



Via Electronic Mail

March 19, 2014

Mr. Edward Knight
Executive Vice President & General Counsel
NASDAQ OMX
805 King Farm Boulevard
Rockville, MD 20850

Dear Ed:

The Council of Institutional Investors (CII) was pleased to learn of the Toronto Stock Exchange's (TSX) recent decision to amend its Company Manual to adopt a majority voting requirement.¹ The TSX's decision further demonstrates that a majority voting mandate is an appropriate listing standard, and it prompts CII to reiterate our request that NASDAQ OMX amend its listing standards in a similar manner.

As referenced in our June 20, 2013 letter,² CII's membership approved policies have long supported the view that electing directors by a majority vote is a basic shareowner right and that directors who lack the support of the shareowners they represent should not serve on the board.³ Our policy is based on the widely accepted view by U.S. investors and most major international markets that majority voting in the uncontested election of directors ensures that shareowner votes count and makes directors more accountable to shareowners.

We note that in announcing their adoption of a majority voting mandate, Tom Kloet, CEO, TMX Group, stated: "The changes we announced today reflect our commitment to further enhancing Canada's reputation and international position in this area."⁴ We encourage NASDAQ OMX to confirm its commitment to further enhancing its reputation and international position by amending your listing standards to adopt a majority voting requirement. As you are aware, our June 20th letter included a comprehensive set of proposed amendments to the NASDAQ OMX listing standards to assist you in accomplishing this critical and long overdue improvement to corporate governance.

¹News Release, Toronto Stock Exchange, Toronto Stock Exchange Mandates Majority Voting to Enhance Corporate Governance 1 (Feb. 13, 2014), *available at* http://www.tmx.com/en/news_events/news/news_releases/2014/02-13-2014_TMXGroup-MajorityVotingMandate.html.

²Letter from Jeff Mahoney, General Counsel, to Mr. Edward Knight, Executive Vice President & General Counsel 1-6 (June 20, 2013), *available at* http://www.cii.org/files/issues_and_advocacy/correspondence/2013/06_20_13_cii_letter_nasdaq_majority_voting.pdf.

³ Council of Institutional Investors, Policies on Corporate Governance § 2.2 Director Elections (Updated Sept. 27, 2013) ("Directors in uncontested elections should be elected by a majority of the votes cast . . . [and] [d]irectors who fail to receive the support of a majority of votes cast in an uncontested election should step down from the board and not be reappointed."), *available at* http://www.cii.org/corp_gov_policies#BOD.

⁴ News Release at 1.

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Please don't hesitate to contact me directly with any questions at 202.261.7098 or anny@cii.org, or our general counsel, Jeff Mahoney, at 202.261.7081 or jeff@cii.org.

Sincerely,

A handwritten signature in blue ink that reads "Amy Yergin". The signature is written in a cursive, flowing style.

Executive Director