

OPPENHEIMER HOLDINGS INC  
Form DEF 14A  
March 24, 2016

[QuickLinks](#) -- Click here to rapidly navigate through this document

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

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 under §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):

- 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:

Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

- o Fee paid previously with preliminary materials.
  - o 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 9, 2016

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 9, 2016, 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 2016 and authorize the Audit Committee to fix the auditors' remuneration; and
3. To transact such other business as is proper at such meeting or any adjournments thereof.

**Holders of Class A non-voting common 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 18, 2016 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, 2015 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 24, 2016

---

# 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 its 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, 2015, 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 Inc., 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, Isle of Jersey, Switzerland, Israel, 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 24, 2016 and is first being mailed to stockholders on or about March 28, 2016.

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 2016 and authorize the Audit Committee to fix the auditors' remuneration, 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 9, 2016, at the hour of 4:30 P.M. (New York time).

**Q.**

**Who is soliciting my vote?**

**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, 2016. 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 18, 2016. 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 E. Behrens, T.M. Dwyer, W. Ehrhardt, P.M. Friedman, M.A.M. Keehner, A.G. Lowenthal, R.S. Lowenthal, A.W. Oughtred, and E.K. Roberts as directors;

(2)

The ratification of the appointment of Deloitte & Touche LLP as our auditors for 2016 and the authorization of the Audit Committee to fix the auditors' remuneration; and

(3)

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 2016 and the authorization of our Audit Committee to fix the auditors' remuneration.

**Q.**

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

**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.

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

*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** Matters 1 and 2 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





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

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?**

A.

A quorum for the consideration of Matters 1 and 2 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 for 2016 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.

**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 and 2. 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

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

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: Secretary. 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, Secretary  
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 Securities and Exchange Commission 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 9, 2016, 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 24, 2016 and is first being mailed to stockholders on or about March 28, 2016.

The record date for the determination of stockholders entitled to receive notice of the Meeting is March 18, 2016. 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 11, 2016.

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, 2015 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.

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

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), and (ii) for the ratification of the appointment of the auditors for 2016 and authorization of the Audit Committee to fix the remuneration of the auditors (Matter 2 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. Each of Mr. K.W. McArthur and R. Crystal has advised that he does not wish to stand for re-election as a director for personal reasons. Accordingly, two new nominees have been asked to stand for election as directors. 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). 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 persons nominated for election as directors requires the affirmative vote of a simple majority of the Class B Stock voted at the Meeting.

The nominees nominated by the Nominating and Corporate Governance Committee to fill the two vacancies (Mr. Behrens and Mr. Dwyer) were recommended to the Nominating and Corporate Governance Committee by current directors.

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

*Director Nominees and Executive Officers*

The following table, and the notes thereto, provide information regarding our director nominees and executive officers.<sup>(1)</sup>

**Nominees for Election as a Director**

<p><b>E. Behrens</b></p> <p>Age: 46</p> <p><i>Independent</i></p>	<p>Mr. Behrens has been nominated to join the Board in May 2016. Since 2008, Mr. Behrens has been affiliated with SEACOR Holdings Inc., a global provider of equipment and services supporting the offshore oil and gas and marine transportation industries, and he has been its Senior Vice President of Business Development since 2009. Since April 2012, he has been Chairman of the Board of Trailer Bridge, Inc., a Jones Act container company. Additionally, he served as a Board member of Penford Corporation from 2013 to 2015 and is presently a Board member of Continental Insurance Group, Ltd. Mr. Behrens is also an officer and director of numerous SEACOR Holdings Inc. entities. From 2006 to 2007, he was a Portfolio Manager and Partner at Level Global Investors, a New York-based hedge fund. Mr. Behrens has a B.A. degree from the University of Chicago. The Company believes that Mr. Behrens' qualifications to serve on the Board include the extensive experience that he has gained through his key roles with several other significant businesses, including his experience as a Board Chairman, as well as his demonstrated management, financial and business development skills and acumen.</p>
---	---

**Board and Committees**

**Attendance**

**Overall attendance: N/A**

**T.M. Dwyer** Mr. Dwyer has been nominated to join the Board in May 2016. He is the founder, former CEO and Chairman of Entitle Direct Group, Inc., a title insurance company. Prior to founding Entitle Direct Group, Inc. in 2006, Mr. Dwyer served as Managing Director at the investment banking firm of Greenhill & Company from 2002 to 2005, specializing in the insurance industry. He previously held a similar position at Donaldson, Lufkin & Jenrette as a Managing Director specializing in the insurance sector from 1993 to 2001. Mr. Dwyer was also a Vice President at Salomon Brothers Inc from 1987 to 1993, and he was a certified public accountant with Arthur Andersen & Co. in Illinois from 1983 to 1985. He has over 30 years of experience in the financial services industry, and brings significant financial, accounting and insurance knowledge to the Company, as well as demonstrable entrepreneurial, compliance and advisory skills. Mr. Dwyer has an MBA from the University of Chicago and a Bachelor of Science in Accountancy from the University of Illinois.

Age: 54

*Independent*

**Board and Committees**

**Attendance**

**Overall attendance: N/A**

**W. Ehrhardt** 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. While in the practice of public accounting, Mr. Ehrhardt supervised the audits of the firm's largest multinational financial services clients. In addition, Mr. Ehrhardt participated in numerous firm-wide initiatives relating to the 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, Special and Compliance Committees.

Age: 72

*Independent*

**Board and Committees**

**Attendance**

**Overall attendance: 100%**

Board	10 of 10
Audit	5 of 5
Compensation	7 of 7
Compliance	3 of 3
Special	16 of 16

**P.M. Friedman** Mr. Friedman joined the Board in July 2015. Mr. Friedman spent 27 years at Bear Stearns & Co. Inc. from 1981 to 2008, most recently holding the position of Chief Operating Officer of the Fixed Income Division. From 2009 to 2015, Mr. Friedman was Senior Managing Director and Chief Operating Officer of Guggenheim Securities LLC. Mr. Friedman brings an extensive amount of operational and risk management experience to the Company as well as a deep knowledge of the financial services industry. Mr. Friedman is a Certified Public Accountant and is Vice Chairman of our Compliance Committee and a member of the Special and Compensation Committees.

Age: 60

*Independent*

**Board and Committees**

**Attendance**

**Overall attendance: 100%**

Board	4 of 4
Compensation	4 of 4
Compliance	3 of 3
Special	11 of 11

**M.A.M. Keehner**

Age: 72

*Independent*

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 and knowledge of executive compensation practices 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, Special, and Nominating and Corporate Governance Committees.

**Board and Committees**

**Attendance**

Board	10 of 10
Audit	5 of 5
Compensation	7 of 7
Nominating and Corporate Governance	6 of 6
Special	13 of 16

**Overall attendance: 93%**

**A.G. Lowenthal**

Age: 70

*Not Independent*

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 \$535 million at December 31, 2015. Mr. Lowenthal is Mr. Crystal's first cousin. Mr. Crystal is a current director who has advised that he does not wish to stand for re-election for personal reasons. Mr. Lowenthal is R.S. Lowenthal's father.

**Board and Committees**

**Attendance**

Board	10 of 10
-------	----------

**Overall attendance: 100%**



**R.S. Lowenthal**

Age: 39

*Not Independent*

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 Chairman of the Oppenheimer & Co. Inc. Management Committee and Co-Chairman of its Risk Management Committee, and is a member of several other internal 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.

**Board and Committees**

Board

**Attendance**

**Overall attendance: 100%**

10 of 10

**A.W. Oughtred**

Age: 73

*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 Chairman of our Special and Nominating and Corporate Governance Committees and a member of the Compensation and Compliance Committees.

**Board and Committees**

Board

Compensation

Nominating and Corporate Governance

Compliance

Special

**Attendance**

**Overall attendance: 100%**

10 of 10

7 of 7

6 of 6

3 of 3

16 of 16

**E.K. Roberts**

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 a historical perspective to Board discussions, important to the oversight of the Company's financial reporting and enterprise and operational risk management.

Age: 64

*Independent*<sup>(2)</sup>

**Board and Committees**

Board

**Attendance**

**Overall attendance: 90%**

9 of 10

**Notes:**

(1)

There is no Executive Committee of the Board of Directors. Messrs. Ehrhardt, Keehner and McArthur (until May 2016) are members of the Audit Committee. Messrs. Crystal (until May 2016), Keehner and Oughtred are members of the Nominating and Corporate Governance Committee. Messrs. Ehrhardt, Keehner, Friedman and Oughtred are members of the Compensation Committee. Messrs. McArthur (until May 2016), Ehrhardt, Oughtred and Friedman are members of the Compliance Committee. Messrs. Crystal (until May 2016), McArthur (until May 2016), Ehrhardt, Friedman, Keehner and Oughtred are members of the Special Committee.

(2)

Pursuant to NYSE Corporate Governance Rules, Ms. Roberts will become independent on March 28, 2016 and accordingly, will be independent as of the time of the Meeting.

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 Committee, Risk Management Committee, and a number of other Oppenheimer 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.

Age: 46

## 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 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. The Board's administration of its oversight function is described in greater detail below under "Risk Management".

## Lead Director

K.W. McArthur, an independent director who serves on the Audit Committee and is also a member of the Special and Compliance Committees, 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, and 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. Mr. McArthur has indicated that he does not wish to stand for re-election as a director for personal reasons. Accordingly, a new Lead Director will be selected after the Meeting.

## 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 in 2015, Mr. K.W. McArthur, chaired these sessions. An executive session took place, in camera, at every scheduled Board meeting held in 2015. 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 2015, the following numbers of Board and committee meetings were held:

Board of Directors	10
Audit Committee	5
Compensation Committee	7
Compliance Committee	3
Nominating and Corporate Governance	6
Special Committee	16

There is no Executive Committee of the Board of Directors.

### Meeting Attendance

Pursuant to the Company's policies on meeting attendance, all directors should strive to attend all meetings of the Board and the committees of which they are members. Last year there were ten 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 2015.

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 11, 2015, seven of the eight directors nominated 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, cybersecurity systems, 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. Please see "Compensation Policies and Risk" on page 41 for further information. The Audit Committee oversees management of operational and financial risks. The Company also has a number of internal risk-oversight committees and functions. The Company's Compliance Committee is responsible for overseeing the Company's compliance function and the management of compliance and regulatory risk. 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, Special Committee, Compliance 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 2015 or to date in 2016 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 of Conduct") adopted by the Board;

Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

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

reviewing the implementation of significant regulatory initiatives, including those related to anti-money laundering.

### 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, Friedman, Keehner, McArthur and Oughtred 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 on March 28, 2013. Given her historical relationship with the Company, she is not deemed independent at this time, although the Company has determined that Ms. Roberts will become independent on March 28, 2016 in accordance with NYSE Corporate Governance Rules. Each of Mr. Crystal and Mr. McArthur, who was determined to be an independent director, has advised that he does not wish to stand for re-election to the Board of Directors for personal reasons. Each of Mr. Behrens and Mr. Dwyer has been determined to be independent in accordance with NYSE Corporate Governance Rules.

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 director and has made a determination that six of our current nine directors are independent at this time (but that seven, including Ms. Roberts, will be independent at the time of the Meeting).

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 of 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. Mr. Crystal has advised that he does not wish to stand for re-election as a director for personal reasons.

At each regular Board and Audit Committee meeting, the independent directors are afforded an opportunity to meet and have met in the absence of management. During 2015, seven of the ten board meetings were regular meetings and at each of these 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 independent auditors and the managers of the Company's Internal Audit Group and, until the formation of the Compliance Committee, compliance functions, all in the absence of management. Since the formation of the Compliance Committee in May 2015, the managers of the compliance functions meet with the independent directors comprising the Compliance Committee.

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. Mr. McArthur has advised that he does not wish to stand for re-election to the Board of Directors for personal reasons. Accordingly, a new Lead Director will be selected after the Meeting.

## 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, a Compliance Committee, a Nominating and Corporate Governance Committee, and a Special Committee. The Audit, Compensation, Compliance, Nominating and Corporate Governance, and Special 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 (except the Special Committee which has no charter) 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;

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;





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

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 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. Mr. McArthur has advised that he does not wish to stand for re-election as a director for personal reasons.

### **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;

monitors developments in compensation-related regulations, and makes recommendations to the Board of Directors, as appropriate;

reviews recommendations made by the Chief Executive Officer with respect to the salary, bonus and benefits paid and provided to our senior management (except those for the Chief Executive Officer, which it handles directly) 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 the Company and Mr. A.G. Lowenthal;

reviews compensation arrangements for risk-taking personnel to ensure that they do not encourage excessive risk-taking;

reviews compensation arrangements for Compliance Department personnel;

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 skills, 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;

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;

make recommendations to assure the efficiency of Board meetings;

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 Annual Meeting of Stockholders to be held in 2017 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*."

The Nominating and Corporate Governance Committee is responsible for the recruitment and nomination of persons for Board positions, and to make recommendations to the Board for the appointment

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

of directors to fill vacancies on the Board. In recruiting, nominating and appointing directors, the Nominating and Corporate Governance Committee considers:

judgment, character, expertise, skills and knowledge useful to the oversight of the Company's business;

diversity of viewpoints, backgrounds, experiences and other demographics;

business or other relevant experience (including previous board experience); and

the extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other members of the Board will build a board that is effective, collegial and responsive to the needs of the Company.

The Nominating and Corporate Governance Committee is also responsible for initially assessing, against the Company's standards for directors' independence, whether a candidate would be independent and whether continuing directors continue to be independent and advising the Board of that assessment.

### **Special Committee**

On February 19, 2015, the Board of Directors of the Company formed a Special Committee of the Board in order to engage an independent law or consulting firm to conduct a review of the Company's subsidiaries, Oppenheimer & Co. Inc. and Oppenheimer Asset Management Inc.'s, broker-dealer and investment adviser compliance processes and related internal controls and governance processes, and provide recommendations to the Special Committee on how to improve any of the foregoing. On February 19, 2015, the Special Committee agreed to engage an independent law firm to conduct the aforementioned review. The Special Committee's function is to interact with the independent law firm and oversee the implementation of the law firm's recommendations. The Special Committee oversaw the implementation of various of the independent law firm's recommendations in 2015. In January 2016, the Special Committee oversaw the process of hiring a new overall Chief Compliance Officer for the Company's subsidiaries. The independent law firm's review is continuing and the Special Committee will continue to oversee the implementation of its recommendations in 2016. The Special Committee has five members, all of whom are independent.

### **Compliance Committee**

The Board of Directors formed a Compliance Committee in May 2015, the Charter for which is posted on our website at [www.opco.com](http://www.opco.com). Pursuant to its Charter, the Compliance Committee has been charged with assisting the Board of Directors with oversight of the Company's compliance function, including the Company's compliance management system and the Company's compliance with applicable laws, rules and regulations governing its financial services businesses. The Compliance Committee is composed of four independent directors, meets quarterly, or more frequently if necessary, and its responsibilities and authority include the following:

overseeing the Company's policies, procedures, programs, and training relating to compliance and supervision;

reviewing the status of the Company's compliance with applicable Federal and state securities and other laws and the rules and regulations of any SRO and internal policies, procedures and controls;

receiving and overseeing the assessment of internal and external data and reports relating to the Company's compliance and supervision programs;

creating criteria for the two Chief Compliance Officers, the new overall Chief Compliance Officer, the AML Officer and other senior officers at the Company's subsidiaries, as appropriate;

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

assuring the independence of the Chief Compliance Officers of the Company's subsidiaries, including assuring that the Chief Compliance Officers report to the Compliance Committee outside the presence of management at every meeting of the Compliance Committee and at such other times as the Compliance Committee may request or direct;

reviewing and evaluating findings and communications from regulators and the adequacy of the Company's responses to regulators;

receiving periodic reports, no less than quarterly, from the two Chief Compliance Officers, the AML Officer and/or the General Counsel of the Company's subsidiaries;

overseeing the resourcing of compliance functions at the Company, including staffing, systems and monitoring;

periodically reviewing the Company's customer complaint and conflict of interest intake and resolution function, in light of risk of violation of Federal and state laws and related risks to customers;

requesting reports from the Chief Compliance Officers, the AML Officer, the General Counsel and management at the Company's subsidiaries regarding the preparation, implementation and updating of the Company's compliance and supervision policies, procedures, programs, training and controls;

receiving and, when appropriate, meeting to discuss, reports on any annual or periodic examinations conducted by governmental agencies and SROs, including requiring a copy of any report (and supporting notes and schedules) prepared by such agencies or SROs in connection with any such examination to be submitted to the Compliance Committee;

ensuring that the full Board receives reports and materials as necessary from time to time regarding significant compliance issues;

ordering, directing and overseeing any annual or periodic independent compliance audit that the Compliance Committee deems necessary or appropriate; and

undertaking such other activities as are necessary or incidental to carrying out the foregoing duties and responsibilities.

**Director Compensation**

The following table describes director compensation for the year ended December 31, 2015 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.

**2015 DIRECTOR COMPENSATION TABLE**

Name (a)	Fees Earned or Paid in Cash (\$) (b)(1)	Stock Awards (\$) (c)(2)(3)	Option Awards (\$) (d)(2)	Total (\$) (h)
	R. Crystal	\$ 119,625	\$ 38,080	
W. Ehrhardt	\$ 145,000	\$ 38,080		\$ 183,080
M. Goldfarb (4)	\$ 40,750			\$ 40,750
M.A.M. Keehner	\$ 138,000	\$ 38,080		\$ 176,080
K.W. McArthur	\$ 148,500	\$ 38,080		\$ 186,580
A.W. Oughtred	\$ 154,375	\$ 38,080		\$ 192,455
E.K. Roberts (5)	\$ 98,000	\$ 38,080		\$ 136,080
P. M. Friedman (4)	\$ 63,000			\$ 63,000

**Notes to 2015 Director Compensation Table**

(1)

In the year ending December 31, 2015, we paid directors' fees as follows:

Annual Retainer Fee	\$50,000
Board Meeting Fees	\$5,000 per meeting attended in person and \$2,000 per meeting attended by telephone
Committee Meeting Fees, except Special Committee	\$1,000 per meeting attended
Lead Director and Chairman of the Audit Committee	\$25,000
Committee Chairmen, except Audit and Special Committee	\$15,000
Chairman of the Special Committee	\$5,000 per month
Special Committee Meeting Fees, except Chairman	\$2,500 per month

(2)

The values of restricted stock awards (granted under the 2014 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 awards are described in note 15 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K for the year ended December 31, 2015 which is available on our web site at [www.opco.com](http://www.opco.com) or in paper on request. Details of 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 the full Board of Directors (2,000 restricted shares each on January 28, 2015) which vest as follows: 25% six months from the initial grant date 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 Stock and have three years to achieve that position.



(4) Mr. Goldfarb did not stand for reelection in May 2015. Mr. Friedman was appointed to the Board in July 2015.

(5) In addition to the Director Compensation described above, Ms. Roberts received 5,635 shares of Class A Stock (value realized on vesting of \$119,899), which 5,000 shares vested on January 27, 2015 and 635 shares vested on February 24, 2015 pursuant to compensation arrangements related to her previous employment with the Company.

In 2015, the directors were paid directors' fees of \$907,250 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 2014 Incentive Plan, which was adopted effective as of February 26, 2014 and ratified by our stockholders on May 12, 2014

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

("2014 Incentive 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 2016 will remain the same as for 2015, described in Note (1) of the Notes to the 2015 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. The 2006 Equity Incentive Plan was merged into our 2014 Incentive Plan during 2014. Currently, there are no outstanding unexercised director options.

## Director Stock-based Compensation

The following table describes non-employee director stock-based awards held at December 31, 2015 and the numbers of unvested awards, as applicable.

Outstanding Equity Awards Table  
As of December 31, 2015

Name	Option Awards			Equity Incentive Plan Awards:		Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercisable Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Number of Shares, Units or Other Rights That Have Not Vested (#)	Market Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)(4)	(i)	(j)
R. Crystal						663(1) 1,000(2) 1,500(3)	\$ 54,973(1,2,3)		
W. Ehrhardt						663(1) 1,000(2) 1,500(3)	\$ 54,973(1,2,3)		
M. Goldfarb									
M.A.M. Keehner						663(1) 1,000(2) 1,500(3)	\$ 54,973(1,2,3)		
K.W. McArthur						662(1) 1,000(2) 1,500(3)	\$ 54,956(1,2,3)		
W. Oughtred						662(1) 1,000(2) 1,500(3)	\$ 54,956(1,2,3)		

E.K. Roberts	1,000(2) \$ 43,450(2,3)
	1,500(3)

P. M.  
Friedman

**Notes to Outstanding Equity Awards Table:**

- (1) Restricted stock award for 2,650 shares of Class A 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.
- (2) Restricted stock award for 2,000 shares of Class A Stock were granted on 1/2/2014 with vesting as follows: 25% on 7/1/2014, 7/1/2015, 7/1/2016 and 7/1/2017.
- (3) Restricted stock award for 2,000 shares of Class A Stock were granted on 1/28/2015 with vesting as follows: 25% on 7/1/2015, 7/1/2016, 7/1/2017 and 7/1/2018.
- (4) The market value is based on the closing price of the Class A Stock on the NYSE on December 31, 2015 of \$17.38.

On January 28, 2016, the non-employee directors were each granted restricted stock awards of 4,000 shares of Class A Stock. These awards vest in the amount of 25% on each of July 27, 2016, July 27, 2017, July 27, 2018 and July 27, 2019.

**Option Exercises and Stock Vested  
For the Year Ended December 31, 2015**

<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>
R. Crystal			2,212	\$ 57,390
W. Ehrhardt			2,212	\$ 57,390
M. Goldfarb				\$
M.A.M. Keehner			2,213	\$ 57,416
K.W. McArthur			2,213	\$ 57,416
W. Oughtred			2,213	\$ 57,416
E.K. Roberts <sup>(1)</sup>			1,000	\$ 25,090
P. M. Friedman				\$

(1)

See Note (5) to the 2015 Director Compensation Table above.

#### **Directors' and Officers' Insurance**

We carry liability insurance for our directors and officers and the directors and officers of our subsidiaries. Between November 30, 2014 and November 30, 2015, our aggregate insurance coverage was \$30 million with a \$2.5 million deductible and an aggregate annual premium of \$726,695 and includes Side A coverage in the amount of \$2.5 million. The coverage was renewed for a further year effective November 30, 2015 at an aggregate annual premium of \$646,950. In December 2015, the Company obtained an additional layer of liability insurance in the amount of \$5 million for an additional premium of \$45,000.

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, Friedman (since July 2015), Goldfarb (until May 2015), Keehner and Oughtred served as members of the Compensation Committee for the fiscal year ended December 31, 2015. 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 2015:

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, 2015 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.

Based on the foregoing, the Audit Committee recommended to the Board of Directors our audited financial statements for the year ended December 31, 2015 prepared in accordance with GAAP be included in our Annual Report on Form 10-K for the year ended December 31, 2015.

*The Audit Committee*

William Ehrhardt Chairman  
Michael A.M. Keehner  
Kenneth W. McArthur

**REPORT OF THE COMPENSATION COMMITTEE**

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

Under its Charter, the Compensation Committee is required to discharge the Board of Directors' responsibilities relating to compensation of our senior executive officers and to report on its practices to our stockholders in our annual proxy statement. The Compensation Committee, comprised of independent directors, reviewed and discussed the following Compensation Discussion and Analysis with our management. In reaching its conclusions, the members of the Compensation Committee were aware of the ongoing focus of the media, the government and the general population on the compensation of executives and employees of financial service companies, as well as recent trends in compliance and other regulatory enactment and enforcement activities which affect the Company.

The Compensation Committee regularly monitors important developments and proposed regulations in compensation practices and seeks to see that its methodology aligns pay practices with corporate objectives and performance and does not encourage excessive risk-taking. The Compensation Committee believes that the 2015 compensation payments made to executives and employees were substantially so aligned. Based on its review and discussions, the Compensation Committee approved and recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

*The Compensation Committee*

Michael A.M. Keehner Chairman  
William Ehrhardt  
A. Winn Oughtred  
Paul M. Friedman

The Report of the Compensation Committee set forth in this proxy statement shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act. In addition, it shall not be deemed incorporated by reference by any statement that incorporates this proxy statement by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference.

**REPORT OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

As required by our Nominating and Corporate Governance Committee Charter, the Nominating and Corporate Governance Committee reports as follows:

The Nominating and Corporate Governance Committee is responsible for maintaining and developing governance principles consistent with high standards of corporate governance.

In July 2015, Mr. Friedman was appointed to the Board of Directors by the Board on the recommendation of the Nominating and Corporate Governance Committee. Messrs. McArthur and Crystal, after long and dedicated service as directors of the Company, have advised that, for personal reasons, they wish to retire as directors effective at the end of this year's Meeting and are therefore not standing for re-election to the Board. The Nominating and Corporate Governance Committee has assessed the composition, effectiveness and size of the Board of Directors and determined that the incumbent directors are performing effectively and has recommended that the current directors, except for Messrs. McArthur and Crystal, be nominated to serve on the Board and that Messrs. Behrens and Dwyer be nominated for election to the Board to fill the vacancies caused by Messrs. McArthur and Crystal not standing for re-election.

The Nominating and Corporate Governance Committee has determined that Messrs. Behrens, Crystal, Dwyer, Ehrhardt, Friedman, Keehner, McArthur and Oughtred are independent in accordance with applicable independence standards and that Ms. Roberts will be independent at the end of March 2016. In addition, the Nominating and Corporate Governance Committee monitored director attendance at Board of Directors and committee meetings and has determined that each nominee for director who is presently a director, except for one, attended 100% of meetings and that such attendance meets acceptable standards.

The Nominating and Corporate Governance Committee conducted a Board effectiveness and self-assessment review for 2015.

The Nominating and Corporate Governance Committee supervised the Board of Directors' annual review of our Corporate Governance Guidelines.

The Nominating and Corporate Governance Committee has developed a program to encourage the Company's independent directors to maintain their skills and knowledge as directors which the independent directors used in 2015.

*The Nominating and Corporate Governance Committee*

A. Winn Oughtred Chairman  
Michael A.M. Keehner  
Richard Crystal



**REPORT OF THE COMPLIANCE COMMITTEE**

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

The Compliance Committee has been charged with assisting the Board of Directors with oversight of the Company's compliance function, including the Company's compliance management system and the Company's compliance with applicable laws, rules and regulations.

Since the Compliance Committee was formed in July 2015, it has met regularly with the Company's senior compliance officers, including receiving reports by the Chief Compliance Officers of the broker-dealer and the investment advisers, and quarterly reports by the Company's AML Officer and General Counsel.

The Compliance Committee received periodic reports on regulatory inquiries and findings, and subsequently reviewed and evaluated the sufficiency of the Company's responses to them and the resulting actions that had been taken to address any findings.

In order to assure the independence of the Chief Compliance Officers of the Company and its subsidiary broker-dealer and investment advisers, the two Chief Compliance Officers reported to the Committee outside the presence of management at every meeting held by the Compliance Committee.

The Compliance Committee also oversaw the resourcing of the compliance functions at the Company, including staffing, systems and monitoring.

*The Compliance Committee*

Kenneth W. McArthur Chairman  
William Ehrhardt  
A. Winn Oughtred  
Paul M. Friedman

**MATTER NO. 2**

**APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has reappointed Deloitte & Touche LLP as our independent auditors for the 2016 fiscal year subject to ratification by the holders of the Class B Stockholders at the Meeting. The Audit Committee intends to fix the remuneration of the auditors.

Representatives of Deloitte & Touche LLP are expected to be present at the Meeting and will be given the opportunity to make a statement, if they desire, and to respond to appropriate questions.

To be effective, this matter must be authorized by the affirmative vote of a simple majority of the votes cast by the Class B Stockholders at the Meeting. Abstentions will not be counted as votes for or against the proposal. Mr. A.G. Lowenthal owns 96.4% of the Class B Stock and has informed the Company that he intends to vote all of such Class B Stock in favor of the proposal. See "Security Ownership of Certain Beneficial Owners and Management."

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP FOR FISCAL 2016 AND FOR THE AUTHORIZATION OF THE AUDIT COMMITTEE TO FIX THE AUDITORS' REMUNERATION.**

**Principal Accounting Fees and Services**

Deloitte & Touche LLP has served as our independent registered accounting firm since 2013. Prior thereto, PriceWaterhouseCoopers LLP served as our independent registered public accounting firm since 1993. Deloitte & Touche LLP has advised us that neither the firm nor any of its members or associates has any direct financial interest or any material indirect financial interest in us or any of our affiliates other than as our auditor.

**Audit Fees, Audit-Related Fees and Tax Fees.** The fees billed to us and our subsidiaries by Deloitte & Touche LLP for the years 2014 and 2015 in connection with services provided in such years were as follows:

	<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
Audit fees	\$ 1,801,010	\$ 1,295,160
Audit-related fees	281,289	936,182
Tax fees	116,816	84,748
All other fees		150,000
	<b>\$ 2,199,115</b>	<b>\$ 2,466,090</b>

The 2015 audit fees include the fees for the audit of our annual consolidated financial statements for the year 2015 and the review of the quarterly financial statements included in the Forms 10-Q filed by us and the interim reports to stockholders sent to stockholders during the year. Audit fees also include the separate entity audits of Oppenheimer Europe Ltd. (formerly Oppenheimer E.U. Ltd.), Oppenheimer Investments Asia Limited, Oppenheimer Israel (OPCO) Ltd. and Oppenheimer Multifamily Housing & Healthcare Finance, Inc. During 2015, Deloitte & Touche LLP provided tax compliance services for us in the U.S., the U.K, Israel and Asia. In addition, during 2015, Deloitte & Touche LLP performed the audit services required for the production of SSAE 16 Reports (formerly SAS 70 Reports) for Oppenheimer & Co. Inc. In addition, Deloitte & Touche LLP performed the mandated examinations as required by the SEC Investment Advisory Custody Rule.

The Audit Committee has the sole authority and responsibility to appoint independent auditors for ratification by stockholders, and to recommend to stockholders that independent auditors be removed. The

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

Audit Committee has appointed Deloitte & Touche LLP as our auditors for 2016 for ratification by the stockholders at the Meeting.

The Audit Committee recommends and the Board of Directors approves all audit engagement fees and terms in addition to all non-audit engagements and engagement fees submitted by independent auditors. The process begins prior to the commencement of the services. The fees described above were all pre-approved.

## EXECUTIVE COMPENSATION AND RELATED INFORMATION

### 2015 Company Performance

Revenue for the year ended December 31, 2015 was \$928.4 million, a decrease of 7.6% compared to the year 2014. The Company reported net income for the year ended December 31, 2015 of \$2.0 million or \$0.14 per share compared to a net income of \$8.8 million or \$0.65 per share in 2014.

During the past year, the Company's short-term performance failed to meet our goals. However, we realized certain achievements as we continued to invest in building the Oppenheimer franchise:

We performed a major review of our management at the branch office and headquarters level in the Private Client Division, resulting in new management appointments in 14 locations. This re-calibration of our needs will result in higher standards of performance in our Private Client Division. In addition, we re-designed our branch manager compensation to better measure observance of the Company's culture goals, compliance, and growth in branch revenues, client assets and new financial advisors.

In our Asset Management business, we continued to see better penetration with fee-based revenues exceeding 50% of Private Client Division revenues in the latter part of 2015. In addition, we began a major technology upgrade of our asset management platform which will be introduced in early 2016 and fully implemented by year-end 2016. We significantly expanded our internal marketing force for Asset Management during 2015, which we believe will improve our assets under management in 2016 and beyond.

We continue to see growth in the market share of our institutional equity platform. Our equity research analysts continue to be widely recognized for their thoughtful ideas and their contribution to investor understanding. We ended the year with 39 publishing analysts across multiple industries.

We had client assets under administration of approximately \$79 billion while client assets under management in fee-based programs was approximately \$24 billion at December 31, 2015.

We significantly strengthened our compliance and AML programs in both our broker-dealer and asset management businesses. This was accomplished through the appointment of new leadership as well as a significant increase in staff. We introduced important policy changes to better control our business with special attention to client outcomes, and introduced new technology providing better surveillance and better systems for reviewing client activities.

In January 2016, we hired a new overall Chief Compliance Officer for the Company's subsidiaries.

On the technology front, we launched a new and much improved client website, showed significant progress in our ability to support social media, and have begun a program for the comprehensive upgrade of our technology platform.

We continued to purchase failed Auction Rate Securities from our clients holding such securities and significantly lowered our exposure to these issues, all in accordance with regulatory orders from 2010. We currently have no outstanding litigation relating to auction rate securities.

The Company realized nominal profitability in a difficult and volatile environment, but set the stage for better results and higher stockholder returns as the changes implemented begin to show tangible results.

### 2015 Compensation Highlights

The Compensation Committee of the Board (the "Compensation Committee") and the Board of Directors believe that the policies and practices described in the following Compensation Discussion and

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

Analysis ("CD&A") provide a compensation framework which enables us to retain and appropriately reward the executive officers that we believe are critical to our long-term success, while linking that compensation to our corporate objectives and performance.

For example:

our Named Executives do not generally have employment agreements;

our Named Executives do not receive supplemental retirement benefits;

other than access to one parking space, our Named Executives do not receive any perquisites that are not generally available to all employees;

our incentive compensation practices are reviewed annually by the Compensation Committee to ensure that we are not encouraging undue risk-taking and we are aligning executive compensation with the strategic objectives and performance of the Company;

our Chief Executive Officer's annual salary and incentive compensation are established by the Compensation Committee which is composed of independent directors;

a substantial portion of our Chief Executive Officer's compensation is driven by performance goals which are established annually by the Compensation Committee from a broad array of financial, performance and strategic parameters and capped pursuant to a contractual arrangement; and

we have approved a compensation recovery policy which provides for the recovery of share-based incentive compensation paid to our designated executive officers (and cash bonuses in the case of our Chairman, former President and Chief Financial Officer) if such incentive compensation was based on subsequently discovered fraud or misconduct or based on erroneous information in the case of a restatement of our financial statements (whether or not due to fraud or misconduct).

Some highlights of our 2015 compensation decisions include the following:

Base salaries paid to senior executive officers in 2015 were not increased from 2014 levels;

Our methodologies track short-term performance; annual bonuses for our Named Executives decreased approximately 8% in 2015 as compared to 2014 and the incentive compensation for our CEO under his Performance-Based Compensation Agreement was Nil; and

In February 2016, we awarded 355,833 shares of restricted Class A Stock to our employees (other than our Chief Executive Officer) under our 2014 Incentive Plan cliff-vesting in three or five years subject to the awardee being continuously employed by the Company until the vesting date.

The foregoing 2015 Company Performance and Compensation Highlights do not purport to be complete and are subject to, and qualified in their entirety by reference to, the CD&A set forth below which should be read in its entirety for a full and complete understanding of our compensation policies and practices as well as the compensation awarded to, earned by, or paid to our executive officers for 2015 as well as to our Annual Report on Form 10-K for the year ended December 31, 2015.

### Compensation Discussion and Analysis

#### Introduction

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

The following CD&A describes the material elements of compensation for our named executive officers identified in the "Summary Compensation Table," or the Named Executives. The Compensation Committee, which is comprised entirely of independent directors, makes recommendations to the Board for the total compensation (that is the base salary, annual bonus, stock options and stock awards) of our senior executive officers, including the Named Executives. The Compensation Committee's determination of the total

compensation of our Chief Executive Officer is subject, in part, to the Performance-Based Compensation Agreement, amended and restated effective May 11, 2015, between the Company and our Chief Executive Officer, for which we received stockholder approval on May 11, 2015.

Certain processes and procedures of the Compensation Committee are discussed below including its role in dealing with the Chief Executive Officer's compensation and the compensation of the other Named Executives. The Compensation Committee considers recommendations from the Chief Executive Officer with respect to the compensation of Named Executives (other than the Chief Executive Officer), as it does on compensation matters such as year-end incentive compensation and stock awards for all of our other employees.

The day-to-day design and administration of health benefits, the deferred compensation plans and the 401(k) plan and other employee benefit plans and policies applicable to salaried U.S.-based employees in general are handled by our Human Resources, Finance and Legal Departments.

For the purposes of determining 2015 executive compensation, the Compensation Committee did not retain independent compensation consultants although the Compensation Committee may retain compensation consultants when it deems necessary, and it does use Equilar Inc. as a reference source for comparable financial and compensation data.

### **Objectives and Policies**

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 our corporate risk management objectives. Our compensation policy with respect to our Named Executives, including the Chief Executive Officer, has the following objectives:

recruit, motivate, reward and retain the high performing executive talent required to create superior long-term stockholder returns;

reward executives for short-term performance as well as for growth in enterprise value over the long-term;

provide a competitive compensation package relative to peers and competitors; and

ensure effective utilization and development of talent by employing appropriate management processes, such as performance appraisal.

Our compensation program for senior executive officers, including the Named Executives, consists of the following key elements: a base salary, an annual bonus, grants of share-based compensation (typically stock awards) and, in the case of the Chief Executive Officer, annual performance-based compensation pursuant to the Performance-Based Compensation Agreement. The Compensation Committee also used a performance-based compensation arrangement for another senior executive officer whose compensation was likely to be in excess of \$1 million. The goal of the Compensation Committee is to provide a compensation structure which will enable us to retain and appropriately reward the executive officers that we believe are critical to our long-term success. The Compensation Committee also reviews compensation arrangements to ensure that a portion of the Named Executives' compensation is directly related to corporate performance, appropriate risk management and other factors that directly and indirectly influence stockholder value.

The Compensation Committee regularly evaluates the benefits of referring to a "peer group" of public companies to guide its decision making process with respect to compensation and did so in 2015. The Compensation Committee does not view the Company as having many true peers, given the Company's size, business model and mix of businesses as well as a trend of consolidation in the financial services industry which continued in 2015, and a continuing trend of companies electing to become or remain privately held. Many companies that might otherwise be considered to be a part of the Company's peer group are either



units of much larger bank holding companies or smaller companies that are not wholly comparable to our business. However, the Compensation Committee recognizes the value of using a peer group insights to further its understanding of certain industry compensation practices and the competitive market for executive talent. In 2015, we reviewed the compensation practices for senior executives of a wide range of economically-comparable or activity-comparable financial services enterprises.

The Compensation Committee also reviewed the compensation practices of a subset of these peer group companies, including Piper Jaffrey, Stifel Financial, Raymond James Financial, Ladenburg Thalmann Financial Services, LPL Financial Holdings, Cowen Group, Greenhill & Co., and JMP Group, to provide a context for broad parameters of its 2015 compensation decisions for our Chief Executive Officer, but the determination of the amounts granted and the form of grant was set with reference to our own business model and substantially governed by the annual goals established under the Performance-Based Compensation Agreement with the Chief Executive Officer described further below. The Compensation Committee also used these peer group companies and broad studies of companies similar to our Company in revenue as well as other financial services companies to set a context for our decisions on non-employee director compensation practices. See "Director Compensation."

The Compensation Committee does not employ a formal benchmarking strategy or rely upon specific peer-derived targets. The Compensation Committee has not chosen to engage an independent outside compensation consultant for purposes of determining 2015 executive compensation, believing it can better relate business model performance parameters to our executive compensation than someone unfamiliar with our specific business. However, the Compensation Committee has engaged Equilar Inc., which we believe to be an unbiased source of compensation related information, to provide it with data sources and comparisons with respect to the compensation practices of other registered U.S. companies.

The Compensation Committee believes potential incentive compensation (annual bonus and share-based awards) should generally comprise between 50% to 95% of total annual compensation for the Named Executives because:

these executive officers are in positions to influence corporate strategy and execution;

tying the majority of total compensation to incentive payments helps ensure focus on our goals;

their compensation is "at risk" and will thus depend upon our Company producing financial results that warrant such payments;

the volatile nature of our market-driven businesses should be reflected in our compensation practices; and

our share-based compensation generally cliff vests after three or five years and therefore aligns the executive officer with a continuing interest in enterprise value.

The Compensation Committee makes recommendations to the Board with respect to total compensation including an annual bonus and grants equity awards, if appropriate, for our Named Executives and other senior executives. The Compensation Committee does not necessarily grant share-based awards to employees, including the Named Executives, on an annual basis. It considers the performance of the employee and the number of outstanding share-based awards already awarded to the employee when determining total compensation in any year and the degree to which the employee already has (or may have) a long-term interest in the Company's success. Upon the vesting of an employee's share-based awards, the Compensation Committee also considers whether or not to grant new awards to the employee and on what terms such awards will be made. All share-based awards are priced at fair value at the grant date and are typically conditioned upon the employee's continued employment with the Company for a significant period of time.

The Compensation Committee believes that, as stockholders, the Named Executives, other senior executives and selected employees will be motivated to consistently deliver financial results that build

wealth for all stockholders over the long-term, and it currently uses share-based awards to accomplish that objective. The Compensation Committee is cognizant of the impact of the accounting guidance on our financial results and strives to balance the granting of stock options and other forms of stock-based incentives with the other objectives of executive compensation set forth above. Since the adoption of accounting guidance on Share-Based Payment, on January 1, 2006, requiring us to expense stock options, we have granted only a very limited number of stock options and none to the Named Executives. At March 11, 2016, we had stockholder approval to award 1,886,666 shares of Class A Stock pursuant to our share-based awards plans (14% of our outstanding Class A Stock), of which 1,265,582 shares of Class A Stock are the subject of current share-based compensation arrangements and subject to vesting requirements. Of these shares of Class A Stock, awards for 355,833 shares of Class A Stock were granted in February 2016. In January 2011, we established a compensation recovery ("clawback") policy which permits us to recover certain incentive stock-based awards in specified circumstances. See discussions under "*Stock Option Grants*," "*Stock Awards*" and "*Compensation Recovery Policy*" below.

Compensation arrangements for most of our senior executive officers (other than the Chief Executive Officer) generally involve a significant component of remuneration which is contingent on our Company's performance and the performance of the individual senior executive officers; an annual cash bonus (which permits individual performance to be evaluated and recognized on an annual basis) and share-based awards (which directly link a portion of their compensation to stock price appreciation realized by our stockholders). The Compensation Committee believes that this approach best serves the interests of stockholders by enabling us to structure compensation in a way that meets the requirements of the highly competitive environment in which we operate, while ensuring that senior executive officers are compensated in a manner that advances both our short and long-term interests and those of our stockholders. For the Chief Executive Officer's compensation arrangements, see discussion under "*Chief Executive Officer Compensation*" below.

The Compensation Committee, like the Board as a whole and management, recognizes the importance and need to continue the enhancement of the Company's compliance culture and policies and the effectiveness thereof to enhance the overall profitability and endurance of the franchise. To this end the Compensation Committee will, in setting compensation in 2016 for senior executive officers, including the Named Executives, and other executives and employees in positions with compliance responsibilities, emphasize compliance as a part of the review of such employee's compensation.

#### **Consideration of Say-On-Pay Votes**

We conducted an advisory stockholder vote on executive compensation on May 12, 2014. The results of that vote were to affirm our compensation practices as disclosed in the 2013 Compensation Discussion and Analysis and attendant tables and narrative and the compensation paid to our Named Executives and to approve our recommendation for a three year interval for repeating this vote. The Compensation Committee considered the 2014 vote and may consider the results of the vote at future annual meetings when establishing current and future year's executive compensation arrangements, but notes that the stockholder votes are non-binding and, in the future, the Compensation Committee and Board may choose not to take the results of the votes into account.

### **Performance evaluation and total compensation element timing**

Our executive compensation program for the Chief Executive Officer and other senior executive officers involves performance-related incentive compensation and long-term compensation elements paid in a mix of cash bonuses and stock awards. It has been our practice to determine the aggregate cash bonus pool available to our Chief Executive Officer and other senior executives on or before December 31st of the fiscal year-end in which the performance was delivered for accounting and tax purposes. However, our practice is to consider and make any long-term equity-related awards to our Chief Executive Officer and other senior executives in the first 60 days of the following year, based upon their performance in the prior fiscal year.

While we believe our process and timing of making performance-related judgments on annual total compensation is sound, reasonable and consistent with industry standards, it does not correspond to the proscribed accounting period standards for compensation expenses nor for compensation disclosure. Elements of the total compensation for our Chief Executive Officer and other senior executives are thus recorded in different accounting years and are not captured in the proscribed tables in this proxy statement or in our financial statements in a manner which accurately reflects the Compensation Committee's judgments about performance for the fiscal year. Because of this disparity, we have made a practice of disclosing any equity-related awards and their terms that are granted in the first sixty days of the following year for our Named Executives and our employees taken as a whole in our proxy statements. We do this so that stockholders can see the Compensation Committee's judgments about total compensation and how it relates to the Company's and the executives' prior year's performance by combining cash bonuses and salary for the relevant fiscal year plus any stock awards granted in the first sixty days of the following year. Similarly, stockholders should be aware that our equity awards typically contain vesting provisions which means that our executives will not receive that portion of their incentive compensation for a significant period of time, and then only if they continue to be employed by the Company. For additional information, please see "Realized Pay For Fiscal 2015" below.

### **Determination of 2015 Compensation**

The Compensation Committee, with recommendations from the Chief Executive Officer, makes recommendations to the Board with respect to all compensation for each Named Executive for 2015 (other than the Chief Executive Officer, which compensation is based upon the Committee's own judgments). For a discussion-of the compensation for the Chief Executive Officer, see the section entitled "Chief Executive Officer Compensation" below.

The Compensation Committee makes recommendations to the Board with respect to each Named Executive's annual salary and annual bonus and makes grants of share-based awards by reference to the executive's position, responsibilities and performance. Some of the factors considered by the Compensation Committee are:

the position's responsibilities relative to our total earnings, use of invested capital, degree of firm capital at risk and the generation of earnings and cash flows,

the position's impact on key strategic initiatives, and

the executive's performance and contributions to the management of the Company.

The Chief Executive Officer assessed each Named Executive's (other than the Chief Executive Officer's) as well as other senior officers' performance under our performance assessment criteria, and the Compensation Committee assessed the Chief Executive Officer's performance according to these same criteria and the parameters established under the Performance-Based Compensation Agreement with our Chief Executive Officer. See discussion under "Chief Executive Officer Compensation" below. In addition, the Compensation Committee has determined to use performance-based compensation arrangements that meet the requirements for deductible compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), for Named Executives who are likely to earn in excess of \$1 million and for

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

whom quantitative measurements of performance are feasible. The Compensation Committee established such objectives for Robert S. Lowenthal in 2014 and 2015.

Our performance assessment criteria rate performance in different competencies as follows:

strategic thinking;

integrity;

building and facilitating a corporate culture of ethical and responsible behavior;

compliance with regulatory requirements and Company policies;

managing employee performance and morale;

financial responsibility;

achievement focus;

business judgment;

risk management;

planning and organization;

leadership;

mentoring;

relationship building;

profitability of business unit, if applicable;

conflict resolution; and

communication skills.

*Base Salary.* The base salary of our Chief Executive Officer is set by the Compensation Committee. Salaries paid to senior executive officers are reviewed annually by the Compensation Committee considering recommendations made by the Chief Executive Officer, based on his assessment of the nature of the position, and the skills, experience and performance of each senior executive officer, as well as salaries paid by comparable companies in our industry. The Compensation Committee then makes recommendations to the Board of Directors with respect to base salaries. Base salaries paid to senior executive officers in 2015 were not increased from 2014 levels.

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

*Annual Cash Bonus.* Bonuses paid to our senior executive officers are reviewed annually by the Compensation Committee considering recommendations made by the Chief Executive Officer based on his assessment of the performance of the Company, the individual contribution of each senior executive officer to that performance and their competencies. The Compensation Committee then makes recommendations to the Board of Directors with respect to annual cash bonuses. Senior executive officers, including the Chief Executive Officer, may be offered the right to elect to defer a portion of their annual bonus and performance-based compensation under our Executive Deferred Compensation Plan, a non-qualified unfunded plan. In 2015, 2014 and 2013, no officer was given the option to make such a deferral. See "*Executive Deferred Compensation Plans*" below.

*Stock Option Grants.* Under our 2014 Incentive Plan, our senior executive officers and employees may be granted stock options by the Compensation Committee based upon a variety of considerations, including the performance of the specific options and the date of the last grant made to the officer or employee, as well as considerations relating to the contribution. In addition, stock option grants may be awarded as a retention tool for new employees. Due to the relatively high cost of expensing stock option

awards under applicable accounting guidance, we have limited our use of this form of award in favor of stock awards.

*Stock Awards.* Under the 2014 Incentive Plan, our and our subsidiaries' executive officers and employees are granted stock awards by the Compensation Committee based upon recommendations from the Chief Executive Officer (except for the Chief Executive Officer himself) and other considerations relating to the contribution and performance of the specific award recipient. The Compensation Committee independently considers and grants stock awards to the Chief Executive Officer where it deems them appropriate. In addition, stock awards may be given as an inducement to employment for new employees or as a retention tool for existing employees. Stock awards are generally subject to a significant vesting period and we believe that these awards are useful in retaining and motivating our executive personnel. On January 29, 2015, the Company awarded a total of 133,681 shares of restricted Class A Stock to our employees, of which 59,876 shares will cliff vest in three years and 73,805 shares will cliff vest in five years. These awards will be expensed over the applicable three or five year period. Of those awards, Mr. Alfano, Mr. McNamara and Mr. Whaley were each awarded 2,381 shares and Mr. R.S. Lowenthal was awarded 9,524 shares. On February 26, 2015, the Company awarded a total of 138,900 restricted shares of Class A Stock to current employees, including 5,000 shares each to Mr. Alfano, Mr. McNamara and Mr. R.S. Lowenthal and 10,000 shares to Mr. Whaley. These restricted shares will cliff vest in five years, and will be expensed over the five year vesting period. Additionally, Mr. A.G. Lowenthal was awarded 31,690 restricted shares of Class A Stock, which cliff vest on January 28, 2018 and 13,795 restricted shares of Class A Stock, which cliff vest on February 25, 2018. These awards to Mr. A.G. Lowenthal will be expensed over the three year vesting period. On February 24, 2016, the Company awarded a total of 355,833 restricted shares of Class A Stock to current employees, of which 98,333 shares will cliff vest in three years and 257,500 shares will cliff vest in five years. These awards will be expensed over the applicable three or five year period. Of those awards, 16,667 shares were awarded to Mr. Whaley, 10,000 shares each were awarded to Mr. Alfano and Mr. R.S. Lowenthal, and 7,000 shares were awarded to Mr. McNamara. There was no award in February 2016 to Mr. A.G. Lowenthal.

*No Backdating or Spring Loading.* We do not backdate stock awards or grant them retroactively. In addition, we generally make our stock awards at regular times each year. We do not plan to coordinate grants of stock awards so that they are made before the announcement of favorable information, or after the announcement of unfavorable information. Our stock awards are granted by the Compensation Committee at fair market value on a fixed date or event (such as the first regular meeting of the Board of Directors following an employee's hire), with all required approvals obtained in advance of or on the actual grant date. All grants of stock awards to employees are made by the Compensation Committee.

*Fair Market Value.* Fair market value has been consistently determined, as required by the 2014 Incentive Plan, as the share closing price on the NYSE on the grant date.

*Stock Ownership and Trading Policy.* 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. There are no such ownership requirements for the Named Executives or other employees. The Company prohibits our executive officers and directors (and their immediate family members and affiliates) from short selling, dealing in publicly-traded options, or dealing in any other type of derivative security related to its Class A Stock.

*Negative Discretion.* Notwithstanding anything to the contrary in the Company's incentive compensation plans and equity-based plans, the Compensation Committee may, in its sole discretion, reduce or eliminate the bonus amount or grant or award otherwise payable to any participant for a particular performance period at any time prior to the payment of bonuses or grants or awards to participants for such performance period, consistent with the strictures of Section 162(m) of the Code, as applicable.

*Compensation Recovery Policy.* In January 2011, the Compensation Committee recommended and the Company established a compensation recovery policy that affects incentive compensation paid to its designated executive officers. This policy requires that the Company recover from any current or former executive officer share-based incentive compensation (including stock awards) and cash bonuses in the case of our Chairman, former President and Chief Financial Officer, if the amount of such incentive compensation was based on subsequently discovered fraud or misconduct. In addition, in the case of a restatement of the Company's financial statements (whether or not due to fraud or misconduct), the Company is required to recover the amount of share-based incentive compensation that was paid to its designated executive officers (and cash bonuses in the case of our Chairman, former President and Chief Financial Officer) in excess of what would have been paid based on the restated financial results. Many of our executive officers have stock awards which vest over time. And, as such, individual executive officers could face the forfeiture of some or all of these awards if compensation recovery was necessary. The Company will consider compensation for the three-year period preceding a restatement of its financial statements due to fraud or misconduct to determine the amount of compensation recovery, if any.

Stock awards made subsequent to July 2010 contain an agreement by the beneficiary of such award to such clawback provisions as are described in the immediately preceding paragraph. As of March 11, 2016, 85 of our senior executives and other employees held restricted stock awards subject to such provisions. The Company is awaiting final rulemaking by the SEC with respect to other policies that may affect a broader employee population with respect to clawback or reduction of cash bonuses with respect to years in which there are events that include fraud, misconduct, restatement of financial results or revaluation of owned assets resulting in losses by the Company in periods subsequent to the payment of cash bonuses and stock awards and will implement such other policies as SEC rulemaking may require. Until such time as any new policies are developed and implemented by the Company, the Company will not hesitate to pursue recourse against any employee in the case of employee fraud or misconduct.

*Executive Deferred Compensation Plan.* The Executive Deferred Compensation Plan, or EDCP, provides for voluntary deferral of year-end bonuses by our senior executives, which deferral option may or may not be offered in a given year. These voluntary deferrals can be deferred on a tax-free basis until a specified future time and are not subject to vesting. We do not make contributions to the EDCP for the Named Executives and other senior level executives. A.G. Lowenthal has made voluntary deferrals into the EDCP in past years. The option to defer the year end compensation into the EDCP has not been offered since 2007, but may be reinstated in future years at the Company's discretion. In addition, the Company is maintaining a legacy deferred compensation plan on behalf of certain employees (none of whom are Named Executives). Further description of the Company's deferred compensation arrangements can be found in note 15 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K for the year ended December 31, 2015.

*Stock Appreciation Rights.* The Company has awarded stock appreciation rights ("OARs") to certain employees (none of whom are the Named Executives) as part of their compensation package based on a formula reflecting gross production, length of service and client assets. These awards are granted once per year in January with respect to the prior year's production. The OARs vest five years from the grant date and are settled in cash on vesting. Further description of the OARs can be found in note 15 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K for the year ended December 31, 2015.

*Benefits.* The Named Executives who are U.S.-based salaried employees participate in a variety of benefits designed to enable us to attract and retain our workforce in a competitive marketplace. We help ensure a productive and focused workforce through a healthcare program and our other benefits. Deferred compensation and 401(k) plans help employees, especially long-service employees, save and prepare financially for retirement. The Named Executives receive the same benefits as all full-time employees and no others beyond those described in this CD&A. Our qualified 401(k) Plan allowed employees to contribute up

to \$18,000 for 2015 plus an additional \$6,000 for employees over age 50. Employees may continue to retain their 401(k) Plan account after they leave us so long as their account balance is \$5,000 or more. We do not sponsor a pension plan for our employees.

*Perquisites.* We provide one perquisite to our Chief Executive Officer: A.G. Lowenthal has a Company-paid parking arrangement. The primary purpose of this parking arrangement is to minimize distractions from the executive's attention to important corporate matters. Perquisites are quantified in the "Summary Compensation Table" below and detailed in the "All Other Compensation Table" below.

We do not provide the Named Executives with any other perquisites, such as split-dollar life insurance, reimbursement for legal counseling for personal matters, or tax reimbursement payments. We do not provide loans to executive officers, other than margin loans in margin accounts with us in connection with the purchase of securities (including our securities), which margin accounts are substantially on the same terms, including interest rates and collateral, as those prevailing from time to time for comparable transactions with non-affiliated persons and do not involve more than the normal risk of collectability. See "Certain Relationships and Related Party Transactions," below.

*Separation and Change in Control Arrangements.* Our Named Executives are not eligible for benefits and payments if employment terminates in a separation or if there is a change in control.

### ***Chief Executive Officer Compensation***

A.G. Lowenthal, our Chairman of the Board and Chief Executive Officer, is paid an annual base salary set by the Compensation Committee, plus annual performance-based compensation under the Performance-Based Compensation Agreement and, at the discretion of the Compensation Committee, is eligible for additional bonuses and/or grants of stock options and restricted stock. Our Chief Executive Officer's incentives are substantially all qualitative measures driving off the Company's core business model and designed to bring executive incentives, performance and compensation into a close relationship.

On May 11, 2015, Class B Stockholders ratified the Company's Amended and Restated Performance-Based Compensation Agreement with A.G. Lowenthal, which was effective May 11, 2015. The purpose of the Performance-Based Compensation Agreement is to allow the Compensation Committee to set the annual terms under which Mr. Lowenthal's annual performance-based compensation is to be calculated during the term thereof. A.G. Lowenthal's role in determining our success or failure has a very significant bearing on our ultimate results and financial condition because of the nature of his responsibilities as Chief Executive Officer. Therefore, the Compensation Committee has determined that a high proportion of his annual compensation should be subject to variability on both the upside and the downside to reflect our Company's results.

The Performance-Based Compensation Agreement includes a limitation on the maximum performance award available to A.G. Lowenthal in any single year for which it is effective. The Compensation Committee may also set a "cap" on A.G. Lowenthal's total performance award under the Performance-Based Compensation Agreement which can be less than the maximum of \$10 million under the Performance-Based Compensation Agreement. In March 2015, the Compensation Committee established performance goals under the Performance-Based Compensation Agreement entitling Mr. Lowenthal to a Performance Award under the Performance-Based Compensation Agreement for the year 2015 of an aggregate of up to \$5 million unless targets established in clauses (c), (e) and/or (f) below are achieved, in which case the maximum is \$7.5 million.

The Performance Award established by the Compensation Committee was determined by the application of a formula based on the following components (as defined in the annual Compensation Committee resolution establishing the CEO performance award for 2015): (a) an amount equal to 3% of the amount by which the Company's total revenue less interest income for the year ending December 31, 2015 exceeds \$945,000,000; plus (b) an amount equal to: (i) \$1,000,000 if the Company's profit before income



taxes for the year ending December 31, 2015 is equal to \$37,000,000 or more; plus (ii) 8% of the amount by which the Company's profit before income taxes for the year ending December 31, 2015 is greater than \$37,000,000 and less than \$42,000,000; plus (iii) 4% of the amount by which the Company's profit before income taxes for the year ending December 31, 2015 is \$42,000,000 or more; plus (c) an amount equal to the product of (i) \$1,200,000 multiplied by (ii) the difference (stated as a whole integer or fraction thereof) between 60% and any lesser percentage which would be obtained by dividing (1) the sum of those items included in the Company's compensation and related expenses for the year ending December 31, 2015 listed below by (2) the Company's total revenue less interest income for the year ending December 31, 2015; plus (d) an amount related to Annual Total Stockholder Return ("ATSR") which shall be equal to the product of (i) the difference between the closing market price of one share of the Company's Class A Stock on December 31, 2015 (as such market price may be adjusted for any stock splits occurring during fiscal 2015) and the closing market price of one share of the Company's Class Stock on January 2, 2015 (\$23.11) plus the amount of all dividends paid on one share of the Company's Class A Stock during the year ending December 31, 2015, divided by (ii) the closing market price of one share of the Company's Class A Stock on January 2, 2015 of \$23.11; multiplied by the amount of \$2,313,000, but in no event to exceed \$1,250,000; plus (e) an amount equal to \$500,000 if the profit before income taxes for the Company's capital markets segment for the year ending December 31, 2015 equals or exceeds \$40 million; plus an amount equal to: \$250,000 if the revenue per employee for the Company's investment banking segment for the year ending December 31, 2015 equals or exceeds \$620,000; plus \$250,000 if the revenue per employee for the Company's institutional equity segment for the year ending December 31, 2015 equals or exceeds \$585,000; plus \$750,000 if the Company's assets under administration increase by \$3,600,000,000 or more for the year ending December 31, 2015; plus (f) an amount equal to (i) \$250,000 if the Company's pre-tax return on stockholders' equity for the year ending December 31, 2015 equals or exceeds 8.75%; plus (ii) \$100,000 for each half-percent (or portion thereof) by which the Company's pre-tax return on stockholders' equity for the year ending December 31, 2015 exceeds 8.75%; provided, that in no circumstances shall the total award amount under this clause (f) exceed \$1,750,000; provided that the Performance Award Amount for the 2015 Performance Year shall not exceed \$5,000,000 unless one or more of the targets established in clauses (c), (e) and/or (f) above have been achieved for fiscal 2015, whereupon the Performance Award Amount shall be equal to (x) the amounts calculated for clauses (c), (e) and (f) plus the lesser of \$5,000,000 or the sum of (a), (b) and (d) (if less than \$5,000,000); provided, further, that in no circumstances shall the total Performance Award Amount for the 2015 Performance Year exceed \$7,500,000.

The application of the 2015 formula as set out above produced a Performance Award for A.G. Lowenthal of Nil for fiscal 2015 and no forward stock award as determined by the Compensation Committee at this year-end.

In March 2016, the Compensation Committee continued A.G. Lowenthal's base salary for 2016 at \$500,000, unchanged from 2015.

#### ***Compensation Arrangement for R.S. Lowenthal***

In March 2015, the Compensation Committee determined pursuant to Article IX of the 2014 Incentive Plan and for purposes of complying with the requirements of Section 162(m) of the Code to establish an Individual Target Award (consisting of a formula) for determining the Performance-Based Cash Award for the fiscal year ending December 31, 2015 (the "Performance Period") for Robert S. Lowenthal, Senior Managing Director and Head of Oppenheimer & Co. Inc.'s Fixed Income business (including Municipal Finance, the "Fixed Income Division"). The Performance Award established by the Compensation Committee was to be determined by the application of a formula such that if the revenues of the Fixed Income Division exceeded \$75,000,000 for the Performance Period, and if the total direct compensation and benefits for all the members of the Fixed Income Division for the Performance Period (excluding Mr. Lowenthal's salary and benefits for the Performance Period and all indirect compensation expenses for all the members of the Fixed

Income Division allocated to the Fixed Income Division)(collectively, the "2015 Total Compensation") was less than 58% of the revenues of the Fixed Income Division and other profit centers reporting to Mr. Lowenthal for the Performance Period (the "2015 Revenues"), then Mr. Lowenthal would be entitled to a Performance-Based Cash Award in an amount equal to 1% of the revenues of the Fixed Income Division in excess of \$75,000,000 plus 30% of the difference (stated as a whole integer or fraction thereof) between 58% and any lesser percentage resulting from dividing the 2015 Total Compensation by the 2015 Revenues minus Mr. Lowenthal's salary and benefits for, and any commissions received by Mr. Lowenthal during, the Performance Period plus an amount of \$100,000 if Mr. Lowenthal assumed the Chairmanship of the Oppenheimer Management Committee and chairs at least five meetings of such Committee in 2015 plus an amount of \$100,000 if Mr. Lowenthal assumed the Chairmanship of the Oppenheimer & Co. Inc. Risk Management Committee in 2015 and chairs at least five meetings of such Committee in 2015; provided that such Performance-Based Cash Award should not exceed 120% of Mr. Lowenthal's annual average total compensation for the three fiscal years beginning with 2012 through and including 2014.

The application of the 2015 formula as set out above initially produced a Performance Award of \$2,315,525 for fiscal 2015, which was adjusted due to overall Company performance to \$1,850,000 and paid to Mr. Lowenthal in cash. In view of the performance during 2015 of the Fixed Income Division, and the Performance Award noted above, the Compensation Committee awarded R.S. Lowenthal a stock award of 10,000 shares of Class A Stock on February 24, 2016, based on that day's closing price of the Class A Stock on the NYSE of \$14.41 in recognition of his ongoing and potential future contributions to the Company. The award, which vests on February 23, 2021, is subject to R.S. Lowenthal being continuously employed by the Company until that date.

***U.S. Internal Revenue Code Section 162(m)***

Section 162(m) of the Code generally disallows a tax deduction for annual compensation (other than compensation that qualifies as performance-based compensation within the meaning of Section 162(m)) in excess of \$1 million paid to our Chief Executive Officer and our two other most highly compensated executive officers whose compensation is required to be disclosed in this proxy statement. The Performance-Based Compensation Agreement for the Chief Executive Officer was ratified and approved by the Class B Stockholders so that it would satisfy the requirements for performance-based compensation.

To the extent consistent with our general compensation objectives, the Compensation Committee considers the potential effect of Section 162(m) on compensation paid to our executive officers. However, the Compensation Committee reserves the right to award and recommend the awarding of non-deductible compensation in any circumstances it deems appropriate. Further, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, no assurance can be given, notwithstanding our efforts to qualify, that the compensation paid by us to our executive officers will in fact satisfy the requirements for the exemption from the Section 162(m) deduction limit.

**SUMMARY COMPENSATION TABLE**  
**For the Year Ended December 31, 2015**

The following table sets forth the total annual compensation paid or accrued by us to or for the account of our Chief Executive Officer and our Chief Financial Officer for the three years ended December 31, 2015, our only executive officers (other than the Named Executives of our principal subsidiaries) whose total cash compensation exceeded \$100,000 for the year ended December 31, 2015.

Name and Principal Position (a)(5)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)(1)	Nonqualified Non-Equity Deferred All Stock Option Incentive Compensation Awards Awards Plan Earnings Compensation (e)(2) (f)(2) (g)(1) (h)(3) (i)(4)					Total (\$) (j)
				(\$) (e)(2)	(\$) (f)(2)	(\$) (g)(1)	(\$) (h)(3)	(\$) (i)(4)	
<b>A. G. Lowenthal</b> Chairman, CEO and Director of the Company and Oppenheimer & Co. Inc.	2015	\$ 500,000	\$	\$ 858,138	\$	\$	\$	\$ 5,750	\$ 1,363,888
	2014	\$ 500,000	\$	\$ 2,750,320	\$	\$ 700,000	\$	\$ 5,750	\$ 3,956,070
	2013	\$ 500,000	\$	\$ 1,668,535	\$	\$ 2,500,000	\$	\$ 5,750	\$ 4,674,285
<b>D.P. McNamara</b> Secretary of the Company and Executive Vice President and General Counsel of Oppenheimer & Co. Inc.	2015	\$ 260,000	\$ 500,000	\$ 136,927	\$	\$	\$	\$	\$ 896,927
	2014	\$ 260,000	\$ 600,000	\$ 95,014	\$	\$	\$	\$	\$ 955,014
	2013	\$ 260,000	\$ 740,000	\$ 126,160	\$	\$	\$	\$	\$ 1,126,160
<b>J. J. Alfano</b> CFO of the Company and Executive Vice President and CFO of Oppenheimer & Co. Inc.	2015	\$ 275,000	\$ 600,000	\$ 136,927	\$	\$	\$	\$	\$ 1,011,927
	2014	\$ 275,000	\$ 700,000	\$ 95,014	\$	\$	\$	\$	\$ 1,070,014
	2013	\$ 275,000	\$ 725,000	\$ 126,160	\$	\$	\$	\$	\$ 1,126,160
<b>R.S. Lowenthal</b> Director of the Company and Senior Managing Director and Head of Oppenheimer & Co. Inc.'s Fixed Income business	2015	\$ 200,000	\$	\$ 262,858	\$	\$ 1,850,000	\$	\$ 23,443	\$ 2,336,301
	2014	\$ 200,000	\$	\$ 94,028	\$	\$ 1,960,863	\$	\$ 32,736	\$ 2,287,627
	2013	\$ 200,000	\$ 2,150,000	\$ 134,045	\$	\$	\$	\$ 17,761	\$ 2,501,806
<b>M. Whaley</b> Executive Vice President, Private Client Services, of Oppenheimer & Co. Inc.	2015	\$ 200,000	\$ 500,000	\$ 231,877	\$	\$	\$	\$	\$ 931,877
	2014	\$ 200,000	\$ 438,500	\$ 51,247	\$	\$	\$	\$	\$ 689,747
	2013	\$ 200,000	\$ 450,000	\$ 78,850	\$	\$	\$	\$	\$ 728,850

**Notes to Summary Compensation Table:**

- (1) The Bonus and Non-Equity Incentive Plan Compensation amounts are not reduced by the Named Executive's election, if any, to defer receipt of bonuses into the EDCP or an election to convert a portion of his or her bonus into the purchase of Class A Stock. None of these conditions applied in 2015.
- (2) The values of stock options (granted under the EIP) and stock awards (granted under the ESP, EIP or 2014 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 15 to our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K for the year ended December 31, 2015 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](mailto:info@opco.com). Details of stock options and stock awards held by the Named Executives appear in the "Outstanding Equity Awards Table" and notes thereto appearing below. Awards granted in January of any given year reflect the performance of the Named Executive for the prior year. All future awards will be granted under the 2014 Incentive Plan.

(3)

We have a nonqualified deferred compensation plan into which senior executives, including the U.S. Named Executives, could elect to defer some or all of their year-end bonuses. No above-market earnings were recorded. Details about the earnings from the EDCP appear below in the "Nonqualified Deferred Compensation Table."

(4)

See the chart below "All Other Compensation Table" for a description of the amounts appearing in column (i). All other compensation includes perquisites and commission income."

(5)

In an effort to provide more complete disclosure, the table lists the next three most highly paid executive officers of our principal subsidiary, Oppenheimer & Co. Inc., whose total cash compensation for the year ended December 31, 2015 exceeded \$100,000. The three executive officers of Oppenheimer & Co. Inc. appearing in the table are not officers of Oppenheimer Holdings Inc. and they do not, except for R.S. Lowenthal who became a director of the Company in May 2013, perform any policy making functions for Oppenheimer Holdings Inc.

**All Other Compensation Table  
For the Year Ended December 31, 2015**

Name	Parking (a)	Commissions (b)
A.G. Lowenthal	\$ 5,750	\$
D.P. McNamara	\$	\$
J.J. Alfano	\$	\$
R.S. Lowenthal	\$	\$ 23,443
M. Whaley	\$	\$

**Notes to All Other Compensation Table:**

- (a) We have one parking space at 85 Broad Street, New York, NY which is included in the terms of the lease for the head-office premises. A.G. Lowenthal uses this space. The cost ascribed to the parking space reflects current commercial terms.
- (b) R.S. Lowenthal earned commission income in the course of his business activities in 2015.

**Grants of Plan-Based Awards  
For the Year Ended December 31, 2015**

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Threshold (c)	Target (d)	Maximum (e)	All Other Stock Awards: Number of Shares of Stock or Units (f)	Grant Date Fair Value of Stock and Option Awards (g)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
A.G. Lowenthal (1)	1/29/2014						124,000	\$ 2,750,320	
A.G. Lowenthal (1)	1/29/2015						31,690	\$ 584,997	
A.G. Lowenthal (1)	2/26/2015						13,795	\$ 273,141	
A.G. Lowenthal (1)	2/24/2016								
R.S. Lowenthal (2)	1/29/2015						9,524	\$ 167,908	
R.S. Lowenthal (2)	2/26/2015						5,000	\$ 94,950	
R.S. Lowenthal (2)	2/24/2016						10,000	\$ 122,800	

**Notes to Grants of Plan-Based Awards Table:**

- (1) Mr. A.G. Lowenthal's compensation is subject to an Amended and Restated Performance-Based Compensation Agreement effective May 11, 2015 under which the Compensation Committee may establish annual limits not to exceed \$7.5 million. The Performance-Based Compensation Agreement covers years through May 2025. Under the formula established on March 31, 2015, A.G. Lowenthal earned \$700,000 in cash bonus for fiscal 2015 (exclusive of salary), which is reflected in column (d) of the "Summary Compensation Table." Also see "Chief Executive Officer Compensation" above.
- (2)

Mr. R.S. Lowenthal's compensation is subject to an Individual Target Award (consisting of a formula) for determining a Performance-Based Cash Award for the 2015 fiscal year established by the Compensation Committee. Under the formula established in March 2015, R.S. Lowenthal was awarded \$1,850,000 in cash bonus for the 2015 fiscal year (exclusive of salary), which amount is less than what he had earned under the formula, and which amount is reflected in column (g) of the "Summary Compensation Table." Also see "Compensation Arrangement for R.S. Lowenthal" above.

**Outstanding Equity Awards Table**  
As of December 31, 2015

Name	Option Awards					Stock Awards			Equity Incentive
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercisable Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	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 (\$)	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
<b>A.G. Lowenthal</b>						40,000(1)	\$ 695,200		
						52,500(2)	\$ 912,450		
						105,470(3)	\$ 1,833,069		
						124,000(4)	\$ 2,155,120		
						31,690(5)	\$ 550,772		
						13,795(6)	\$ 239,757		
<b>D.P. McNamara</b>						10,000(1)	\$ 173,800		
						5,000(7)	\$ 86,900		
						8,000(8)	\$ 139,040		
						2,200(9)	\$ 38,236		
						2,000(10)	\$ 34,760		
						2,381(11)	\$ 41,382		
<b>J. J. Alfano</b>						5,000(12)	\$ 86,900		
						10,000(1)	\$ 173,800		
						5,000(7)	\$ 86,900		
						8,000(8)	\$ 139,040		
						2,200(9)	\$ 38,236		
						2,000(10)	\$ 34,760		
<b>R.S. Lowenthal</b>						2,381(11)	\$ 41,382		
						5,000(12)	\$ 86,900		
						7,500(1)	\$ 130,350		
						3,500(7)	\$ 60,830		
						8,500(8)	\$ 147,730		
						4,400(9)	\$ 76,472		
<b>M. Whaley</b>						9,524(11)	\$ 165,527		
						5,000(12)	\$ 86,900		
						7,500(1)	\$ 130,350		
					3,500(7)	\$ 60,830			

5,000(8)	\$	86,900
1,275(9)	\$	22,160
1,000(10)	\$	17,380
2,381(11)	\$	41,382
10,000(12)	\$	173,800

**Notes to Outstanding Equity Awards Table:**

- (1) Stock awards to the Named Executives were granted on January 27, 2011 and vest on February 10, 2016, subject to the individuals being employed by the Company on the vesting date.
- (2) Stock awards to the Named Executives were granted on January 25, 2012 and vest on February 10, 2017, subject to the individuals being employed by the Company on the vesting date.
- (3) Stock awards to the Named Executives were granted on January 23, 2013 and vest on January 22, 2016, subject to the individuals being employed by the Company on the vesting date.
- (4) Stock awards to the Named Executives were granted on January 29, 2014 and vest on January 28, 2017, subject to the individuals being employed by the Company on the vesting date or death, if earlier.
- (5) Stock awards to the Named Executives were granted on January 29, 2015 and vest on January 28, 2018, subject to the individuals being employed by the Company on the vesting date.
- (6) Stock awards to the Named Executives were granted on February 26, 2015 and vest on February 25, 2018, subject to the individuals being employed by the Company on the vesting date.
- (7) Stock awards to the Named Executives were granted on February 23, 2012 and vest on February 22, 2017, subject to the individuals being employed by the Company on the vesting date.
- (8) Stock awards to the Named Executives were granted on February 25, 2013 and vest on February 24, 2018, subject to the individuals being employed by the Company on the vesting date.
- (9) Stock awards to the Named Executives were granted on January 29, 2014 and vest on January 28, 2019, subject to the individuals being employed by the Company on the vesting date.



- (10) Stock awards to the Named Executives were granted on February 27, 2014 and vest on February 26, 2019, subject to the individuals being employed by the Company on the vesting date.
- (11) Stock awards to the Named Executives were granted on January 29, 2015 and vest on January 28, 2020, subject to the individuals being employed by the Company on the vesting date.
- (12) Stock awards to the Named Executives were granted on February 26, 2015 and vest on February 25, 2020, subject to the individuals being employed by the Company on the vesting date.
- (13) The market value is based on the closing price of the Class A Stock on the NYSE on December 31, 2015 of \$17.38.

On February 24, 2016, the Named Executives (other than Mr. A.G. Lowenthal) were awarded 43,667 shares, which vest on February 23, 2021, subject to the individuals being employed by the Company on the vesting date.

**Option Exercises and Stock Vested  
For the Year Ended December 31, 2015**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
(a)	(b)	(c)	(d)	(e)
A. G. Lowenthal			50,485	\$ 2,130,000
D.P. McNamara			6,303	\$ 213,000
J.J. Alfano			6,303	\$ 213,000
R.S. Lowenthal				\$
M. Whaley			3,137	\$ 106,500

**Nonqualified Deferred Compensation  
For the Year Ended December 31, 2015**

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Balance at 12/31/15 (\$)
	(a)	(b)	(c)(2)	(d)(2)
A. G. Lowenthal (1)			\$ 92,915	\$ 12,310,527
D.P. McNamara			\$	\$
J.J. Alfano			\$	\$
R.S. Lowenthal			\$	\$
M. Whaley			\$	\$

**Notes to Nonqualified Deferred Compensation Table:**

- (1) The Named Executives did not make a contribution in 2015 to our Nonqualified Deferred Compensation Plan.
- (2) We do not make contributions to the EDCP with respect to the voluntary deferrals. The aggregate balances shown in column (e) of the table above represent amounts that the Named Executives earned as year-end bonuses but elected to defer (included as part of the amount in column (g), if any, of the Summary Compensation Table above), plus earnings (or losses). Such earnings (or losses) for fiscal 2015 are reflected in column (d) of the Nonqualified Deferred Compensation Table represents appreciation based on investments selected by the Named Executives. Account balances are invested in phantom investments selected by the Named Executives from a menu of deemed investment choices. Participants may change their deemed investment choices quarterly. When participants elect to defer amounts into the EDCP, they also elect when the amounts will ultimately be paid out to them. Distributions may either be made in a specific future year or at a time that begins after retirement. In accordance with Section 409A of the Code, in general, distribution schedules cannot be accelerated (other than for hardship) and, to delay distribution, the participant must make such an election at least one year before distribution deemed investment choices quarterly. When participants elect to defer amounts into the EDCP, they also elect when the amounts will ultimately be paid out to them. Distributions may either be made in a specific future year or at a time that begins after retirement. In accordance with Section 409A of the Code, in general, distribution schedules cannot be accelerated (other than for hardship) and, to delay distribution, the participant must make such an election at least one year

before distribution would otherwise have commenced and the new distribution must be delayed a minimum of five years after distribution would have initially begun. The deferred amount is a liability of the Company and subject to the risks of the business.

**Realized pay for fiscal 2015**

To supplement the SEC required disclosure in the Summary Compensation Table set forth on page 35 we have included the following additional table which shows the total compensation actually realized by each Named Executive for fiscal 2015.

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

The Company believes that this table is useful to stockholders as it reflects the compensation actually realized for 2015 by the Named Executives. The Summary Compensation table, as calculated under SEC rules, includes several items that are driven by accounting, actuarial and timing assumptions, which are not necessarily reflective of compensation actually realized by an executive in any particular reporting year.

Our Company's pay practices are not well reflected in these SEC-mandated tables because we used long-term (three to five year cliff-vesting) stock awards to recognize and reward executive performance accomplishments beyond their annual cash bonuses (but typically within their performance matrices, where we use them) to ensure a strong relationship between our senior executives' ongoing performance and ongoing stockholder value creation. In the Summary Compensation Table, these stock awards are part of Total Compensation in the year of the award and are valued on the award date, even though they typically cliff-vest three to five years after the award date and will be valued at vesting at the then market price of our stock. For additional information, please see "Performance evaluation and total compensation element timing" in the Compensation Discussion and Analysis, above.

Realized pay for salary, bonus/non-equity incentive plan compensation and stock awards for fiscal 2015 was equal to 194% of the values shown in the Summary Compensation Table for our Chief Executive Officer and between 87% and 108% for our other Named Executives. The table below shows realized compensation for fiscal 2015 for each Named Executive.

**Realized Pay for Fiscal 2015 Table**

Name	Salary (a)	Bonus (b)(1)	Non-Equity			Total (f)	% of Reported (g)(3)
			Vested Stock Awards (c)(2)	Vested Stock Options (d)(2)	Incentive Plan Compensation (e)(1)		
A.G. Lowenthal	\$ 500,000		\$ 2,130,000	\$		\$ 2,630,000	194%
D.P. McNamara	\$ 260,000	\$ 500,000	\$ 213,000	\$		\$ 973,000	108%
J.J. Alfano	\$ 275,000	\$ 600,000	\$ 213,000	\$		\$ 1,088,000	108%
R.S. Lowenthal	\$ 200,000			\$	\$ 1,850,000	\$ 2,050,000	88%
M. Whaley	\$ 200,000	\$ 500,000	\$ 106,500	\$		\$ 806,500	87%

### Notes to Realized Pay for 2015 Table

- (1) Reflects amounts earned based on fiscal 2015 performance.
- (2) Reflects the aggregate value of stock awards and stock options that vested during fiscal 2015. The value of vested stock awards is calculated by multiplying the number of shares vested by the closing price of our Class A Stock on the vesting date.
- (3) Represents the percentage of Total Compensation in the Realized Pay for Fiscal 2015 Table to Total Compensation (column j) in the Summary Compensation Table.

### Compensation Policies and Risk

The Compensation Committee, the Board as a whole and senior management believe that the Company's compensation policies and practices are not likely to have a material adverse effect on the Company. The Company is necessarily in the business of taking risks to facilitate its customer-oriented businesses and certain proprietary trading activities. As a result, there is no assurance that the Company will not sustain trading or other losses in pursuing its businesses. However, in that context, we believe our compensation policies, together with our control systems and risk management procedures, generally act as mitigation against, rather than an encouragement of, employees taking excessive risk exposure with firm capital.

A substantial portion of the Company's incentive compensation practices are related to employees situated in departments that do not create firm financial risk in conducting their advisory-style businesses.

Other commitment and underwriting-related activities (which do involve firm-level risk) are regularly monitored by the firm's Commitment Committee, and such risks are further mitigated by the practice of paying modest salaries and year-end-only bonuses to the managers and employees in these activities.

For groups in the firm which do take frequent firm risk positions in conducting their businesses, the Company employs various risk controls, trading reserves and compensation holdback policies which are designed to protect the firm against excessive risk-taking with firm capital. These include generally conservative position limits, monthly and quarterly compensation hold-back and/or charge-backs as well as year-end carry-over policies for groups that are compensated on monthly or quarterly intervals. In addition, for some trading groups, mark-down policies are imposed that are designed to prevent holding stale or unsalable inventories; and for others, compensation accrual at settlement date rather than trade date is utilized where appropriate. We also employ strict price monitoring policies for reviewing trading positions and the monitoring of all such prices by a group reporting directly to the Chief Financial Officer outside the control of interested individual department heads.

Our senior department managers in areas which place firm capital at risk are paid salaries and year-end-only bonuses from the aggregate results of their departments, a mitigating factor against excessive risk-taking within their areas of responsibility. We also have a substantial mitigating effect against excessive risk-taking by our employees due to our Chief Executive Officer's incentive compensation arrangement which is annual, includes diverse criteria for any incentive payments and includes an annual cap on any earned incentive payment amount.

Our Compensation and Audit Committees coordinate their activities and oversight where compensation and risk activities intersect and, since February 2009, the Board has conducted ongoing risk-oriented reviews of firm operating units presented by management concurrently with most Audit Committee meetings. Please see "Risk Management" on page 11 for further information.

This concludes our Compensation Discussion and Analysis.

#### **Security Ownership of Certain Beneficial Owners and Management**

Our authorized capital includes 99,680 shares of Class B Stock, all of which were issued and outstanding, and 50,000,000 of shares of Class A Stock, of which 13,287,814 shares of Class A Stock were issued and outstanding, and 50,000,000 shares of Preferred Stock, none of which were outstanding as of March 11, 2016.

The following table sets forth certain information regarding the beneficial ownership of each class of our stock as of March 11, 2016 with respect to (i) each person known by us to beneficially own, or exercise control or discretion over, more than 5% (except as otherwise indicated) of any class of our stock, (ii) each of our directors and nominees for director, (iii) each of our executive officers named in the "Summary Compensation Table" set forth herein and (iv) our directors, nominees for director and executive officers as a group. The address of each beneficial owner for which an address is not otherwise indicated is: *c/o Oppenheimer Holdings Inc., 85 Broad Street, New York, NY 10004.*

For purposes of the table, beneficial ownership is determined pursuant to Rule 13d-3 of the Exchange Act, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of stock which such person or group has the right to acquire within 60 days after March 11, 2016. The percentage of shares deemed outstanding is based on 13,287,814 shares of Class A Stock and 99,680 shares of Class B Stock outstanding as of March 11, 2016. In addition, for purposes of computing the percentage of Class A Stock owned by each person, the percentage includes all Class A Stock issuable upon the exercise of outstanding options held by such persons within 60 days after March 11, 2016.

There are no outstanding rights to acquire beneficial ownership of any Class B Stock.

Mr. A.G. Lowenthal has advised us that he intends to vote all of the Class B Stock owned and controlled by him for each of the matters referred to in the Notice of Meeting to be voted on at the Meeting.

Name of Beneficial Owner	Class A Stock		Class B Stock	
	Shares	%	Shares	%
Hotchkis & Wiley Capital Management, LLC (1)	1,267,490	9.5%		
Executive Officers, Directors, and Others:				
A.G. Lowenthal (2)	3,074,108	23.1%	96,117	96.4%
J. J. Alfano (3)	51,688	*	60	*
R. Crystal (3)	10,987	*		
W. Ehrhardt (3)	11,687	*		
M.A.M. Keehner (3)	11,687	*		
R. S. Lowenthal (4)	34,270	*	140	*
K.W. McArthur (5)	71,388	*		
A.W. Oughtred (3)	12,488	*		
E.K. Roberts (3)	204,965	1.5%	120	*
P.M. Friedman				
E. Behrens (6)				
T.M. Dwyer (6)				
Executive Officers and Directors and Nominees as a group (12 persons)	3,483,268	26.2%	96,437	96.7%

\*

Less than 1%

(1)

Based solely on Schedule 13G filed with the SEC on February 12, 2016 by Hotchkis & Wiley Capital Management, LLC. The address of their business office is 725 South Figueroa St., 39th Floor, Los Angeles, CA 90017.

(2)

With respect to the Class A Stock, A.G. Lowenthal is the sole general partner of Phase II Financial L.P., a New York limited partnership, which is the record holder of 3,060,746 shares of Class A Stock. Mr. Lowenthal holds 13,362 shares of Class A Stock through the Oppenheimer 401(k) Plan. With respect to the Class B Stock, Phase II Financial Inc., a Delaware corporation wholly-owned by Mr. Lowenthal, is the holder of record of all such shares.

(3)

Stock is held directly.

(4)

R.S. Lowenthal owns 30,847 shares of Class A Stock directly and 3,423 shares of Class A Stock through the Oppenheimer 401(k) Plan. R.S. Lowenthal owns 303,357 shares of Class A Stock indirectly through Phase II Financial L.P., 174,000 shares of Class A Stock indirectly through the R.S. Lowenthal Family Trust and 150,000 shares of Class A Stock indirectly through the A.R. Lowenthal Family Trust. R.S. Lowenthal and the aforementioned trusts are limited partners in Phase II Financial L.P., all of which shares are included in the total number of shares of Class A Stock reported by A.G. Lowenthal in (2) above.

(5)

Mr. McArthur owns 45,688 shares of Class A Stock directly, while 25,700 shares of Class A Stock are held through Shurway Capital.

(6)

Nominee for director at the Meeting.

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

There are no arrangements, known to us, the operation of which may at a subsequent date result in a change of control of our Company.

All shares of Class A Stock authorized under the EIP, the ESP and the 2014 Incentive Plan have been approved by the Class B Stockholders. Descriptions of the 2006 Equity Incentive Plan, the Employee Share Plan and the 2014 Incentive Plan appear in note 15 of our consolidated financial statements for the year ended December 31, 2015 included in our Annual Report to on Form 10-K for the year ended December 31, 2015.



Class A Stock authorized for issuance under such share-based plans as of March 11, 2016 is as follows:

<b>Plan</b>	<b>Number of shares of Class A Stock to be issued upon exercise of outstanding options or upon vesting of restricted stock or stock awards</b>	<b>Weighted average exercise price of outstanding awards</b>	<b>Number of shares of Class A Stock remaining available for future issuance</b>
2006 Equity Incentive Plan	138,830	\$ 23.29	
Employee Share Plan	350,957	\$ 19.73	
2014 Incentive Plan	775,795	\$ 18.09	618,751

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file by specific dates with the SEC initial reports of ownership and reports of changes in ownership of our equity securities. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms that they file. We are required to report in this proxy statement any failure of our directors and executive officers and greater than ten percent stockholders to file by the relevant due date any of these reports during or for the preceding fiscal year (or, to the extent not previously disclosed, any prior fiscal year).

To our knowledge, based solely on review of copies of such reports furnished to us during and for the fiscal year ended December 31, 2015 and representations made to us by such persons, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent stockholders were complied with. All other Section 16(a) filings requirements are currently up to date.

#### **Stock Buy-Back**

On September 15, 2015, the Company announced that its Board of Directors approved a share repurchase program that authorizes the Company to purchase up to 665,000 shares of the Company's Class A Stock, representing approximately 5% of its 13,348,369 then issued and outstanding shares of Class A Stock ("New Program"). This authorization replaces the share repurchase program covering up to 675,000 shares of the Company's Class A Stock, which was announced on October 7, 2011 ("Previous Program"), pursuant to which 322,177 shares of the Company's Class A Stock were repurchased and canceled prior to December 31, 2014. During the nine months ended September 30, 2015, the Company purchased and canceled an additional 328,844 shares of Class A Stock for a total consideration of \$6.6 million (\$20.12 per share) under the Previous Program. The 23,979 remaining shares available under the Previous Program have been replaced by the shares available under the New Program.

During the three months ended December 31, 2015, the Company purchased and canceled an aggregate of 94,882 shares of Class A Stock for a total consideration of \$1.6 million (\$17.20 per share) under the New Program. As of December 31, 2015, 570,118 shares were available to be purchased under the New Program.

Any such share purchases will be made by the Company from time to time in the open market at the prevailing open market price using cash on hand, in compliance with the applicable rules and regulations of the New York Stock Exchange and federal and state securities laws and the terms of the Company's senior secured debt. All shares purchased will be canceled. The share repurchase program is expected to continue indefinitely. The timing and amounts of any purchases will be based on market conditions and other factors including price, regulatory requirements and capital availability. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of Class A Stock. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

### Certain Relationships and Related Party Transactions

#### Indebtedness of Directors and Executive Officers

The following sets out information with respect to the aggregate indebtedness of our directors and executive officers under securities purchase and other programs. On December 31, 2015 and since that date, none of our directors and the executive officers were or have been indebted to us, except as follows:

#### Indebtedness of Directors and Executive Officers Under (1) Securities Purchase and (2) Other Programs

Name and Principal Position (a)	Company or Subsidiary (b)	Financially Largest Amount Assisted Involvement of Outstanding as at Amount Outstanding Purchases During March 11, During 2015 2016 2015 (\$ (\$ (#			Security for Indebtedness (f)	Amount Forgiven During 2015 (\$) (g)
		(c)	(d)	(e)		
<u>Securities Purchase Programs</u>						
N/A						
<u>Other Programs</u>						
A.G. Lowenthal	Oppenheimer Margin Account				Margined securities	
R.S. Lowenthal	Oppenheimer Margin Account				Margined securities	

During the year 2015, certain of our directors, executive officers and senior officers of Oppenheimer & Co. Inc., our subsidiary, maintained margin accounts with Oppenheimer & Co. Inc. in connection with the purchase of securities (including our securities). These margin accounts are substantially on the same terms, including interest rates and collateral, as those prevailing from time to time for comparable transactions with non-affiliated persons and do not involve more than the normal risk of collectability.

#### Other Relationships and Transactions

R.S. Lowenthal, the son of A.G. Lowenthal, our Chairman of the Board and Chief Executive Officer, is Senior Managing Director and Head of Oppenheimer & Co. Inc.'s Fixed Income business and is compensated with a base salary and a Performance-Based Cash Award for each fiscal year determined by the application of a formula established by the Compensation Committee annually based on the performance of the Fixed Income business and other businesses that report to him for the fiscal year and certain other performance criteria established by the Compensation Committee. R.S. Lowenthal became a Director in May 2013. Andrew Crystal, the brother of R. Crystal, one of our directors, the first cousin of A.G. Lowenthal, our Chairman of the Board and Chief Executive Officer and the second cousin of R.S. Lowenthal, a Director, is an Oppenheimer & Co. Inc. financial advisor and is compensated on the same basis as other Oppenheimer & Co. Inc. financial advisors.

Our Code of Conduct and Business Ethics for Directors, Officers and Employees contains prohibitions and restrictions on our directors, executive officers and other employees from entering into or becoming involved in situations which could give rise to conflicts of interest with us. Our directors, senior executives and employees and our subsidiaries are required to avoid investments or other interests and associations that interfere, might interfere or might be perceived to interfere, with the independent exercise of judgment in our best interests.

Our directors, senior executives and employees may not advance their personal interests at our expense nor may they personally take or benefit from opportunities arising from their employment with us.

Pursuant to the Audit Committee Charter, the Audit Committee is tasked with reviewing and approving all related party transactions.



## STOCKHOLDER PROPOSALS

The DGCL, which governs our Company, provides that certain registered or beneficial holders of shares entitled to vote at a meeting of stockholders may, in accordance with the provisions of the DGCL, submit a notice to us of a proposal that the holder wishes to be considered by the stockholders entitled to vote at a meeting of stockholders. In order for any stockholder proposal to be included in the proxy statement for the next annual meeting of stockholders of the Company following the Meeting, the proposal must be submitted to the Company at its office at 85 Broad Street, New York, NY 10004 (Attention: Secretary) prior to February 2, 2017.

## COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Holders of Class A and Class B Stock or other interested parties may communicate with the Board of Directors, including the Lead Director or our independent directors as a group, including to request copies of our Annual Report on Form 10-K for the year ended December 31, 2015, which includes our financial statements and management's discussion and analysis, by e-mail to [info@opco.com](mailto:info@opco.com) (Attention: Board of Directors) or by mail to:

Oppenheimer Holdings Inc.  
Board of Directors  
c/o Secretary  
85 Broad Street  
New York, NY 10004

All such correspondence will be forwarded to the Lead Director or to any individual director or directors to whom the communications is or are directed, unless the communication is unduly hostile, threatening, illegal, does not reasonably relate to us or our business or is similarly inappropriate. Our Secretary has the authority to discard or disregard inappropriate communications or to take other reasonable actions with respect to any such inappropriate communications.

## HERE YOU CAN FIND MORE INFORMATION

Our Annual Report on Form 10-K for the year ended December 31, 2015 also serves as our 2015 Annual Report to Stockholders. It is available to view and print on-line on our website at [www.opco.com](http://www.opco.com) on the Investor Relations page. A stockholder who wants to receive a paper or email copy of our Annual Report on Form 10-K for the year ended December 31, 2015 must request one. The report 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). Exhibits will be provided upon request and payment of a reasonable fee.

You may read and copy our reports, proxy statements and other information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of our reports, proxy statement and other information by mail from the Public Reference Section of the SEC at prescribed rates. To obtain information on the operation of the Public Reference Room, you can call the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers, including Oppenheimer Holdings Inc., that file electronically with the SEC. The address of the SEC's Internet website is <http://www.sec.gov>.

Additional information relating to us is available on our website at [www.opco.com](http://www.opco.com).

You should rely only on the information contained in this proxy statement to vote on the proposals set forth herein. The Company has not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated March 24, 2016. You should not

Edgar Filing: OPPENHEIMER HOLDINGS INC - Form DEF 14A

assume that the information contained in this proxy statement is accurate as of any date other than March 11, 2016, and neither the availability of this proxy statement via the Internet nor the mailing of this proxy statement to stockholders shall create any implication to the contrary.

**OTHER INFORMATION**

Our Board of Directors is aware of no other matters, except for those incident to the conduct of the Meeting, that are to be presented to Class B Stockholders for formal action at the Meeting. If, however, any other matters properly come before the Meeting or any adjournments thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

By Order of the Board of Directors,

Dennis P. McNamara,  
Secretary

March 24, 2016























QuickLinks

PROXY STATEMENT

SUMMARY

Oppenheimer Holdings Inc.

Questions and Answers about the Matters to be Acted Upon

THE MEETING

Solicitation of Proxies

Class A Stock and Class B Stock

Appointment and Revocation of Proxies

MATTER NO. 1 ELECTION OF DIRECTORS

Nominees for Election as a Director

2015 DIRECTOR COMPENSATION TABLE

Outstanding Equity Awards Table As of December 31, 2015

Option Exercises and Stock Vested For the Year Ended December 31, 2015

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE COMPENSATION COMMITTEE

REPORT OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

REPORT OF THE COMPLIANCE COMMITTEE

MATTER NO. 2 APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Principal Accounting Fees and Services

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

SUMMARY COMPENSATION TABLE For the Year Ended December 31, 2015

All Other Compensation Table For the Year Ended December 31, 2015

Grants of Plan-Based Awards For the Year Ended December 31, 2015

Outstanding Equity Awards Table As of December 31, 2015

Option Exercises and Stock Vested For the Year Ended December 31, 2015

Nonqualified Deferred Compensation For the Year Ended December 31, 2015

Realized pay for fiscal 2015

Realized Pay for Fiscal 2015 Table

Compensation Policies and Risk

Security Ownership of Certain Beneficial Owners and Management

Certain Relationships and Related Party Transactions

Indebtedness of Directors and Executive Officers Under (1) Securities Purchase and (2) Other Programs

STOCKHOLDER PROPOSALS

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

HERE YOU CAN FIND MORE INFORMATION

OTHER INFORMATION