to adjustment for transactions and other extraordinary events. The employee engagement objectives are established at the beginning of the year by the Management Compensation Committee and/or the Board to focus the executive team on certain enterprise initiatives.

Business unit objectives also are established at the beginning of the year and are subject to adjustment for transactions and other extraordinary events. The business unit objectives consist of financial and strategic objectives specific to the business unit. The Management Compensation Committee and/or the Board set the business unit objectives to reflect the key responsibilities of each executive and incent focus on particular objectives in 2016. In lieu of business unit objectives, our CEO had strategic objectives relating to the entire organization.

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NAMED EXECUTIVE OFFICER COMPENSATION

Named Officer s Performance Objectives for 2016 and the Relative Weighting of these Objectives.
We set goals at levels where the maximum payout would be difficult to achieve and beyond budget assumptions. The table below shows each NEO s performance objectives for 2016 and the relative weighting of these objectives.

Named Executive Officer	Corporate Operating Income (Run Rate)	Corporate Net Revenues	Employee Engagement	Business Unit Financial and Strategic Objectives
Robert Greifeld	45%	30%		25%
Michael Ptasznik	55%	10%	5%	30%
Adena T. Friedman	50%	30%	5%	15%
Hans-Ole Jochumsen	10%	10%	5%	75%
Bradley J. Peterson	30%	10%	5%	55%
Ronald Hassen	75%	20%	5%	

Lee Shavel

Potential Payouts. Payouts are determined after the end of the year and are based on the sum of (i) actual performance under each corporate objective and (ii) actual performance against an executive s business unit/strategic objectives. Each goal applicable to the NEOs for 2016 had a minimum, target and maximum performance level.

Corporate Objective	Threshold (0% payout)	Target (100% Payout)	Maximum (200% payout)	Nasdaq s Results for 2016 as Measured for Compensation Purposes	Payout Percentage of Target Incentive Award Amount
Operating Income (Run Rate)[1]	$973.6m	$1,040.5m	$1,078.4m	$1,071.0m	180%
Net Revenues[1]	$2,183.3m	$2,276.1m	$2,344.2m	$2,278.3m	103%
Employee Engagement	4% decrease	3% improvement	6% improvement	Sustained current level	60%

1. Corporate operating income (run rate) excludes R&D for NFX implementation, foreign exchange impact, non-GAAP expense items and other non-operating revenue/expense items. Corporate net revenues exclude R&D, foreign exchange impact and non-recurring revenue items. Non-GAAP expense items primarily include amortization expense of acquired intangible assets, merger and strategic initiatives costs and restructuring charges. As a result, these calculations differ from the U.S. GAAP calculations of operating income and revenues less transaction-based expenses reported in our annual report on Form 10-K.

Scoring of each goal is based on actual goal achievement compared to the target. In 2016, payouts on each goal could vary between 0% and 200% of the target. However, the non-financial goals were subject to a funding modifier aligned with the achievement of either corporate or business unit financial goals. This limitation ensures that the payout of overachievement against non-financial goals is aligned with financial results.

Payouts under the incentive compensation program also take into account ethical and responsible conduct, and awards are subject to a negative adjustment at the full discretion of the Management Compensation

Committee and/or the Board based on conduct.

Corporate Objectives Performance vs. Goals.

The table to the right summarizes the 2016 corporate objectives.

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2016 Business Unit Financial and Strategic Objectives Performance vs. Goals. The Management Compensation Committee and/or the Board assessed each officer s achievement of the business unit financial and strategic objectives in 2016, as described below. Specific metrics for these goals are not disclosed for competitive purposes. However, 100% of our NEO goals were defined with quantifiable performance metrics and were approved by the Management Compensation Committee. No discretion was applied to any goal scoring unless specially noted below.

Named Executive Officer	Goal	Goal Weighting	Score as a Percent of Target
Robert Greifeld	Strategic Initiatives[1]	15%	79%
	Succession Planning and Execution	10%	200%
Michael Ptasznik	Expense Management	10%	200%
	Risk Management	10%	175%
	Operational Improvements[2]	10%	176%
Adena T. Friedman	Strategy/Innovation Initiatives[1]	15%	141%
Hans-Ole Jochumsen			145%
	Global Trading & Market Services Operating Income	30%	
			100%

	Global Trading & Market Services Revenues	25%	45%
	Global Trading & Market Services Strategic Initiatives[1]	20%	
Bradley J. Peterson	Global Technology Expense Run Rate	15%	200%
	Business Unit Blended Research and Development[2]	15%	176%
	Systems Reliability[2,3]	15%	101%
	System Resiliency Risk[2]	10%	176%
Ronald Hassen			
Lee Shavel			

1. For non-financial goals, maximum payout was limited by applicable business unit profit results.

2. Maximum payout was limited to 176% of target based on Corporate Operating Income results.

3. The Management Compensation Committee and Board of Directors explicitly considered certain systems reliability issues in 2016 in connection with their review and determination of this goal score. The Committee and Board reduced the formulaic score of 197% to a score of 101% of target for certain employees in the Global Technology Group.

Award Payouts. In early 2017, the Management Compensation Committee and/or the Board determined the final levels of achievement for each of the goals and approved payout amounts. There were no guaranteed minimum payouts for any of our NEOs; 100% of payouts were based on performance vs. pre-defined, measurable goals.

Named Executive Officer	2016 ECIP Award Payout ($)

		2015 ECIP Award Payout ($)
Robert Greifeld	$3,306,250	$4,177,950
Michael Ptasznik[1]	$1,200,000	
Adena T. Friedman	$2,175,750	$2,088,125
Hans-Ole Jochumsen	$1,095,500	$1,649,500
Bradley J. Peterson	$1,327,600	$1,522,000
Ronald Hassen	$1,197,000	$733,020
Lee Shavel		$1,437,375

1. Mr. Ptasznik joined Nasdaq on July 11, 2016 as EVP, Corporate Strategy and CFO. Since he started mid-year, Mr. Ptasznik s 2016 annual incentive award was limited to a maximum payout of $1,200,000.

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NAMED EXECUTIVE OFFICER COMPENSATION

Long-Term Incentive Compensation

Long-term incentive compensation for our executive officers consists entirely of performance-based equity awards. For officers at the EVP level or above, we grant PSUs based on relative TSR over a three-year performance period. Consistent with our pay for performance philosophy, this program represents 100% of the officer s long-term stock-based compensation. For SVPs, we grant two types of PSUs, each of which constitutes 50% of an SVP s equity award:

- PSUs based on relative TSR over a three-year performance period; and
- PSUs based on corporate operating income (run rate) over a one-year performance period, then subject to three-year vesting.

PSUs Based on Relative TSR. In 2016, each NEO (except Mr. Shavel) received a grant of PSUs subject to a three-year cumulative performance period beginning on January 1, 2016 and ending on December 31, 2018. The shares earned, if any, vest at the end of the performance period. Performance is determined by comparing Nasdaq s TSR to two groups of companies, each weighted 50%.

One group consists of all S&P 500 companies and the other group consists of the peer companies on the right. The peer companies include other global exchanges with sizable market capitalizations.

Peer Companies
ASX Limited
BM&F Bovespa
Bolsa Mexicana de Valores
Bolsas Y Mercados Espanoles
CBOE Holdings, Inc.
CME Group Inc.
Deutsche Börse AG
Euronext

Hong Kong Stock Exchange

ICAP plc (now NEX Group plc)

International Exchange, Inc.

Japan Exchange

London Stock Exchange Group plc

Singapore Exchange

TMX Group Inc.

The TSR results are measured at the beginning and end of the three-year performance period. Nasdaq s relative performance ranking against each of these groups will determine the final number of shares delivered to each individual. The maximum payout will be 200% of the target number of PSUs granted if Nasdaq ranks at the 85th percentile or above of both groups. However, if Nasdaq s TSR is negative for the three-year performance period, regardless of TSR ranking, the payout cannot exceed 100% of the target number of PSUs granted.

Percentile Rank of Nasdaq s Three-Year TSR Versus the Relevant Group	Resulting Shares Earned
>= 85th Percentile	200%

The table on the right shows the amount of shares a grantee may receive based upon different levels of achievement against each of the groups. For each group, the resulting shares earned will be calculated by multiplying the relevant percentage from the table below by one-half of the target award amount.

For levels of achievement between points, the resulting shares earned will be calculated based on straight-line interpolation.

67.5th Percentile	150%
50th Percentile	100%
25th Percentile	50%
15th Percentile	30%
0 Percentile	0%

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PSUs Based on Corporate Operating Income (Run Rate).

In 2016, Mr. Hassen also received a grant of PSUs subject to a one-year performance period beginning on January 1, 2016 and ending on December 31, 2016. Performance was determined by comparing Nasdaq s actual corporate operating income (run rate) against a targeted amount, as set forth in the table below.

Performance between the minimum and the target and between the target and the maximum levels would result in incremental changes in payout on a straight-line basis.

Performance Range	Performance Against Target Corporate Operating Income (Run Rate)	Percent of Targeted Payout
Below Threshold	<$973.6 million	0%
Threshold	$973.6 million	50%
Target	$1,040.5 million	100%
Ceiling	$1,078.4 million	150%

Award Determination. In setting Mr. Greifeld s 2016 equity award target, the Management Compensation Committee focused on motivating performance, with significant upside and downside based on relative performance. Historical awards and the retention value of Mr. Greifeld s outstanding equity were taken into account when determining the target amount of his award. Peer group data also was considered in establishing a market-competitive award level.

Mr. Greifeld recommended the specific equity award targets for each of the other NEOs, which varied among executives depending upon responsibilities and retention considerations. The Management Compensation Committee and Board evaluated these recommendations and determined that the amount of each award reflected the individual s contributions, was aligned with competitive market levels and was appropriate for retention purposes. Mr. Shavel did not receive an equity award in 2016 due to his planned retirement date of March 31, 2016.

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NAMED EXECUTIVE OFFICER COMPENSATION

The target amount and target face value of the PSUs awarded to each of the NEOs under this program is set forth in the table below. With the exception noted below, the 2016 awards were approved on March 23, 2016 and granted on March 31, 2016, which was the date of Nasdaq s annual employee equity grant.

Named Executive Officer	Target TSR PSUs (#)	Target Operating Income PSUs (#)	Target Grant Date Face Value ($)
Robert Greifeld	112,985		$7,499,944
Michael Ptasznik[1]	8,279		$549,974
Adena T. Friedman	54,781		$3,636,363
Hans-Ole Jochumsen	27,390		$1,818,148
Bradley J. Peterson	19,173		$1,272,704
Ronald Hassen	2,739	3,012	$381,752

Lee Shavel

1. Mr. Ptasznik s award was approved on June 10, 2016 and granted on July 11, 2016.

Settlement of 2014 PSU Grants Based on Relative TSR. In January 2017, the Management Compensation Committee and the Board evaluated and approved the performance results for the PSUs granted to senior executives in 2014. These PSUs were subject to a three-year cumulative performance period beginning on January 1, 2014 and ending on December 31, 2016 and performance was determined by comparing Nasdaq s TSR to two groups of companies, each weighted 50%. One group consisted of all S&P 500 companies and the other group consisted of 15 peer companies.

The table below sets forth the 2014 PSU performance measure results.

Equity Award	Cumulative TSR	Weighting	Performance Factors	Percentile Rank	Payout	Blended Payout
2014 Three-Year PSU Award	86.2%	50%				