

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring Adenea T. Friedman,
President and Chief Executive Officer, NASDAQ, INC.**

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“I will go, for instance, to Asia. And I’ll have meetings with companies that are either already listed on Nasdaq or thinking about listing on Nasdaq. And then the next meeting, I’ll have a meeting with an exchange that we provide the technology to. And then the next meeting I might meet with a big bank that’s using our surveillance platform. So I actually have the opportunity to really look at the entire ecosystem of the financial industry. We kind of do sit in the center of it. So I have the most interesting job, I think, in the world, because I get to really understand the intersection of all of the different components of the financial markets.”

“. . . we’re one of the only exchanges in the world that doesn’t have a city or a country name involved in it. So therefore, it can be truly global.”

“One of the great things about Nasdaq is our technology is the most advanced among the exchanges. That’s actually a well-known fact. What we’ve done is build out a technology division that allows us to offer that technology to other markets around the world. So, for instance, the derivatives exchange in Japan, the derivatives exchange in Hong Kong, all of the Singapore Exchange, Australia, but also markets like Malaysia, Indonesia, the Philippines, almost all the exchanges in the Middle East, Switzerland, . . . they all use our technology to support their trading, clearing, settlement market data, and surveillance.”

“. . . I would love to see Nasdaq continue to grow its role as being kind of the center of the financial markets, but also the center of the overall marketplace economy that I think is developing around the world.”

“. . . what we really do is allow for buyers and sellers to come together in an efficient way and make sure that the trading’s occurring in a fair and efficient manner. We basically are a global technology company at this point, because we provide the stock exchange here in the United States. That’s an electronic system that allows buyers and sellers to come together. We have the largest multi-listed options exchange in the United States. We are an energy futures exchange here. We also own all of the exchanges, other than Norway, in the Nordic markets. We also provide the technology that powers 90 other markets around the world. So we, in fact, are a truly global technology company at this point.”

“. . . the top five companies in the world are listed on Nasdaq today. So we are the home to innovators. We’re the home to the future. We’re the home to those companies that really want to look at how they’re going to drive the economy forward.”

“. . . money in the capital markets, in the private markets, is pretty easy to come by these days. So a lot of companies are getting access to capital without having to go public. And they’re becoming very large organizations without being a public company. It’s an easier life. You don’t have to provide disclosures to the SEC. You don’t have to show everyone in the world who you are and what you do and how much the executives make and everything else. It’s an easier existence. Therefore companies are saying what’s the cost-benefit analysis of going public? And what they’re finding today, because of all the regulations and all the standards that *[that have been adopted over]* the last several decades, is that the benefit doesn’t

always outweigh the costs. So one of the things that we've been discussing, and we actually announced yesterday, is kind of this blueprint for how do you make the public markets more inviting, because otherwise more and more of those companies will stay private and will only be available to a very small subset of investors around the world.

“... the SEC put out a great stat that says actually that since 2000, 74 percent of all job growth occurs after a company goes public. So if you really want to make sure that you're promoting job growth and growth of the economy, you've got to make the public markets a more efficient and, frankly, inviting place to be.”

“... thinking about giving people financial independence, allowing them to really understand how to manage their financial lives, gives them an enormous amount of power to be able to go through their life successfully. . . . the vast majority of kids don't have a chance to really understand some of the foundational elements of managing a financially secure life. Junior Achievement in particular does a spectacular job of working with kids. I've actually gone and done JA in a day with Carlyle and with Nasdaq, where you go in and you teach fourth graders, fifth graders. You teach them kind of the basics of running a business or the basics of managing a checkbook.”

“... we are incredibly, incredibly focused on cybersecurity. All of the exchanges are incredibly focused. All competitive barriers go away when it comes to cybersecurity. I think that we are extremely good at communicating with each other, working with the industry, learning from each other, making sure we're giving each other information about what we're seeing and how we're protecting ourselves so that we're constantly staying head of nefarious players. It is a constant exercise. And we use a lot of technology. Our team goes out to California on a regular basis and meets with a lot of different companies that are doing good things in cybersecurity. We take in a lot of different technologies. We work very extensively with those companies. And we also work extensively with the government . . . and all of the critical infrastructure players give us a lot of information as well. So it's as protected as it possibly can be from any sort of nefarious action.”