

OPPENHEIMER HOLDINGS INC  
Form DEF 14A  
March 28, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement

Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive proxy statement

Definitive additional materials

Soliciting material pursuant to § 240.14a-12

**Oppenheimer Holdings Inc.**

(Name of Registrant as Specified in Its Charter)

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

Payment of filing fee (Check the appropriate box):

Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (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 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
  - (4) Proposed maximum aggregate value of transaction:
  
  - (5) Total fee paid:
- .. Fee paid previously with preliminary materials:
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
  - (1) Amount previously paid:
  
  - (2) Form, Schedule or Registration Statement No.:
  
  - (3) Filing Party:
  
  - (4) Date Filed:

# OPPENHEIMER HOLDINGS INC.

85 Broad Street

New York, NY 10004

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

**TO BE HELD ON MAY 12, 2014**

To our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of OPPENHEIMER HOLDINGS INC., a Delaware corporation (the Company), will be held at 85 Broad Street, New York, NY 10004 in the 22nd Floor Conference Center on Monday, May 12, 2014, at the hour of 4:30 P.M. (New York time) for the following purposes:

1. To elect nine directors;
2. To ratify the appointment of Deloitte & Touche LLP as auditors of the Company for 2014 and authorize the Audit Committee to fix the auditors' remuneration;
3. To ratify the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan;
4. To approve, in an advisory (non-binding) vote, the Company's executive compensation as disclosed in the accompanying proxy statement; and
5. To transact such other business as is proper at such meeting or any adjournments thereof.

**Holders of Class A non-voting stock of the Company are entitled to attend and speak at the Annual Meeting of Stockholders and any adjournments thereof. Holders of Class A non-voting common stock are not entitled to vote with respect to the matters referred to above.**

Only holders of Class B voting common stock of record at the close of business on March 21, 2014 are entitled to vote at the Annual Meeting of Stockholders and any adjournments thereof. Holders of Class B voting common stock who are unable to attend the meeting in person are requested to date, sign and return the enclosed form of proxy for use by holders of Class B voting common stock.

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2013 is available on the Company's website at [www.opco.com](http://www.opco.com). Paper copies are available, free of charge, upon request.

By Order of the Board of Directors,

Dennis P. McNamara

Secretary

New York, New York

March 26, 2014

---

# OPPENHEIMER HOLDINGS INC.

## PROXY STATEMENT

### SUMMARY

This summary highlights selected information appearing elsewhere in this proxy statement and does not contain all the information that you should consider in making a decision with respect to the proposals described in this proxy statement. You should read in their entirety this summary together with the more detailed information in this proxy statement as well as our Annual Report on Form 10-K for the year ended December 31, 2013, which is available without charge, except for exhibits to the report, by (i) writing to Oppenheimer Holdings Inc., 85 Broad Street, 22nd Floor, New York, New York 10004, Attention: Secretary, (ii) calling 1-800-221-5588, or (iii) emailing us with your request at info@opco.com.

*Unless otherwise provided in this proxy statement, references to-the Company, Oppenheimer Holdings, we, us, and our refer to Oppenheimer Holdings Inc., a Delaware corporation.*

### Oppenheimer Holdings Inc.

The Company is a holding company which, through its subsidiaries, is a leading middle-market investment bank and full service financial services firm. Through our operating subsidiaries, we provide a broad range of financial services, including retail securities brokerage, institutional sales and trading, investment banking (both corporate and public finance), research, market-making, and investment advisory and asset management services. We own, directly or through subsidiaries, Oppenheimer & Co. Inc., a New York-based securities broker-dealer, Oppenheimer Asset Management, a New York-based investment advisor, Freedom Investments Inc., a discount securities broker-dealer based in New Jersey, Oppenheimer Trust Company, a Delaware limited purpose bank, Oppenheimer Multifamily Housing and Healthcare Finance, Inc., a Federal Housing Administration approved mortgage lending and servicing corporation based in Pennsylvania, and OPY Credit Corp., a dealer in syndicated loans. The Company also has subsidiaries operating in the United Kingdom, Israel and Beijing and Hong Kong, China. The telephone number and address of our registered office is (212) 668-8000 and 85 Broad Street, New York, NY 10004.

This proxy statement is dated March 26, 2014 and is first being mailed to stockholders on or about March 28, 2014.

Set forth below in a question and answer format is general information regarding the Annual Meeting of Stockholders, or the Meeting, to which this proxy statement relates.

### Questions and Answers about the Matters to be Acted Upon

**Q. What is the purpose of the Meeting?**

A. The purpose of the Meeting is to elect nine directors, to ratify the appointment of our auditors for 2014 and authorize the Audit Committee to fix the auditors' remuneration, to ratify the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan, to approve, in an advisory (non-binding) vote, the Company's executive compensation (say-on-pay), and to transact such other business as is proper at the Meeting.

**Q. Where will the Meeting be held?**

A. The Meeting will be held at 85 Broad Street, New York, NY 10004 in the 22nd Floor Conference Center on Monday, May 12, 2014, at the hour of 4:30 P.M. (New York time).

**Q. Who is soliciting my vote?**

Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- A. Our management is soliciting your proxy to vote at the Meeting. This proxy statement and form of proxy were first mailed to our stockholders on or about March 28, 2014. Your vote is important. We encourage you to vote as soon as possible after carefully reviewing this proxy statement and all information accompanying this proxy statement.

**Q. Who is entitled to vote at the Meeting?**

- A. The record date for the determination of stockholders entitled to receive notice of the Meeting is March 21, 2014. In accordance with the provisions of the General Corporation Law of the State of Delaware, or the DGCL, we will prepare a list of the holders of our Class B voting common stock, or the Class B Stockholders, as of the record date. Class B Stockholders named in the list will be entitled to vote their Class B voting common stock, or Class B Stock, on the matters to be voted on at the Meeting.

**Q. What am I voting on?**

- A. The Class B Stockholders are entitled to vote on the following proposals:

- (1) The election of R. Crystal, W. Ehrhardt, M. Goldfarb, M.A.M. Keehner, A.G. Lowenthal, R.S. Lowenthal, K.W. McArthur, A.W. Oughtred and E.K. Roberts as directors;
- (2) The ratification of the appointment of Deloitte & Touche LLP as our auditors for 2014 and the authorization of the Audit Committee to fix the auditors' remuneration;
- (3) The ratification of the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan;
- (4) The approval, in an advisory (non-binding) vote, of the Company's executive compensation (say-an-pay); and
- (5) Any other business as may be proper to transact at the Meeting.

**Q. What are the voting recommendations of the Board of Directors?**

- A. The Board of Directors recommends the following votes:

**FOR** the election of the nominated directors;

**FOR** the ratification of the appointment of Deloitte & Touche LLP as our auditors for 2014 and the authorization of our Audit Committee to fix the auditors' remuneration;

**FOR** the ratification of the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan; and

**FOR** the approval, in an advisory (non-binding) vote, of the Company's executive compensation.

**Q. Will any other matters be voted on?**

## Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- A. The Board of Directors does not intend to present any other matters at the Meeting. The Board of Directors does not know of any other matters that will be brought before our Class B Stockholders for a vote at the Meeting. If any other matter is properly brought before the Meeting, your signed proxy card gives authority to A.G. Lowenthal and D.P. McNamara, as proxies, with full power of substitution, to vote on such matters at their discretion.

**Q. How many votes do I have?**

- A. Class B Stockholders are entitled to one vote for each share of Class B Stock held as of the close of business on the record date.

**Q. What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

- A. Many stockholders hold their shares through a broker or bank rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

*Stockholder of Record* If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the *stockholder of record*, and these proxy materials are being sent directly to you by us. You may vote the shares registered directly in your name by completing and mailing the proxy card or by written ballot at the Meeting.

*Beneficial Owner* If your shares are held in a stock brokerage account or by a bank, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your bank or broker, which is considered the stockholder of record of those shares. As the beneficial owner, you have the right to direct your bank or broker how to vote and are also invited to attend the Meeting. However, since you are not the stockholder of record, you may not vote those shares in person at the Meeting unless you bring with you a legal proxy from the stockholder of record. Your bank or broker has enclosed a voting instruction card providing directions for how to vote your shares.



**Q. How do I vote?**

- A. If you are a Class B Stockholder of record, there are two ways to vote:

By completing and depositing your proxy with our transfer agent at least 48 hours prior to the commencement of the Meeting; or

By written ballot at the Meeting.

If you are a Class B Stockholder and you return your proxy card but you do not indicate your voting preferences, the proxies will vote your shares **FOR** Proposals 1, 2, 3 and 4 and will use their discretion on any other matters that are submitted for stockholder vote at the Meeting.

Class B Stockholders who are not stockholders of record and who wish to file proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, Class B Stockholders who are not stockholders of record will either: (i) be provided with a proxy executed by the intermediary, as the stockholder of record, but otherwise uncompleted and the beneficial owner may complete the proxy and return it directly to our transfer agent; or (ii) be provided with a request for voting instructions by the intermediary, as the stockholder of record, and then the intermediary must send to our transfer agent an executed proxy form completed in accordance with any voting instructions received by it from the beneficial owner and may not vote in the event that no instructions are received.

**Q. Can I change my vote or revoke my proxy?**

- A. A Class B Stockholder who has given a proxy has the power to revoke it prior to the commencement of the Meeting by depositing an instrument in writing executed by the Class B Stockholder or by the stockholder's attorney-in-fact either (i) at our registered office at any time up to and including the last business day preceding the day of the Meeting or any adjournments thereof or (ii) with our Secretary on the day of the Meeting or any adjournments thereof or in any other manner permitted by law. A stockholder who has given a proxy has the power to revoke it after the commencement of the Meeting as to any matter on which a vote has not been cast under the proxy by delivering a written notice of revocation to our Secretary. A stockholder who has given a proxy may also revoke it by signing a form of proxy bearing a later date and returning such proxy to our Secretary prior to the commencement of the Meeting.

**Q. How are votes counted?**

- A. We will appoint an Inspector of Election at the Meeting. The Inspector of Election is typically a representative of our transfer agent. The Inspector of Election will collect all proxies and ballots and tabulate the results.

**Q. Who pays for soliciting proxies?**

- A. We will bear the cost of soliciting proxies from our Class B Stockholders. It is planned that the solicitation will be initially by mail, but proxies may also be solicited by our employees. These persons will receive no additional compensation for such services but will be reimbursed for reasonable out-of-pocket expenses. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of shares held of record by these persons, and we will reimburse them for their reasonable out-of-pocket expenses. The cost of such solicitation, estimated to be approximately \$2,000, will be borne by us.

**Q. What is the quorum requirement of the Meeting?**

## Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- A. A quorum for the consideration of Matters 1, 2, 3 and 4 shall be Class B Stockholders present in person or by proxy representing not less than a majority of the outstanding Class B Stock.

**Q. What are broker non-votes?**

- A. Broker non-votes occur when holders of record, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Meeting. Broker non-votes and abstentions will not affect the outcome of the matters being voted on at the Meeting, assuming that a quorum is obtained.

**Q. What vote is required to approve each proposal?**

**A.** Matter No. 1, election of directors. The election of each of the directors nominated requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Stock voted at the Meeting if a quorum, or a majority of the Class B Stock, is present.

Matter No. 2, appointment of auditors. The ratification of the appointment of the auditors and the authorization of the Audit Committee to fix the auditors' remuneration requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Stock voted at the Meeting if a quorum, or a majority of the Class B Stock, is present.

Matter No. 3, the ratification of the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Stock voted at the Meeting if a quorum, or a majority of the Class B Stock, is present.

Matter No. 4, the approval, in an advisory (non-binding) vote, of the Company's executive compensation, requires the affirmative vote, in person or by proxy, of a simple majority of the Class B Stock voted at the Meeting if a quorum, or a majority of the Class B Stock, is present.

**Mr. Albert G. Lowenthal, our Chairman and Chief Executive Officer, owns 96.4% of the Class B Stock and intends to vote all of such Class B Stock in favor of each of Matters 1, 2, 3 and 4. As a result, each of the matters before the Meeting is expected to be approved. See Security Ownership of Certain Beneficial Owners and Management.**

**Q. Who can attend the Meeting?**

**A.** All registered holders of our Class A non-voting common stock (Class A Stock), or the Class A Stockholders and Class B Stockholders, their duly appointed representatives, our directors and our auditors are entitled to attend the Meeting.

**Q. What does it mean if I get more than one proxy card?**

**A.** It means that you own shares in more than one account. You should vote the shares on each of your proxy cards.

**Q. I own my shares indirectly through my broker, bank, or other nominee, and I receive multiple copies of the proxy statement, and other mailings because more than one person in my household is a beneficial owner. How can I change the number of copies of these mailings that are sent to my household?**

**A.** If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank, or other nominee. Duplicate mailings in most cases are wasteful for us and inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings, but for any reason would like to resume them, you must contact your broker, bank, or other nominee.

**Q. Multiple stockholders live in my household, and together we received only one copy of this proxy statement. How can I obtain my own separate copy of this document for the Meeting?**

**A.** You may pick up copies in person at the Meeting or download them from our Internet web site, [www.opco.com](http://www.opco.com) (click on the link to the Investor Relations page). If you want copies mailed to you and are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed to you and are a stockholder of record, we will mail them promptly if you request them from our corporate office by phone at (212) 668-8000 or by mail to 85 Broad Street, New York, NY 10004, Attention: D.P. McNamara. We cannot guarantee you will receive mailed copies before the Meeting.

**Q. Where can I find the voting results of the Meeting?**

- A.** We are required to file the voting results in a Current Report on Form 8-K which you can find within four business days of the Meeting on the EDGAR website at [www.sec.gov](http://www.sec.gov).

**Q. Who can help answer my questions?**

**A.** If you have questions about the Meeting or if you need additional copies of the proxy statement or the enclosed proxy card, you should contact:

D.P. McNamara

Oppenheimer Holdings Inc.

85 Broad Street, 22nd Floor

New York, NY 10004

(212) 668-8000

You may also obtain additional information about us from documents filed with the SEC by following the instructions in the section entitled *Where You Can Find More Information*.

## THE MEETING

### Solicitation of Proxies

This proxy statement is forwarded to our Class A Stockholders and Class B Stockholders in connection with the solicitation of proxies by our management from the Class B Stockholders for use at our Annual Meeting of Stockholders to be held on Monday, May 12, 2014, at the hour of 4:30 P.M. (New York time) at 85 Broad Street, New York, NY 10004 in the 22nd Floor Conference Center and at any adjournments thereof for the purposes set forth in the Notice of Meeting, which accompanies this proxy statement. This proxy statement is dated March 26, 2014 and is first being mailed to stockholders on or about March 28, 2014.

The record date for the determination of stockholders entitled to receive notice of the Meeting is March 21, 2014. In accordance with the provisions of the DGCL, we will prepare a list of the Class B Stockholders as of the record date. Class B Stockholders named in the list will be entitled to vote the Class B Stock owned by them on all matters to be voted on at the Meeting.

It is planned that the solicitation will be initially by mail, but proxies may also be solicited by our employees. The cost of such solicitation, estimated to be approximately \$2,000, will be borne by us.

No person is authorized to give any information or to make any representations other than those contained in this proxy statement and, if given or made, such information or representations should not be relied upon as having been authorized by us. The delivery of this proxy statement shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this proxy statement. Except as otherwise stated, the information contained in this proxy statement is given as of March 15, 2014.

We have distributed copies of the Notice of Meeting, this proxy statement, and form of proxy for use by the Class B Stockholders to intermediaries such as clearing agencies, securities dealers, banks and trust companies or their nominees for distribution to our non-registered stockholders whose shares are held by or in the custody of such intermediaries. Intermediaries are required to forward these documents to non-registered Class B Stockholders. Our Annual Report on Form 10-K for the year ended December 31, 2013 is available without charge, except for exhibits to the report, by (i) writing to Oppenheimer Holdings Inc., 85 Broad Street, 22<sup>nd</sup> Floor, New York, New York 10004, Attention: Secretary, (ii) calling 1-800-221-5588, or (iii) emailing us with your request at [info@opco.com](mailto:info@opco.com). The solicitation of proxies from non-registered Class B Stockholders will be carried out by the intermediaries or by us if the names and addresses of Class B Stockholders are provided by the intermediaries. Non-registered Class B Stockholders who wish to file proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, non-registered Class B Stockholders will either: (i) be provided with a proxy executed by the intermediary, as the registered stockholder, but otherwise uncompleted and the non-registered holder may complete the proxy and return it directly to our transfer agent; or (ii) be provided with a request for voting instructions by the intermediary, as the registered stockholder, and then the intermediary must send to our transfer agent an executed proxy form completed in accordance with any voting instructions received by it from the non-registered holder and may not vote in the event that no instructions are received.

### Class A Stock and Class B Stock

We have authorized and issued Class A Stock and Class B Stock which are equal in all respects except that the holders of Class A Stock, as such, are not entitled to vote at meetings of our stockholders except as entitled to vote by law or pursuant to our Certificate of Incorporation. Class A Stockholders are not entitled to vote the Class A Stock owned or controlled by them on the matters identified in the Notice of Meeting to be voted on.

Generally, Class A Stockholders are afforded the opportunity to receive notices of all meetings of stockholders and to attend and speak at such meetings. Class A Stockholders are also afforded the opportunity to receive all informational documentation sent to the Class B Stockholders.

Class B Stockholders are entitled to one vote for each share of Class B Stock held as of the record date for the Meeting.

### Appointment and Revocation of Proxies

Each of Albert G. Lowenthal and Dennis P. McNamara (the Management Nominees ) has been appointed by the Board of Directors to serve as the proxy for the Class B Stockholders at the Meeting.

Class B Stockholders have the right to appoint persons, other than the Management Nominees, who need not be stockholders, to represent them at the Meeting. To exercise this right, the Class B Stockholder may insert the name of the desired person in the blank space provided in the form of proxy accompanying this proxy statement or may submit another form of proxy.

Proxies must be deposited with our transfer agent, Computershare Shareholder Services LLC (formerly Bank of New York Mellon Shareholder Services), at its address at Computershare, PO Box 30170, College Station, TX 77842-3170, no later than 48 hours prior to the commencement of the Meeting in order for the proxies to be used at the Meeting.

Class B Stock represented by properly executed proxies will be voted by the Management Nominees on any ballot that may be called for, unless the Class B Stockholder has directed otherwise, (i) for the election of each of the nominated Directors (Matter 1 in the Notice of Meeting), (ii) for the ratification of the appointment of the auditors and authorization of the Audit Committee to fix the remuneration of the auditors (Matter 2 in the Notice of Meeting), (iii) for the ratification of the adoption of the Oppenheimer Holdings Inc. 2014 Incentive Plan (Matter 3 in the Notice of Meeting) and (iv) for the approval, in an advisory (non-binding) vote, of the Company's executive compensation (Matter 4 in the Notice of Meeting).

Each form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting to which the proxy relates and other matters which may properly come before the Meeting. Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters which are not known to management should properly come before the Meeting, the proxies will be voted on such matters in accordance with the best judgment of the person or persons voting the proxies.

A Class B Stockholder who has given a proxy has the power to revoke it prior to the commencement of the Meeting by depositing an instrument in writing executed by the Class B Stockholder or by the stockholder's attorney-in-fact either at our registered office at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, or with our Secretary on the day of the Meeting or any adjournments thereof or in any other manner permitted by law. A Class B Stockholder who has given a proxy may also revoke it by signing a form of proxy bearing a later date and returning such proxy to our Secretary prior to the commencement of the Meeting. In addition, a Class B Stockholder who has given a proxy has the power to revoke it after the commencement of the Meeting as to any matter on which a vote has not been cast under the proxy by delivering written notice of revocation to our Secretary.

Abstentions and broker non-votes will have no effect with respect to the matters to be acted upon at the Meeting, assuming that a quorum is obtained.

**MATTER NO. 1**

**ELECTION OF DIRECTORS**

**Director Nomination Process**

Our Bylaws provide that our Board of Directors consists of no less than three and no more than eleven directors to be elected annually. The term of office for each director is from the date of the meeting of stockholders at which the director is elected until the close of the next annual meeting of stockholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with our Bylaws.

The Nominating and Corporate Governance Committee of the Board has recommended and the directors have determined that nine directors are to be elected at the Meeting. Management does not contemplate that any of the nominees named below will be unable to serve as a director, but, if such an event should occur for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee or nominees in their discretion.

The following sets out information with respect to the proposed nominees for election as directors as recommended by the Nominating and Corporate Governance Committee, in accordance with the Nominating and Corporate Governance Committee Charter (available at [www.opco.com](http://www.opco.com)). The Nominating and Corporate Governance Committee has reported that it is satisfied that each of the nominees is fully able and fully committed to serve the best interests of our stockholders. The election of the directors nominated requires the affirmative vote of a simple majority of the Class B Stock voted at the Meeting.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE DIRECTORS NOMINATED FOR ELECTION.**

*Director Nominees and Executive Officers*

The following table, and the notes thereto, provide information regarding our director nominees and executive officers.

**Nominees for Election as a Director**

**R. Crystal**

Age: 73

Mr. Crystal joined the Board in 1992. Mr. Crystal, now retired, was Counsel to Seyfarth Shaw LLP (law firm) from December 1, 2008 until May 31, 2012, practicing real estate law. Mr. Crystal's legal background brings strong governance, legal and business skills to our Board, important to the oversight of the Company's legal concerns, governance policies and procedures and enterprise and operational risk management. Mr. Crystal is Chairman of the Nominating and Corporate Governance Committee. Mr. Crystal is A.G. Lowenthal's first cousin and R.S. Lowenthal's second cousin.

*Independent*

**Board and Committees**

Board  
Nominating and Corporate Governance

**Attendance**

**Overall attendance: 90%**  
6 of 7  
3 of 3



**W. Ehrhardt**

Age: 70  
*Independent*  
 Mr. Ehrhardt joined the Board in 2008. He is a retired senior audit partner formerly with Deloitte & Touche LLP, New York with over 30 years of professional experience primarily in the banking and securities and insurance industries. Clients served include The Equitable Companies Inc., Marsh & McLennan, First Boston Corporation and Merrill Lynch. In addition, Mr. Ehrhardt participated in numerous firm-wide initiatives relating to audit practice and related quality control matters and served as Partner in Charge of the Tri-State Financial Services Assurance and Advisory Practice. Mr. Ehrhardt is a Certified Public Accountant and a member of the AICPA. Mr. Ehrhardt brings strong accounting and financial skills and experience to the Company which is important to the oversight of the Company's financial reporting and enterprise and operational risk management. Mr. Ehrhardt is Chairman of the Audit Committee and a member of the Compensation Committee.

<b>Board and Committees</b>	<b>Attendance</b>
	<b>Overall attendance: 100%</b>
Board	7 of 7
Audit	5 of 5
Compensation	5 of 5

**M. Goldfarb**

Age: 63  
*Independent*  
 Mr. Goldfarb joined the Board in May 2013. Mr. Goldfarb is Chairman of the Board and Chief Executive Officer of G-III Apparel Group, Ltd., the shares of which are listed on NASDAQ, a leading diversified apparel and retail company with annual sales in excess of \$1.7 billion. Mr. Goldfarb has served in management positions at G-III and its predecessors since its formation in 1974. He currently serves on the board of RLJ Entertainment, Inc., the shares of which are listed on NASDAQ, and the Fashion Institute of Technology Foundation, and is Honorary Overseer on the Board of Overseers of the Benjamin N. Cardozo School of Law. Mr. Goldfarb brings to the Board considerable experience and in-depth knowledge of the retail industry. Combined with his leadership skills as an executive officer of G-III and strong business background in a non-financial industry, he provides a good perspective to the Board which is very important to the oversight of the Company's governance policies and procedures as well as its enterprise and operational risk management.

<b>Board and Committees</b>	<b>Attendance</b>
	<b>Overall attendance 89%</b>
Board	3 of 4
Compensation	2 of 2

Mr. Goldfarb joined the Compensation Committee following the Annual Meeting in May 2013. He attended the two meetings that he was eligible to attend.

**M.A.M. Keehner** Mr. Keehner joined the Board in 2008. At present, he is an Adjunct Professor of Finance and Economics and a Faculty Leader at the Sanford C. Bernstein & Co. Center for Leadership and Ethics at Columbia Business School and a consultant. Mr. Keehner has a long history of financial services industry management and professional experience. Previously, Mr. Keehner served in various capacities at Kidder Peabody Group for more than 20 years, leaving in 1994 as a member of its Executive and Audit Committees and Board of Directors, as well as Executive Managing Director of Kidder, Peabody and Co., Inc. in charge of its domestic brokerage system. Earlier positions included President of Kidder, Peabody International Corporation, and President and CEO of KP Exploration Inc., Kidder's oil and gas exploration arm, and management of several investment banking groups. Mr. Keehner's industry and academic backgrounds bring strong industry, finance and governance skills to our Board, important to the oversight of the Company's financial reporting and enterprise and operational risk management. Mr. Keehner is Chairman of our Compensation Committee and a member of our Audit and Nominating and Corporate Governance Committees.

Age: 70

*Independent*

<b>Board and Committees</b>	<b>Attendance</b>
	<b>Overall attendance 100%</b>
Board	7 of 7
Audit	5 of 5
Compensation	5 of 5
Nominating and Corporate Governance	3 of 3

**A.G. Lowenthal**

Mr. Lowenthal joined the Board in 1985. Mr. Lowenthal is Chairman of the Board and Chief Executive Officer of the Company, positions he has held since 1985. Mr. Lowenthal has worked in the securities industry since 1967. Mr. Lowenthal's extensive experience in the securities industry and as Chief Executive of our Company gives him unique insights into the Company's challenges, opportunities and operations. Since his arrival at the Company, Mr. Lowenthal has built the Company through acquisition and organic growth taking stockholders' equity from \$5 million to \$528 million at December 31, 2013. Mr. Lowenthal is Mr. Crystal's first cousin. Mr. Lowenthal is R.S. Lowenthal's father.

Age: 68

*Not Independent*

<b>Board and Committees</b>	<b>Attendance</b>
	<b>Overall attendance 100%</b>
Board	7 of 7

**R.S. Lowenthal**

Mr. Lowenthal joined the Board in May 2013. Mr. Lowenthal joined the Company in 1999 as head of the Company's information technology department. In mid-2007, Mr. Lowenthal became Managing Director of the Company's Taxable Fixed Income business, and in mid-2012, Mr. Lowenthal took over responsibility for oversight of our public finance and municipal trading departments. Currently, Mr. Lowenthal is Senior Managing Director and Head of Oppenheimer & Co. Inc.'s Fixed Income business. Mr. Lowenthal is a member of the Oppenheimer & Co. Inc. Management, Risk Management, Asset Management Investment Oversight, and New Products Committees. Mr. Lowenthal has an undergraduate degree from Washington University in St. Louis and an MBA from Columbia University. Mr. Lowenthal's years with the Company bring an inside perspective to Board discussions as well as a strong connection to management, important to the oversight of the Company's financial reporting and enterprise and operational risk management. Mr. Lowenthal is A.G. Lowenthal's son and Mr. Crystal's second cousin.

Age: 37

*Not Independent*

<b>Board and Committees</b>	<b>Attendance</b>
	<b>Overall attendance 100%</b>
Board	4 of 4

**K.W. McArthur**

Age: 78

*Independent*

Mr. McArthur joined the Board in 1996. Mr. McArthur is our Lead Director. Mr. McArthur is President and Chief Executive Officer of Shurway Capital Corporation (a private investment company). Mr. McArthur is a member of the Institute of Chartered Accountants of British Columbia. Mr. McArthur has a long history of securities industry experience, serving as CFO of a major Canadian investment dealer for 20 years. Between July 1989 and January 1993, Mr. McArthur was a Senior Vice-President of Nesbitt Thomson Inc. and between January 1992 and July 1993, Mr. McArthur was a Senior Vice-President of Bank of Montreal Investment Counsel Limited. Mr. McArthur was a member of the Independent Review Committee for BMO Mutual Fund for 15 years until June 30, 2010 and was a member of the Pension Investment Committee for Canada Post for 10 years until December 31, 2010. Mr. McArthur's strong accounting skills and experience in the securities industry are important to the oversight of the Company's financial reporting and enterprise and operational risk management. Mr. McArthur is a member of the Audit Committee.

**Board and Committees**

**Attendance**

**Overall attendance 100%**

Board

7 of 7

Audit

5 of 5

**A.W. Oughtred**

Age: 71

*Independent*

Mr. Oughtred joined the Board in 1979. Mr. Oughtred, now retired, was Counsel from January 1, 2009 to May 31, 2009 and prior to December 31, 2008 a Partner at Borden Ladner Gervais LLP (law firm). Mr. Oughtred practiced corporate law. Mr. Oughtred brings strong governance, legal, business and financial industry knowledge to our Board, important to the oversight of the Company's financial reporting, enterprise and operational risk management and governance policy. Mr. Oughtred is a director of CI Financial Corp., the shares of which are listed on the Toronto Stock Exchange, and Belmont House. Mr. Oughtred is certified as an Institute of Corporate Directors (Canada) certified director (ICD.D). Mr. Oughtred is a member of the Compensation and Nominating and Corporate Governance Committees.

**Board and Committees**

**Attendance**

**Overall attendance 100%**

Board

7 of 7

Compensation

5 of 5

Nominating and Corporate Governance

3 of 3

**E.K. Roberts**

Age: 62

*Not Independent*

Ms. Roberts joined the Board in 1977. Ms. Roberts, now retired, was President, Treasurer and principal financial and accounting officer of the Company, from 1977 to March 28, 2013. Ms. Roberts is a member of the Institute of Chartered Accountants of Ontario. Ms. Roberts' many years with the Company bring an inside perspective to Board discussions as well as a strong connection to management, important to the oversight of the Company's financial reporting and enterprise and operational risk management.

**Board and Committees**

**Attendance**

**Overall attendance 100%**

Board

7 of 7

**Notes:**

- (1) There is no Executive Committee of the Board of Directors. Messrs. Ehrhardt, Keehner and McArthur are members of the Audit Committee. Messrs. Crystal, Keehner and Oughtred are members of the Nominating and Corporate Governance Committee. Messrs. Ehrhardt, Goldfarb, Keehner and Oughtred are members of the Compensation Committee. None of the nominees has been involved in any events within the past 10 years that could be considered material to an evaluation of the director.

---

## Executive Officers

Our executive officers consist of A.G. Lowenthal, our Chairman and Chief Executive Officer whose background is described above, and Mr. Alfano, our Chief Financial Officer and principal financial and accounting officer, whose background is described below.

**J. Alfano**      The Company appointed Jeffrey J. Alfano as its principal financial and accounting officer effective March 29, 2013. Mr. Alfano has been Executive Vice President and the Chief Financial Officer of Oppenheimer & Co. Inc. since April 2006 and Chief Financial Officer of the Company since May 2011. Mr. Alfano also serves as a member of Oppenheimer's Management, Risk Management, Credit, Financial Reporting, International, Asset Management Investment Oversight and New Products Committees. Prior to joining Oppenheimer, Mr. Alfano was an audit partner with Deloitte & Touche LLP where he spent 14 years in Deloitte's securities industry practice serving clients by providing audit and business advisory services out of their New York, Tokyo and Seattle offices. Mr. Alfano has an undergraduate degree from Michigan State University and an MBA from Columbia University. Mr. Alfano is a member of the Financial Management Society of the Securities Industry and Financial Markets Association (SIFMA), the American Institute of Certified Public Accountants, and the New York State Society of Certified Public Accountants, and sits on the AICPA Stockbrokerage and Investment Banking Expert Panel.

## Board Leadership Structure

The Board believes that the Company's Chief Executive Officer is best situated to serve as Chairman of the Board because he is the director most familiar with the Company's business strategy, history and capabilities, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Independent directors and management add different perspectives and roles in strategy development. The Company's independent directors bring experience, oversight and expertise from outside the Company and, in some cases, outside the industry, while the Chief Executive Officer brings Company-specific and industry-specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer facilitates the strategy development and execution, and enhances the flow of information between management and the Board, which are essential to effective governance.

One of the key responsibilities of the Board of Directors is to develop strategic direction and hold management accountable for the execution of strategy once it is developed. The Board believes the combined role of Chairman and Chief Executive Officer, together with an independent Lead Director having the duties described below, is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management for our Company.

## Lead Director

K.W. McArthur, an independent director who serves on the Audit Committee, was selected by the Board to serve as the Lead Director for all meetings of the non-management directors held in executive session. The role of the Lead Director is to assure the independence of the Board from management. The Lead Director has the responsibility of presiding at all executive sessions of the Board, consulting with the Chairman and Chief Executive Officer on Board and committee meeting agendas, acting as a liaison between management and the non-management directors, including maintaining frequent contact with the Chairman and Chief Executive Officer and advising him on the efficiency of Board meetings, facilitating teamwork and communication between the non-management directors and management, as well as additional responsibilities that may be assigned to the Lead Director by the Board.

## Executive Sessions

Pursuant to the Company's Corporate Governance Guidelines, non-management directors of the Board meet on a regularly scheduled basis and otherwise as the independent directors determine without the presence of management. The Lead Director, Mr. K.W. McArthur, chairs these sessions. An executive session took place, in camera, at every scheduled Board meeting held in 2013. To ensure strong communication with the Chief Executive Officer, the independent directors may meet with the CEO alone as the independent directors determine.

---

**Board of Directors and Committee Meetings Held**

During 2013, the following numbers of Board and committee meetings were held:

Board of Directors	7
Audit Committee	5
Compensation Committee	5
Nominating and Corporate Governance	3

There is no Executive Committee of the Board of Directors.

**Meeting Attendance**

Last year there were seven meetings of the Board. We are pleased that all but two of our nine directors attended 100% of the total meetings of the Board and committees of the Board in 2013. Two directors were unable to attend one board meeting in 2013.

In addition to participation at Board and committee meetings, our directors discharge their responsibilities throughout the year through personal meetings and other communications, including considerable telephone contact with the Chairman and Chief Executive Officer and other members of senior management and each other regarding matters of interest and concern to the Company. It is our policy that our directors attend our stockholders meetings and, at the last Annual Meeting of Stockholders held on May 13, 2013, five of the then seven directors attended.

**Risk Management**

The Board, as a whole and also at the committee level, has an active role in overseeing the management of the Company's strategic, operational, financial and compliance risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the Company's executive compensation arrangements and assuring that financial incentives for management and employees are appropriate and mitigate against, rather than encourage, employees taking excessive risk exposure with firm capital. The Audit Committee oversees management of compliance, operational and financial risks. The Company also has a number of internal risk-oversight committees and functions. The Company's internal Risk Management Committee (composed of management employees) is charged with assessing, reviewing and monitoring the risk environment in which the Company operates, and reports its findings and considerations to the Audit Committee at each regularly scheduled quarterly meeting and more frequently, as needed. The Nominating and Corporate Governance Committee manages risks associated with the governance of the Company, including the composition, responsibilities and independence of the Board of Directors and ethical and regulatory issues including conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

**Corporate Governance**

Our Class A Stock is listed on the NYSE. We are subject to the corporate governance listing standards of the NYSE, the applicable rules of the Securities and Exchange Commission (the "SEC"), the provisions of the Sarbanes-Oxley Act of 2002 and the applicable rules of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

Our Nominating and Corporate Governance Committee, Compensation Committee, Audit Committee and our Board of Directors continue to monitor regulatory changes and best practices in corporate governance and consider amendments to our practices and policies as appropriate.

Our Corporate Governance Guidelines, and all committee charters, as well as our Code of Conduct and Business Ethics for Directors, Officers and Employees and our Whistleblower Policy, are posted on our website at [www.opco.com](http://www.opco.com).

## Board of Directors

The fundamental responsibility of the Board of Directors is to oversee the management of our business with a view to maximizing stockholder value and ensuring corporate conduct in a legal and ethical manner through a system of corporate governance and internal controls appropriate to our business. The Board of Directors has adopted a statement of Corporate Governance Guidelines to which it adheres. We have a Code of Conduct and Business Ethics for Directors, Officers and Employees which is posted on our website [www.opco.com](http://www.opco.com). No waivers were granted in 2013 or to date in 2014 under the Code of Conduct and Business Ethics for any directors, officers or employees.

In fulfilling its mandate, the Board's responsibilities include:

monitoring and overseeing the Company's strategic planning;

monitoring the performance of the Company's business, evaluating opportunities and risks, and controlling risk;

monitoring systems for audit, internal control and information management systems;

developing, together with the Chief Executive Officer, a clear position description for the Chief Executive Officer, which includes delineating management's responsibilities and developing or approving the corporate goals and objectives that the Chief Executive Officer is responsible for meeting;

monitoring the performance of senior management of the Company, including the Chief Executive Officer;

satisfying itself as to the integrity of the Chief Executive Officer and other senior management and ensuring that they create a culture of integrity throughout the Company;

succession planning for senior management and directors;

remuneration of the executive officers and reviewing the general compensation policies of the Company;

governance, including composition and effectiveness of the Board;

monitoring compliance with the Code of Conduct and Business Ethics (the Code) adopted by the Board; and

considering and approving, if determined by the Board to be advisable, any waiver from the Code granted to directors or senior management of the Company.

## Director Independence

Six of our current nine directors are independent as required by the NYSE Corporate Governance Rules. To be considered independent under these rules, the Board of Directors must determine that a director has no direct or indirect material relationship with us. The Board of Directors determined that Messrs. Crystal, Ehrhardt, Keehner, Goldfarb, McArthur and Oughtred (the non-employee Directors) are independent directors, and that Mr. A.G. Lowenthal, our Chairman of the Board of Directors and Chief Executive Officer, and Mr. R.S. Lowenthal, Senior Managing Director and Head of Oppenheimer & Co. Inc.'s Fixed Income business and son of Mr. A.G. Lowenthal, are not independent. Ms. Roberts, formerly our President, Treasurer and principal financial and accounting officer, retired from her offices with the Company and its subsidiaries

## Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

on March 28, 2013. Given her historical relationship with the Company, she is not deemed independent at this time.

The Board of Directors has not adopted formal categorical standards to assist in determining independence. The Board has considered the types of relationships that could be relevant to the independence of a director of the Company. These relationships are described in Schedule A to the Company's Corporate Governance Guidelines which are posted on our website at [www.opco.com](http://www.opco.com). The Board of Directors has considered the relationship of each non-employee director and has made a determination that the six of our current seven non-employee directors are independent.

Mr. Crystal, now retired, was Counsel to the law firm of Seyfarth Shaw LLP from December 1, 2008 until May 31, 2012. Seyfarth Shaw LLP does not have a significant relationship with us. Mr. Crystal is A.G. Lowenthal's first cousin and R.S. Lowenthal's second cousin. Because Mr. Crystal is not an immediate family member with either

A.G. Lowenthal or R.S. Lowenthal within the meaning of the New York Stock Exchange ( NYSE ) Listed Company Manual or the standards of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and, for the reason set forth above, we do not believe this relationship is material for purposes of determining that he is an independent director.

At each regular Board and Audit Committee meeting, the independent directors are afforded an opportunity to meet in the absence of management. During 2013, six of the seven board meetings were regular meetings and at these six meetings the independent directors met in the absence of management. Additionally, at regular meetings of the Audit Committee (five regular meetings annually), the members of the Audit Committee, all of whom are independent, are afforded the opportunity to meet with the auditors in the absence of management.

The independent directors and the directors that are not independent understand the need for directors to be independent-minded and to assess and question management initiatives and recommendations from an independent perspective. The Board of Directors Lead Director, Mr. K.W. McArthur, is an independent director who, among other things, chairs sessions of the independent directors.

### **Orientation and Continuing Education**

The Nominating and Corporate Governance Committee of the Board of Directors, as required by its charter, is responsible for the orientation of new directors to our business and overseeing the continuing education needs of all directors.

The Board of Directors encourages the directors to maintain the skill and knowledge necessary to meet their obligations as directors. This includes support for director attendance at continuing education sessions and making available newsletters and other written materials. Our directors understand the need to maintain their knowledge and skills and avail themselves of director education literature and programs.

### **Board and Committee Assessments**

The Board conducts a self-evaluation annually to determine whether it and its Committees are functioning effectively.

### **Board Committees**

The Board has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Audit, Compensation and Nominating and Corporate Governance Committees are composed entirely of independent directors, as defined under the NYSE Listed Company Manual and the Company s Corporate Governance Guidelines. The charters of each committee are available on the Company s website at [www.opco.com](http://www.opco.com).

### **Audit Committee**

The Board of Directors has an Audit Committee composed of three independent directors, the duties of which are set forth below.

The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is posted on our website at [www.opco.com](http://www.opco.com). The Audit Committee:

has sole authority and responsibility to nominate independent auditors for ratification by stockholders and to approve all audit engagement fees and terms (see Matter 2);

reviews annual, quarterly and all legally required public disclosure documents containing financial information that are submitted to the Board of Directors;

reviews the nature, scope and timing of the annual audit carried out by the external auditors and reports to the Board of Directors;

evaluates the external auditors performance for the preceding fiscal year and reviews their fees and makes recommendations to the Board of Directors;



Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

pre-approves the audit, audit related and non-audit services provided by our independent auditors and the fee estimates for such services;

reviews internal financial control policies, procedures and risk management and reports to the Board of Directors;

meets regularly with business unit leaders to understand their risk management procedures;

meets with the external auditors quarterly to review quarterly and annual financial statements and reports and to consider material matters which, in the opinion of the external auditors, should be brought to the attention of the Board of Directors and the stockholders;

reviews and directs the activities of our internal audit department, meets regularly with internal audit, legal and compliance personnel and reports to the Board of Directors;

reviews accounting principles and practices;

reviews management reports with respect to litigation, capital expenditures, tax matters and corporate administration charges and reports to the Board of Directors;

reviews related party transactions;

reviews internal control policies and procedures with management and reports to the Board of Directors;

reviews changes in accounting policies with the external auditors and management and reports to the Board of Directors;

reviews and approves changes to or waivers of our Code of Conduct and Business Ethics for Senior Executive, Financial and Accounting Officers; and

annually reviews the Audit Committee Charter and recommends and makes changes thereto as required.

All of the members of the Audit Committee are financially literate. The Board of Directors has determined that the Audit Committee includes two financial experts and that Messrs. W. Ehrhardt and K.W. McArthur, the financial experts, are independent as defined in Rule 10 A-3(b) of the Exchange Act and Section 303A.02 of the NYSE's Listed Company Manual. Mr. Ehrhardt is a Certified Public Accountant and a member of the AICPA. Mr. McArthur is a member of the Institute of Chartered Accountants of British Columbia. Currently, none of the members of the Audit Committee simultaneously serves on the audit committee of any other public company.

#### **Compensation Committee**

The Board of Directors has adopted a Compensation Committee Charter, a copy of which is posted on our website at [www.opco.com](http://www.opco.com). Pursuant to its charter, the Compensation Committee's objective is to provide a competitive compensation program with strong and direct links between corporate objectives and financial performance, individual performance and compensation, mindful of the Company's corporate risk management objectives. The Compensation Committee has four members, all of whom are independent.

The Compensation Committee:

makes recommendations to the Board of Directors with respect to our compensation policies;

## Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

reviews recommendations made by the chief executive officer with respect to the salary, bonus and benefits paid and provided to our senior management (except the chief executive officer) and makes recommendations to the Board of Directors with respect to the compensation of senior management including the chief executive officer;

authorizes grants of stock options and stock awards and recommends modifications to our incentive compensation plans;

grants certain compensation awards to our senior management based on criteria linked to the performance of the individual and/or our company;

administers the Performance-Based Compensation Agreement between us and Mr. A.G. Lowenthal;

reviews our compensation arrangements for our independent directors and makes recommendations on changes thereto when appropriate;

monitors compliance with the criteria of our performance-based awards or grants;

makes awards under and administers our Stock Appreciation Rights Plan; and

reviews and approves our Compensation Discussion and Analysis.

**Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee Charter, a copy of which is posted on our website at [www.opco.com](http://www.opco.com), provides that the Nominating and Corporate Governance Committee is responsible for ensuring that our Board of Directors is composed of directors who are fully able and fully committed to serve the best interests of our stockholders. Factors considered by the Nominating and Corporate Governance Committee in assessing director performance and, when needed, recruiting new directors include character, judgment, experience, ethics, integrity and compatibility with the existing Board of Directors.

The Nominating and Corporate Governance Committee has three members, all of whom are independent. The duties of this Committee are set out as follows:

identify individuals qualified to become Board members;

select or recommend that the Board select the director nominees for the annual meeting of stockholders;

recommend additions to the Board and persons to fill vacancies on the Board;

ensure that the Board is kept up to date with respect to the regulatory environment relevant to governance issues;

maintain an orientation program for new directors and oversee the continuing education needs of directors;

oversee the evaluation of the Board and management;

develop, review and make recommendations with respect to our Corporate Governance Guidelines; and

review and approve governance reports for publication in our management proxy statement and Annual Report on Form 10-K.

The Nominating and Corporate Governance Committee will give appropriate consideration to board nominees recommended by Class B Stockholders. Nominees recommended by Class B Stockholders will be evaluated in the same manner as other nominees. Class B Stockholders who wish to submit nominees for director for consideration by the Nominating and Corporate Governance Committee for election at our 2015 Annual Meeting of Stockholders may do so by submitting in writing such nominee's name, in compliance with the procedures and along with the other information required by our Bylaws and Regulation 14A under the Exchange Act (including such nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), to our Secretary, at 85 Broad Street, 22<sup>nd</sup> Floor, New York, NY 10004 within the time frames set forth under the heading *Stockholder Proposals*.

**Director Compensation**

The following table describes director compensation for the year ended December 31, 2013 paid to the directors other than A.G. Lowenthal and R.S. Lowenthal, who receive no compensation in connection with their service on our Board of Directors. Mr. Goldfarb joined the Board as an independent director on May 13, 2013. Ms. Roberts became a non-employee director qualifying for director compensation after her retirement from active employment on March 28, 2013.

**2013 DIRECTOR COMPENSATION TABLE**

Name (a)	Fees			Total (\$) (e)
	Earned or Paid in Cash (\$) (b)(1)	Option Awards (\$) (c)(2)	Restricted Stock Awards (\$) (d)(2)(3)	
R. Crystal	\$ 98,000	\$	\$ 44,122	\$ 142,122
W. Ehrhardt	\$ 123,000	\$	\$ 44,122	\$ 167,122
M. Goldfarb	\$ 48,730	\$	\$	\$ 48,730
M.A.M. Keehner	\$ 115,000	\$	\$ 44,122	\$ 159,122
K.W. McArthur	\$ 116,000	\$	\$ 44,122	\$ 160,122
A.W. Oughtred	\$ 95,000	\$	\$ 44,122	\$ 139,122
E.K. Roberts (4)	\$ 68,500	\$	\$	\$ 68,500

**Notes to 2013 Director Compensation Table**

- (1) In the year ending December 31, 2013, we paid directors' fees as follows:

Annual Retainer Fee	\$50,000
Board Meeting Fees	\$5,000 per meeting attended in person
Committee Meeting Fees	\$1,000 per meeting attended
Lead Director and Chairman of the Audit Committee	\$25,000
Committee Chairmen, except Audit Committee	\$15,000

- (2) The values of stock options and restricted stock awards (granted under the 2006 Equity Incentive Plan) represent the grant date fair value of awards granted in the fiscal year. The underlying assumptions and methodology used to value our stock options and stock awards are described in note 14 to our consolidated financial statements for the year ended December 31, 2013 included in our Annual Report on Form 10-K for the year ended December 31, 2013 which is available on our web site at [www.opco.com](http://www.opco.com) or in paper on request. Details of stock options and restricted stock awards held by the Named Executives appear in the Outstanding Equity Awards Table and notes thereto, appearing below. Details of options and restricted stock held by our non-employee directors appear below under Director Stock-Based Compensation.
- (3) Non-employee directors receive annual stock awards of restricted Class A non-voting common stock as determined by an independent Committee formed for such purpose (2,650 restricted shares each on January 2, 2013 and 2,000 restricted shares each on January 2, 2014) which vest as follows: 25% on July 1 of the award year and 25% on each subsequent July 1. Directors are expected to accumulate and hold at least 6,000 shares of the Company's Class A non-voting common stock and have three years to achieve that position.
- (4) Ms. Roberts became eligible for director compensation following her retirement as President and Treasurer of the Company on March 28, 2013. Included in her Fees Earned or Paid in Cash is \$9,000 earned for her service as a director on the Company's subsidiaries' boards. Her compensation for services as an employee of the Company is described in the Summary Compensation Table on page 43.

In 2013, the directors were paid directors' fees of \$664,230 in the aggregate. Directors are reimbursed for travel and related expenses incurred in attending board and committee meetings. The directors who are not our employees are also entitled to the automatic grant of stock awards under our 2006 Equity Incentive Plan pursuant to a formula set out in the plan. Reference is made to the table under Director Stock-based Compensation, below. Directors who are our employees are not entitled to receive compensation for their service as directors.

The Company has not made contributions to any tax exempt organizations in which an independent director serves as an executive officer.

We operate in a challenging marketplace in which our success depends upon, among other things, our ability to attract and retain non-employee directors of the highest caliber. The Board believes that we must offer a competitive non-employee director compensation program if we are to successfully attract and retain the best possible candidates for these important positions of responsibility. Accordingly, we reviewed our practices against those of our peers and general trends in director compensation and, on December 14, 2011, the Board of Directors approved changes in non-employee director compensation. Director compensation for 2014 remains the same as for 2013, described in (1) of the Notes to the 2013 Director Compensation Table above.

In addition, the Board approved an amendment to the Company's 2006 Equity Incentive Plan, which was approved by our stockholders at the 2012 Annual Meeting, which has the effect of replacing a program of automatic stock option grants to non-employee directors with a program of annual restricted stock awards. If approved by stockholders at the Meeting, such annual restricted stock awards will be granted pursuant to the Oppenheimer Holdings Inc. 2014 Incentive Plan (see Matter 3).

The Board also approved a Compensation Committee recommendation that our minimum director stock retention expectation be increased to the lesser of 6,000 shares or that number of shares, the market value of which is at least \$100,000, held directly or beneficially (including grants under the aforementioned stock award program and prior grants of options), with a three-year grace period for new and existing directors to achieve such retention levels.

#### **Director Stock-based Compensation**

Under our 1996 and 2006 Equity Incentive Plans, non-employee directors were entitled to automatic option grants of 5,000 shares of Class A Stock for each full year of service up to a maximum of options on 25,000 shares of Class A Stock in any five year period. Effective January 1, 2012, the automatic grant of stock options was replaced with annual grants of restricted stock awards. Any stock options granted prior to January 1, 2012 remain in force until they are exercised or expire.

The following table describes non-employee director stock-based awards held at December 31, 2013 and the numbers of unvested awards, as applicable.

### Outstanding Equity Awards Table

As of December 31, 2013

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Option Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares or Other Rights That Have Not Vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) (8)	(i) (j)
R. Crystal	10,000	10,000(1)		\$ 26.21	12/31/15	1,100(5) 1,988(6)	\$ 76,520(5,6)	
W. Ehrhardt	3,750(2)	1,250		\$ 33.22	12/31/14	1,100(5)	\$ 76,520(5,6)	
	2,500(4)	2,500		\$ 26.21	12/31/15	1,988(6)		
M. Goldfarb								
M.A.M. Keehner	3,750(2)	1,250		\$ 33.22	12/31/14	1,100(5)	\$ 76,520(5,6)	
	2,500(4)	2,500		\$ 26.21	12/31/15	1,988(6)		
K.W. McArthur	15,000(3)			\$ 12.33	5/16/14	1,100(5)	\$ 76,496(5,6)	
	3,750(2)	1,250		\$ 33.22	12/31/14	1,987(6)		
	2,500(4)	2,500		\$ 26.21	12/31/15			
W. Oughtred						1,100(5) 1,987(6)	\$ 76,496(5,6)	
E.K. Roberts (7)								

#### Notes to Outstanding Equity Awards Table:

- (1) Options for 20,000 shares of Class A non-voting common stock were granted on 1/1/2011 for a five year term with vesting as follows: 25% on 12/31/2012, 12/31/2013, 12/31/2014 and 6/30/2015.
- (2) Options for 5,000 shares of Class A non-voting common stock were granted on 1/1/2010 for a five year term with vesting as follows: 25% on 12/31/2011, 12/31/2012, 12/31/2013 and 6/30/2014.
- (3) Options for 15,000 shares of Class A non-voting common stock were granted on 5/17/09 for a five year term with vesting as follows: 25% on 5/16/2011, 5/16/2012, 5/16/2013 and 11/16/2013.



Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- (4) Options for 5,000 shares of Class A non-voting common stock were granted on 1/1/2011 for a five year term with vesting as follows: 25% on 12/31/2012, 12/31/2013, 12/31/2014 and 6/30/2015.
- (5) Restricted stock award for 2,200 shares of Class A non-voting common stock were granted on 1/3/2012 with vesting as follows: 25% on 7/1/2012, 7/1/2013, 7/1/2014 and 7/1/2015.
- (6) Restricted stock award for 2,650 shares of Class A non-voting common stock were granted on 1/2/2013 with vesting as follows: 25% on 7/1/2013, 7/1/2014, 7/1/2015 and 7/1/2016.
- (7) Ms. Roberts was the recipient of employee stock awards during her employment with the Company. Such awards are described in the Summary Compensation Table appearing on page 43. Subsequent to her retirement on March 28, 2013, she became eligible for non-employee director compensation and stock awards including those granted on January 2, 2014 described below. In recognition of her continued service with the Company as a Director after her retirement from employment, Ms. Roberts' stock awards earned as part of her employment compensation were modified to terminate at the earliest of the original termination date of the award or the termination of her service as a Director. Further the amount of each award is limited to the amount of such grants which would vest in any given future year to less than the maximum amount of prior-earned compensation permitted under NYSE and the Company's Standards for Director Independence.
- (8) The market value is based on the closing price of the Class A Stock on the NYSE on December 31, 2013 of \$24.78. On January 2, 2014, the non-employee directors were each granted restricted stock awards of 2,000 shares of Class A Stock. These awards vest in the amount of 25% on each of July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017.

**Options Exercised and Stock Vested****For the Year Ended December 31, 2013**

<b>Name</b>	<b>Number of Shares Acquired on Exercise (#)</b>	<b>Value Realized on Exercise (\$)</b>	<b>Number of Shares Acquired on Vesting (#)</b>	<b>Value Realized on Vesting (\$)</b>
(a)	(b)	(c)	(d)	(e)
R. Crystal			1,212	\$ 22,955
W. Ehrhardt	5,000	\$ 32,250	1,212	\$ 22,955
M. Goldfarb				
M.A.M. Keehner	5,000	\$ 52,000	1,212	\$ 22,955
K.W. McArthur			1,213	\$ 22,974
W. Oughtred			1,213	\$ 22,974
E.K. Roberts				

**Directors and Officers Insurance**

We carry liability insurance for our directors and officers and the directors and officers of our subsidiaries. Between November 30, 2012 and November 30, 2013, our aggregate insurance coverage was \$30 million with a \$2.5 million deductible and an aggregate annual premium of \$730,350 and includes Side A coverage in the amount of \$2.5 million. The coverage was renewed for a further year effective November 30, 2013 at an aggregate annual premium of \$703,520.

Under our Bylaws, we are obligated to indemnify our and our subsidiaries' directors and officers to the maximum extent permitted by the DGCL. We have entered into an indemnity agreement with each of our directors and certain officers providing for such indemnities.

**Stock Ownership of Board Members**

For information on the beneficial ownership of securities of the Company by directors and executive officers, see Security Ownership of Certain Beneficial Owners and Management below.

**Compensation Committee Interlock and Insider Participation**

Messrs. Ehrhardt, Goldfarb, Keehner and Oughtred served as members of the Compensation Committee for the fiscal year ending December 31, 2013. None of the members of the Compensation Committee is or has ever been one of our officers or employees or been a party to a transaction with our Company. No interlocking relationship exists between our Board of Directors or Compensation Committee and the board of directors or compensation committee of any other entity.

**REPORT OF THE AUDIT COMMITTEE**

As required by our Audit Committee Charter, the Audit Committee reports as follows:

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. It meets with management and our internal audit group and independent auditors regularly and reports the results of its activities to the Board of Directors. In this connection, the Audit Committee has done the following with respect to fiscal 2013:

Reviewed and discussed with our management and Deloitte & Touche LLP, our unaudited quarterly reports on Form 10-Q and quarterly reports to stockholders for the first three quarters of the year;

Reviewed and discussed our audited financial statements and annual report on Form 10-K for the fiscal year ended December 31, 2013 with our management and Deloitte & Touche LLP;

Reviewed and discussed with our internal auditors their internal control program for the year, the internal audits conducted during the year, and their testing of internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002;

Discussed with Deloitte & Touche LLP the matters required to be discussed by the rules of the Public Company Accounting Oversight Board (PCAOB);

Received written disclosure from Deloitte & Touche LLP as required by the applicable requirements of the PCAOB regarding the independent accountant's communications with the audit committee concerning independence and discussed with Deloitte & Touche LLP its independence; and

Discussed with management and with Deloitte & Touche LLP the documentation and testing of our internal accounting controls in accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002.

Solicited competitive proposals from four independent registered public accounting firms, including PricewaterhouseCoopers LLP which had served as our independent registered public accounting firm since 1993. As a result of this process, we appointed Deloitte & Touche LLP to serve as our independent registered public accounting firm in 2013, believing that our Company will receive a high level of service at a reduced overall cost for audit.