



January 26, 2010
Bob Greifeld
Riyadh, Saudi Arabia
Global Competitiveness Forum Dinner

Good evening. It is a pleasure to be with such a distinguished group here in Riyadh. This is my first visit to the Kingdom of Saudi Arabia, and I have enjoyed your renowned hospitality. It's wonderful to see a conference where there is such a vibrancy and diversity of businesses, and I congratulate SAGIA and the Global Competitiveness Forum on the success of their 4th annual event. The spirit of innovation and entrepreneurship represented by all of you in this room will set a positive example as we together emerge from the global economic crisis.

The NASDAQ OMX Group, the global exchange company I head, has always stood for innovation and entrepreneurship, for not accepting the status quo. Just two years ago we were a single U.S. stock market with a globally recognized brand. Today we own and operate 22 markets around the world spanning all asset classes, and we serve more than 70 exchanges around the planet through the provision of world-leading trading technology. Fundamental to our technology business is a belief that well functioning, efficient, transparent capital markets are at the heart of any strong economy. Sound, efficient markets facilitate the capital raising process for businesses seeking to grow, and they provide the proper regulatory structure for that growth. So we are proud to deliver the technological tools but more importantly the business expertise that can support economic growth for the benefit of markets, companies and investors alike. We are also proud to have a presence in the Kingdom and the Gulf through our local relationships and through a number of market technology partners in the region.

When you think of our company NASDAQ OMX and the concept of performance, many people think of the NASDAQ composite index, a globally recognized benchmark. I was gratified to see that the index rose over 43% in 2009, but our company is *not* the same as the index. Rather, we measure our corporate progress by our business success: our attractiveness as a market for IPOs, our ability to serve our customers, our technology, how well we innovate, and how well we adhere to core values such as transparency, integrity, and competition and integrate them into all aspects of our operations.

All this comes together to serve our customers, who demand excellence from us. The kinds of companies that list on NASDAQ OMX are those that are driving innovation and economic recovery. Since 2005, NASDAQ OMX-listed companies have added over 1,000,000 jobs to the U.S. economy, and these companies have increased their workforces by over 20%. That's an impressive figure, and particularly so in the aftermath of a recession. With these kinds of innovative, dynamic companies as our customers, we know that we can succeed only if we are as innovative, as technologically advanced, and as nimble as they are. So what makes these companies successful, even in challenging times?

In good times or bad, companies can best meet the challenges of the current economic environment by remaining focused on strategies and policies that improve their competitiveness. To that end, I'm pleased to announce tonight that in partnership with SAGIA, we are launching the 100 Most Competitive CEOs List. This is a new initiative to contribute to the debate on what constitutes outstanding leadership and how the CEOs' actions can positively influence the competitiveness of the companies they run. We congratulate Tadawul upon being a pioneering stock exchange, to be the first to apply the methodology that SAGIA and NASDAQ OMX have developed.

With Tadawul's cooperation, SAGIA and NASDAQ OMX will initially choose Saudi Arabian company leaders who represent the highest levels of innovation, transparency, and other drivers of corporate excellence. We have created a methodology and screening process and will announce the award winners in December of 2010. Eventually, we will endeavor to create a global reference list of the top 100 public company CEOs according to these criteria. In the meantime, we believe the criteria we have developed can be a wonderful benchmark for any organization -- here in the Kingdom or around the world -- that is striving to grow and create something new, while adhering to the highest standards of governance.

This award will be based on four pillars of corporate excellence which all well-run companies should have. In short, we will ask: what type of leadership drives competitiveness?

The first pillar is *innovation*. We will look to recognize companies that have innovated successfully and consistently in all aspects of their operations, even in challenging times. Businesses that choose to invest wisely in difficult times can often do quite well. Risk-taking is an indispensable practice of successful businesses, and R&D should not be the first item cut in lean times. Rather, all aspects of corporate innovation, including R&D, should be consistent and sustained, in a process that is nothing less than an internal commitment to "creative destruction."

I've learned much about this from watching the experiences of some of the most innovative and successful companies on NASDAQ OMX. I think of Cisco, whose CEO John Chambers said that he learned from GE's Jack Welch that a company has to go through a near-death experience to become a great company. Great companies like this successfully meet the challenges of adversity, innovating through product cycles that work both for and against them. As Chambers has said, "People think of us as a product of our successes. I'd actually argue that we're a product of the challenges we faced in life."

Second, we will look at objective measures of business performance. Innovation for its own sake is not sufficient – what rate of return has this innovation delivered to shareholders? What rate of return on capital has a company achieved? Has it met its growth targets? But this is not an award simply for growing a company – it's an award for *how* a company has grown.

And so third, we will ask – very pointedly – whether the company achieved the results it did within a proper environment for corporate governance, one that others would see as a model. In short, this means genuine transparency in corporate governance and strict adherence to the highest ethical standards.

The recent economic crisis has shown the need for risk mitigation throughout an organization – and not just in banks and financial services companies. Globally, measures of corporate governance are becoming more standard. For instance, does a company have a well-functioning board with the experience necessary to analyze operations and the freedom and the desire to ask pointed questions of management when necessary? Does the company have the proper management infrastructure in place? Has it set up enduring corporate institutions, including procedures for succession, or is the structure merely built around the CEO? Does it succeed in developing employees' skills to enable them to take leadership roles? Does it offer an opportunity for 360 external and internal feedback in both directions – to management as well as to employees?

Importantly, we will also ask whether a company has been a good corporate and global citizen – does it understand its social responsibility to stakeholders, to the environment, and to its country?

We see the impact and the importance of sound corporate governance perhaps most vividly when it is absent. Nowhere is this more true than in corporate ethics. At NASDAQ OMX we want our employees to compete aggressively but fairly and honestly. In my company, we will make operational mistakes, but we have zero tolerance for ethical lapses. Sometimes, there may appear to be a short-term benefit to touching or crossing an ethical line, but in today's world of

increased transparency and increased scrutiny of business, these lapses will soon be discovered. And thinking only about the short-term benefit is just that – short-term thinking, when the best business leaders think about what is best for their company's success in the long term.

In many ways, this third pillar is the heart of the award, because it will show most clearly how good corporate governance, including transparency and ethics, leads directly to business success.

Finally, there is a fourth criterion, what we are simply labeling “the X factor.” In a word, leadership. The wonderful Arab invention of algebra permits solving mathematical equations for x. Here, though, the “X factor” does not mean simply a formula but rather something intangible yet visible. Your employees, customers, and shareholders know when a CEO has it – and when it is absent. It's our hope that this award will encourage patterning leadership skills after those CEOs who exhibit superior leadership in all its varied aspects.

In any company, the tone is set at the top. That's why this award focuses on CEOs and the actions they take to ensure their companies' competitiveness. As CEOs, you ought to have unbridled enthusiasm for your business and seek to hire employees who are aggressive competitors with a strong desire to compete and win. Your job is to channel their enthusiasm and set the proper tone – aggressive competition but never touching that ethical line.

Taken together, these four criteria – innovation, returns, transparency and ethics, and the X factor of leadership – make a company competitive. They define a great CEO and a great company and prepare that company to compete successfully in global markets. It's our hope that this award will not only increase your company's performance but spur a new spirit of competitiveness among companies of all sizes that will benefit the Kingdom. One day, we look forward to welcoming these world-class companies to NASDAQ OMX.

Again, thank you for having me. I look forward to seeing the impact of this award in the Kingdom and beyond.