

MARKETAXESS HOLDINGS INC
Form DEF 14A
April 25, 2016
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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 Pursuant to § 240.14a-12

MarketAxess 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:

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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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MarketAxess Holdings Inc.

299 Park Avenue, 10th Floor

New York, New York 10171

April 25, 2016

To the Stockholders of MarketAxess Holdings Inc.:

You are invited to attend the 2016 Annual Meeting of Stockholders (the *Annual Meeting*) of MarketAxess Holdings Inc. (the *Company*) scheduled for Tuesday, June 7, 2016 at 10:00 a.m., Eastern Daylight Time, at The Waldorf Astoria New York Hotel, 301 Park Avenue, New York, New York 10022. The Company's Board of Directors and management look forward to seeing you.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting and Proxy Statement, which you are urged to read carefully.

We are pleased to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders on the Internet. We believe these rules allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. On April 26, 2016, we expect to mail to our stockholders a Notice containing instructions on how to access our Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2015 and vote online. The Notice contains instructions on how you can receive a paper copy of the Proxy Statement, proxy card and Annual Report if you only received a Notice by mail.

Your vote is important to us. Whether or not you plan to attend the Annual Meeting in person, your shares should be represented and voted. After reading the enclosed Proxy Statement, please cast your vote via the Internet or telephone or complete, sign, date and return the proxy card in the pre-addressed envelope that we have included for your convenience. If you hold your shares in a stock brokerage account, please check your proxy card or contact your broker or nominee to determine whether you will be able to vote via the Internet or by telephone.

On behalf of the Board of Directors, thank you for your continued support.

Sincerely,

Richard M. McVey

Chairman and Chief Executive Officer

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MarketAxess Holdings Inc.

299 Park Avenue, 10th Floor

New York, New York 10171

NOTICE OF

2016 ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of MarketAxess Holdings Inc.:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders (the *Annual Meeting*) of MarketAxess Holdings Inc., a Delaware corporation (the *Company*), will be held on Tuesday, June 7, 2016, at 10:00 a.m., Eastern Daylight Time, at The Waldorf Astoria New York Hotel, 301 Park Avenue, New York, New York 10022.

At the Annual Meeting we will:

1. vote to elect the 10 nominees named in the attached Proxy Statement as members of the Company's Board of Directors for terms expiring at the 2017 Annual Meeting of Stockholders;
2. vote to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the year ending December 31, 2016;
3. hold an advisory vote on the compensation of the Company's named executive officers as disclosed in the attached Proxy Statement;
4. vote to approve the adoption of an amendment and restatement of the MarketAxess Holdings Inc. 2012 Incentive Plan and the performance criteria used in setting performance goals for awards thereunder intended to be performance-based under Code Section 162(m);
5. vote to approve the adoption of the MarketAxess Holdings Inc. 2016 Code Section 162(m) Executive Performance Incentive Plan and the performance criteria used in setting performance goals thereunder; and
6. transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

These items are more fully described in the Company's Proxy Statement accompanying this Notice.

The record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting, or any adjournment or postponement thereof, was the close of business on April 11, 2016. You have the right to receive this Notice and vote at the Annual Meeting if you were a stockholder of record at the close of business on April 11, 2016. Please remember that your shares cannot be voted unless you cast your vote by one of the following methods: (1) vote via the Internet or call the toll-free number as indicated on the proxy card; (2) sign and return a paper proxy card; or (3) vote in person at the Annual Meeting.

By Order of the Board of Directors,

Scott Pintoff

General Counsel and Corporate Secretary

New York, New York

April 25, 2016

YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE READ THE ATTACHED PROXY STATEMENT CAREFULLY AND COMPLETE AND SUBMIT YOUR PROXY CARD VIA THE INTERNET OR SIGN AND DATE YOUR PAPER PROXY CARD AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE ENCLOSED ENVELOPE. ALTERNATIVELY, YOU MAY BE ABLE TO SUBMIT YOUR PROXY BY TOUCH-TONE PHONE AS INDICATED ON THE PROXY CARD.

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MarketAxess Holdings Inc.

299 Park Avenue, 10th Floor

New York, New York 10171

PROXY STATEMENT for the

2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 7, 2016

GENERAL INFORMATION

This Proxy Statement is furnished in connection with a solicitation of proxies by the Board of Directors (the *Board* or *Board of Directors*) of MarketAxess Holdings Inc., a Delaware corporation (*MarketAxess*, the *Company*, *we* or *our*), to be used at our 2016 Annual Meeting of Stockholders (the *Annual Meeting*) scheduled for Tuesday, June 7, 2016, at 10:00 a.m., Eastern Daylight Time, at The Waldorf Astoria New York Hotel, 301 Park Avenue, New York, New York 10022.

This Proxy Statement, the accompanying Notice of Annual Meeting of Stockholders and proxy card are first being mailed to stockholders on or about April 26, 2016. Whenever we refer in this Proxy Statement to the Annual Meeting, we are also referring to any meeting that results from any postponement or adjournment of the June 7, 2016 meeting.

Holders of record of our Common Stock, par value \$0.003 per share (*Common Stock*), at the close of business on April 11, 2016 (the *Record Date*) are entitled to notice of, and to vote at, the Annual Meeting. On that date, there were 37,113,303 shares entitled to be voted.

We encourage you to vote your shares, either by voting in person at the Annual Meeting or by granting a proxy (i.e., authorizing someone to vote your shares). If you vote via the Internet or telephone or execute the attached paper proxy card, the individuals designated will vote your shares according to your instructions. If any matter other than the Proposals listed in the Notice of Annual Meeting of Stockholders is presented at the Annual Meeting, the designated individuals will, to the extent permissible, vote all proxies in the manner that the Board may recommend or, in the absence of such recommendation, in the manner they perceive to be in the best interests of the Company.

If you indicate when voting via the Internet that you wish to vote as recommended by the Board or if you execute the enclosed paper proxy card but do not give instructions, your proxy will be voted as follows: (1) FOR the election of the nominees for director named herein, (2) FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2016, (3) FOR the approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in this Proxy Statement, (4) FOR approval of the adoption of an amendment and restatement of the MarketAxess Holdings Inc. 2012 Incentive Plan and the performance criteria used in setting performance goals for awards thereunder intended to be performance-based under Code Section 162(m), (5) FOR approval of the adoption of the MarketAxess Holdings Inc. 2016 Code Section 162(m) Executive Performance Incentive Plan and the performance criteria used in setting performance goals thereunder, and (6) in accordance with the best judgment of the persons appointed as proxies with respect to any other matters that properly come before the Annual Meeting. If your shares are held in a stock brokerage account or by a bank or other nominee, see the information under the heading *Voting - Broker authority to vote*.

Information on how you may vote at the Annual Meeting (such as granting a proxy that directs how your shares should be voted, or attending the Annual Meeting in person), as well as how you can revoke a proxy, is contained in this Proxy Statement under the headings *Solicitation of Proxies* and *Voting*.

We are furnishing proxy materials to our stockholders primarily via the Internet. On April 26, 2016, we expect to mail beneficial owners of our Common Stock a Notice of Internet Availability containing instructions on how to access our proxy materials, including this Proxy Statement and our Annual Report. The Notice of Internet Availability also instructs you on how to vote via the Internet or by telephone. Other stockholders, in accordance with their prior requests, received e-mail notification of how to access our proxy materials and vote via the Internet, or have been mailed paper copies of our proxy materials and a proxy card or voting form. All

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beneficial owners will have the ability to access the proxy materials, including this Proxy Statement and our Annual Report, on the website referred to in the Notice.

Internet distribution of our proxy materials is designed to provide our stockholders with the information they need, while lowering costs of delivery and reducing the environmental impact of our Annual Meeting. However, if you would prefer to receive paper copies of proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

Important Notice Regarding the Availability of Proxy Materials

for the Stockholder Meeting to be held on June 7, 2016

Our Proxy Statement and 2015 Annual Report to Stockholders are available at

<https://materials.proxyvote.com/57060D>

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SOLICITATION OF PROXIES

General

The attached proxy card allows you to instruct the designated individuals how to vote your shares. You may vote in favor of, against, or abstain from voting on any proposal. In addition, with respect to Proposal 1 (the election of directors), you may, if you desire, indicate on the proxy card that you are not authorizing the designated individuals to vote your shares for one or more of the nominees.

Solicitation

We will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of a Notice of Internet Availability of Proxy Materials, this Proxy Statement, the proxy card and any additional soliciting materials furnished to stockholders. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation materials to such beneficial owners. In addition, we may reimburse such persons for their costs of forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by solicitation by telephone or other means by our directors, officers, employees or agents. No additional compensation will be paid to these individuals for any such services. Except as described above, we do not presently intend to solicit proxies other than by mail.

VOTING

Stockholders entitled to vote and shares outstanding

Each stockholder is entitled to one vote for each share of Common Stock held on each matter submitted to a vote at the Annual Meeting. As of the Record Date, 37,113,303 shares of Common Stock were outstanding and entitled to be voted at the Annual Meeting.

How to vote

Submitting a proxy via mail, the Internet or telephone

If you hold your shares through a stock broker, nominee, fiduciary or other custodian, you may vote by calling the toll-free telephone number listed on the proxy card or visiting the website address listed on the proxy card. If you choose to submit your proxy with voting instructions by telephone or through the Internet, you will be required to provide your assigned control number noted on the Notice before your proxy will be accepted. In addition to the instructions that appear on the Notice, step-by-step instructions will be provided by recorded telephone message or at the designated website on the Internet. Votes submitted by telephone or via the Internet must be received by 11:59 p.m., EDT, on June 6, 2016 in order for them to be counted at the Annual Meeting.

If you are a stockholder of record, or otherwise received a printed copy of the proxy materials, you may submit your proxy with voting instructions by mail by following the instructions set forth on the proxy card included with the proxy materials. Specifically, if you are a stockholder of record on the Record Date, you may vote by mailing your proxy card, with voting instructions, to the address listed on your proxy card.

Voting your shares in person at the Annual Meeting

For Shares Directly Registered in the Name of the Stockholder: You may vote in person at the Annual Meeting; however, we encourage you to vote by proxy card or the Internet even if you plan to attend the meeting. If you plan to attend the Annual Meeting, you will need to bring proof of your ownership of our Common Stock as of the close of business on April 11, 2016, the Record Date.

For Shares Registered in the Name of a Brokerage Firm or Bank: You may vote in person at the Annual Meeting; however, you will need to bring an account statement or other acceptable evidence of ownership of Common Stock as of the close of business on April 11, 2016. Alternatively, in order to vote, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the Annual Meeting.

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Revoking a proxy

A proxy that was submitted via the Internet or by telephone may be revoked at any time before it is exercised by (1) executing a later-dated proxy card via the Internet or by telephone or (2) attending the Annual Meeting and voting in person by ballot.

A proxy that was submitted by mail may be revoked at any time before it is exercised by (1) giving written notice revoking the proxy to our General Counsel and Corporate Secretary at MarketAxess Holdings Inc., 299 Park Avenue, 10th Floor, New York, NY 10171, (2) subsequently sending another proxy bearing a later date or (3) attending the Annual Meeting and voting in person by ballot.

If your shares are registered in the name of a brokerage firm or bank, you must contact your brokerage firm or bank to change your vote or obtain a proxy to vote your shares if you wish to cast your vote in person at the meeting.

Your attendance at the Annual Meeting in and of itself will not automatically revoke a proxy that was submitted via the Internet, by telephone or by mail.

Broker authority to vote

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares held in street name. These proxy materials are being forwarded to you by your broker or nominee, who is considered to be the holder of record with respect to your shares. As the beneficial owner, you have the right to direct your broker or nominee how to vote by filling out the voting instruction form provided by your broker or nominee. Telephone and Internet voting options may also be available to beneficial owners. As a beneficial owner, you are also invited to attend the Annual Meeting, but you must obtain an account statement or other acceptable evidence of ownership of our Common Stock or a proxy from the holder of record of your shares in order to vote in person at the Annual Meeting.

If your shares are held in street name, your broker or nominee will ask you how you want your shares to be voted. If you provide voting instructions, your shares must be voted as you direct. If you do not furnish voting instructions, one of two things can happen, depending upon whether a proposal is routine. Under the rules that govern brokers that have record ownership of shares beneficially owned by their clients, brokers have discretion to cast votes only on routine matters, such as the ratification of the appointment of independent registered public accounting firms, without voting instructions from their clients. Brokers are not permitted, however, to cast votes on non-routine matters without such voting instructions, such as the election of directors. A broker non-vote occurs when a beneficial owner has not provided voting instructions and the broker holding shares for the beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that proposal.

Quorum

A quorum is required for the conduct of business at the meeting. The presence at the meeting, in person or by proxy, of the holders of shares having a majority of the voting power represented by all outstanding shares entitled to vote on the Record Date will constitute a quorum, permitting us to conduct the business of the meeting. Proxies received but marked as abstentions, if any, and broker non-votes (as described above) will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes. If we do not have a quorum, we will be forced to reconvene the Annual Meeting at a later date.

Votes necessary to approve each proposal

Election of Directors. Our Bylaws include a majority voting standard for the election of directors in uncontested elections, which are generally defined as elections in which the number of nominees does not exceed the number of directors to be elected at the meeting. In the election of directors (Proposal 1), you may either vote FOR, AGAINST or ABSTAIN as to each nominee. Cumulative voting is not permitted. Under the majority voting standard, in uncontested elections of directors, such as this election, each director must be elected by the affirmative vote of a majority of the votes cast by the shares present in person or represented by proxy and

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entitled to vote. A majority of the votes cast means that the number of votes cast FOR a candidate for director exceeds the number of votes cast AGAINST that candidate for director. Brokers do not have discretionary authority to vote for directors. Abstentions and broker non-votes will not count as a vote cast FOR or AGAINST a nominee's election and thus will have no effect in determining whether a director nominee has received a majority of the votes cast.

Other Items. For each of the other proposals listed in the Notice of Annual Meeting of Stockholders (Proposals 2, 3, 4 and 5), the proposals will be decided by the affirmative vote of the holders of a majority of the shares present in person or represented by proxy. Abstentions will be counted as shares present and entitled to vote on these proposals and will have the same effect as negative votes. Broker non-votes will not be counted as shares present and entitled to vote.

Certain stockholder-related matters

We do not know of any stockholder proposals that may be properly presented at the Annual Meeting. For information regarding inclusion of stockholder proposals in our 2017 Annual Meeting of Stockholders, see the information in this Proxy Statement under the section heading *Other Matters - Stockholder proposals for 2017 Annual Meeting*.

AVAILABILITY OF CERTAIN DOCUMENTS

Householding of Annual Meeting materials

Some banks, brokers and other nominee record holders may participate in the practice of householding proxy statements and their accompanying documents. This means that only one copy of our Proxy Statement is sent to multiple stockholders in your household. We will promptly deliver a separate copy of these documents to you upon written or oral request to our Investor Relations Department at MarketAxess Holdings Inc., 299 Park Avenue, 10th Floor, New York, NY 10171 or 212-813-6000. If you want to receive separate copies of our proxy statements in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

Additional information

We are required to file annual, quarterly and current reports, proxy statements and other reports with the SEC. Copies of these filings are available through our Internet website at www.marketaxess.com or the SEC's website at www.sec.gov. We will furnish copies of our SEC filings (without exhibits), including our Annual Report on Form 10-K for the year ended December 31, 2015, without charge to any stockholder upon written or oral request to our Investor Relations Department at MarketAxess Holdings Inc., 299 Park Avenue, 10th Floor, New York, NY 10171 or 212-813-6000.

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PROPOSAL 1 ELECTION OF DIRECTORS

The first proposal to be voted on at the Annual Meeting is the election of directors. Our Board currently consists of 10 directors, 9 of whom are not our employees. Each of the nominees for director was elected by the Company's stockholders on June 4, 2015. The directors will be elected for a term that begins at the Annual Meeting and ends at the 2017 Annual Meeting of Stockholders. Each director will hold office until such director's successor has been elected and qualified, or until such director's earlier resignation or removal.

Your vote

If you sign the enclosed proxy card and return it to the Company, your proxy will be voted **FOR** all directors, for terms expiring at the 2017 Annual Meeting of Stockholders, unless you specifically indicate on the proxy card that you are casting a vote against one or more of the nominees or abstaining from such vote.

A majority of the votes cast by stockholders entitled to vote at the Annual Meeting is required for the election of directors. Accordingly, the directorships to be filled at the Annual Meeting will be filled by the nominees receiving a majority of votes for their election. In the election of directors, stockholders will be given the choice to cast votes for or against the election of directors or to abstain from such vote. The number of shares voted for a director must exceed the number of votes cast against that director. Abstentions and broker non-votes will be excluded entirely from the vote and will have no effect on the outcome of the vote.

Board recommendation

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE FOLLOWING NOMINEES:

Richard M. McVey

Steven L. Begleiter

Stephen P. Casper

Jane Chwick

William F. Cruger

David G. Gomach

Carlos M. Hernandez

Ronald M. Hersch

John Steinhardt

James J. Sullivan

Each of these nominees is currently serving as a director on our Board, and each nominee has agreed to continue to serve on the Board if he or she is elected at the Annual Meeting. If any nominee is unable (or for whatever reason declines) to serve as a director at any time before the Annual Meeting, proxies may be voted for the election of a qualified substitute designated by the current Board, or else the size of the Board will be reduced accordingly. Biographical information about each of the nominees is included below under *Director information*.

Qualifications for director nominees

The minimum qualifications for Board consideration are:

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substantial experience working as an executive officer for, or serving on the board of, a public company; or

significant accomplishment in another field of endeavor related to the strategic running of our business; and

an ability to make a meaningful contribution to the oversight and governance of a company having a scope and size similar to our Company.

A director must have an exemplary reputation and record for honesty in his or her personal dealings and business or professional activity. All directors must demonstrate strong leadership skills and should possess a basic understanding of financial matters; have an ability to review and understand the Company's financial and

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other reports; and be able to discuss such matters intelligently and effectively. He or she also needs to exhibit qualities of independence in thought and action. A candidate should be committed first and foremost to the interests of the stockholders of the Company. Persons who represent a particular special interest, ideology, narrow perspective or point of view would not, therefore, generally be considered good candidates for election to our Board. The key experience, qualifications and skills each of our directors brings to the Board that are important in light of our business are included in their individual biographies below.

Our Board does not have a formal written policy with regard to the consideration of diversity in identifying director nominees. Our Corporate Governance Guidelines, however, require the Board's Nominating and Corporate Governance Committee to review the qualifications of the directors and the composition of the Board as a whole. This assessment includes not only the independence of the directors, but consideration of required minimum qualifications, skills, expertise and experience in the context of the needs of the Board and its ability to oversee the Company's business.

Director information

At the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the persons named below to serve as directors of the Company for a term beginning at the Annual Meeting and ending at the 2017 Annual Meeting of Stockholders.

Richard M. McVey

Director since April 2000

Richard M. McVey (56) has been Chief Executive Officer and Chairman of our Board of Directors since our inception. As an employee of J.P. Morgan & Co., one of our founding broker-dealers, Mr. McVey was instrumental in the founding of MarketAxess in April 2000. Prior to founding MarketAxess, Mr. McVey was Managing Director and Head of North America Fixed-Income Sales at JPMorgan, where he managed the institutional distribution of fixed-income securities to investors from 1996 until April 2000. In that capacity, he was responsible for developing and maintaining senior client relationships across all market areas, including fixed-income, equities, emerging markets, foreign exchange and derivatives. From 1992 to 1996, Mr. McVey led JPMorgan's North America Futures and Options Business, including institutional brokerage, research, operations, finance and compliance. Mr. McVey serves on the Board of Directors of Miami (Ohio) University Foundation. He previously served on the board of directors of Blue Mountain Credit Alternatives L.P., an asset management fund focused on the credit markets and equity derivatives markets. Mr. McVey received a B.A. in Finance from Miami (Ohio) University and an M.B.A. from Indiana University.

Mr. McVey's role as one of our founders and his service as our Chief Executive Officer for over 15 years give him deep knowledge and understanding of all aspects of the business and operations of MarketAxess. Mr. McVey's extensive experience in the financial services industry, including significant leadership roles at JPMorgan, has provided the Company with comprehensive knowledge of the financial markets that we serve and the institutions and dealers that are our clients.

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Steven L. Begleiter

Director since April 2012

Steven L. Begleiter (54) has been a Senior Principal at Flexpoint Ford, LLC, a private equity group focused on investments in financial services and healthcare, since October 2008. Prior to joining Flexpoint Ford, Mr. Begleiter spent 24 years at Bear Stearns & Co., serving first as an investment banker in the Financial Institutions Group and then as Senior Managing Director and member of its Management and Compensation Committee from 2002 to September 2008. Mr. Begleiter also served as head of Bear Stearns Corporate Strategy Group. Mr. Begleiter currently serves on the board of directors of WisdomTree Investments, Inc. and on the board of directors of certain portfolio companies of Flexpoint Ford, LLC. Mr. Begleiter received a B.A. in Economics from Haverford College.

Mr. Begleiter brings many years of leadership experience in the financial services and private equity industries to the Board. Mr. Begleiter also has extensive industry knowledge and perspectives on mergers and acquisitions and capital formation.

Stephen P. Casper

Director since April 2004

Stephen P. Casper (66) is retired. Mr. Casper was the President of TRG Management L.P., the investment manager of the TRG Global Opportunity Master Fund, Ltd., from April 2010 to August 2012. From September 2008 to April 2010, Mr. Casper was a partner of Vastardis Capital Services, which provides fund administration and securities processing outsourcing services to hedge funds, funds of funds and private equity funds and their investment management sponsors. Prior to this, Mr. Casper was Chairman and Chief Executive Officer of Charter Atlantic Corporation, the holding company of Fischer Francis Trees & Watts, Inc. (FFTW), a specialist manager of U.S., global and international fixed-income portfolios for institutional clients, and Malbec Partners, a manager of single-strategy hedge funds. From April 2004 to January 2008, Mr. Casper was the President and CEO of FFTW. Mr. Casper joined FFTW as Chief Financial Officer in 1990 and was appointed Chief Operating Officer in May 2001. From 1984 until 1990, Mr. Casper was Treasurer of the Rockefeller Family Office. Mr. Casper has been a member of the Board of Directors of the KLS Diversified Fund, the KS Rates Fund and the KLS Credit Opportunities Fund, all of which are fixed income hedge funds, since July 2012. Mr. Casper is Vice-Chairman of the Board of Directors of GMO LLC, a global investment management firm providing clients with asset management solutions and services, since May 2014. Mr. Casper is a member of the Investment Committee of the Brooklyn Museum. Mr. Casper is a Certified Public Accountant and received a B.B.A. in accounting from Baruch College, from which he graduated magna cum laude, Beta Gamma Sigma, and an M.S. in finance and accounting from The Wharton School at the University of Pennsylvania.

Mr. Casper's experience in the fixed-income markets and financial services industry and his experience in financial reporting and accounting roles bring extensive public accounting, financial reporting, risk management and leadership skills to the Board.

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Jane Chwick

Director since October 2013

Jane Chwick (53) has been Co-CEO of Trewtec, Inc., a technology advisory firm designed to help board members and CEOs evaluate the technology function in their companies, since September 2014. Prior to this role, she was a Partner and Co-Chief Operating Officer of the Technology Division of Goldman Sachs Group, Inc. where she was responsible for financial and business planning, technical strategy and ongoing management of an 8,000-person organization until her retirement in April 2013. During her 30 year career at Goldman Sachs, Ms. Chwick held a number of senior positions, including Global Head of Technology of the Securities Division and Global Head of Derivatives Technology. During her tenure, she drove the design, build and integration of technology across all of Goldman Sachs derivatives businesses, including fixed income, commodities, currencies and equities. Ms. Chwick is a member of the Board of Directors of Voya Financial, Inc. and also serves as a board member of the Queens College Foundation and of Girls Who Code. Ms. Chwick received a B.A. in Mathematics from Queens College and an M.B.A. from St. Johns University with a concentration in MIS and Quantitative Analysis.

Ms. Chwick's extensive technology leadership experience gained in a global financial services firm, combined with her depth of market knowledge and industry insight, bring valuable skills and strategic perspective to the Board.

William F. Cruger

Director since November 2013

William F. Cruger (57) was most recently Vice Chairman of Investment Banking at JP Morgan and Co. where he was responsible for key client relationships on a global basis until his retirement in August 2013. Previously, Mr. Cruger held a number of senior positions at JP Morgan, including Managing Director in the Financial Institutions group from 1996 to 2011. During this time, he oversaw the rationalization of the firm's private equity investments in trading platforms and related ventures at LabMorgan from 2000 to 2001. Prior to this, Mr. Cruger ran the firm's investment banking practices in Japan from 1991 to 1996, Latin America from 1989 to 1991 and Emerging Asia from 1984 to 1988. He currently serves as a board member of People's United Financial, Inc. and Virtu Financial, Inc., and has previously served on the boards of Archipelago, Credittrade and Capital IQ. Mr. Cruger received a B.A. from Clark University and an M.B.A. from Columbia University.

Mr. Cruger's diverse experience in investment banking at a global financial services firm, his extensive knowledge of financial institutions and financial markets, his leadership roles as a director of other financial services firms, and his international business experience bring critical skills and strategic insight to the Board.

David G. Gomach

Director since February 2005

David G. Gomach (57) is retired. Mr. Gomach was the Chief Financial Officer and Treasurer of School Specialty, Inc. from September 2006 through June 2007, having joined as Executive Vice President Finance in August 2006. Prior to School Specialty, Mr. Gomach held various positions at the Chicago Mercantile Exchange (CME) from 1987 to 2004. From June 1997 until his retirement from the CME in November 2004, he served as Chief Financial Officer. From 1996 until

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1997, Mr. Gomach served as Vice President, Internal Audit and Administration. Also, during his tenure at the CME, he was a Senior Director and Assistant Controller. Prior to joining the CME, Mr. Gomach held positions at Perkin-Elmer, Singer Corporation and Mercury Marine, a subsidiary of Brunswick Corporation. From April 2011 to October 2012, Mr. Gomach served as a director and member of the audit committee for Eladian Partners, a privately held multi-asset class trading company. Mr. Gomach is a Certified Public Accountant and received a B.S. from the University of Wisconsin-LaCrosse and an M.B.A. from Roosevelt University.

Mr. Gomach brings to the Board leadership experience from his prior roles and deep knowledge of public accounting, financial reporting and risk management matters facing public companies in the financial services industry, including internal controls and Sarbanes-Oxley compliance.

Carlos M. Hernandez

Director since February 2006

Carlos M. Hernandez (54) is Head of Global Banking at JPMorgan, serves on the JPMorgan Chase Executive Committee and is a member of the Corporate & Investment Bank's leadership team. Prior to this position, Mr. Hernandez was Global Head of Investor Services and led JPMorgan's Global Equities and Prime Services business. He previously managed the Origination and Distribution business for the Americas, Institutional Equities for the Americas and Global Equity Capital Markets at JPMorgan. Before joining the Equities division, Mr. Hernandez was head of Investment Banking, Latin America. Mr. Hernandez has been with JPMorgan since 1986, working on a wide array of advisory and financing transactions for both corporations and governments, across various product groups and geographic regions. Mr. Hernandez currently serves on the boards of The Brunswick School in Connecticut and John Hopkins School of Sciences in Maryland. In 2005, he served on the board of the Securities Industries Association. Mr. Hernandez has a B.S. in Business from the State University of New York and an M.B.A. from Columbia University.

Mr. Hernandez has a broad range of leadership experience and a deep understanding of the global financial markets and financial services and securities industries, including the particular needs of an international corporation. Mr. Hernandez also has a unique understanding of, and experience with, our broker-dealer clients and their needs, particularly in the context of recent regulatory reform.

Ronald M. Hersch

Director since July 2000

Ronald M. Hersch (68) was a Senior Managing Director at Bear Stearns and Co. Inc. from June 1992 until his retirement in April 2007. Mr. Hersch was responsible for directing the firm's futures business, as well as coordinating eCommerce activities and initiatives within the Fixed-Income Division. Mr. Hersch is a former Chairman of the Futures Industry Association. He has previously served on the board of directors of Bond Desk Group, LLC, the Chicago Board of Trade, and the National Futures Association, the self-regulatory organization responsible for futures industry oversight. Mr. Hersch received a B.A. from Long Island University.

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Mr. Hersch's experience with regulatory and policy issues gives him valuable insight into strategies for navigating the regulatory matters affecting the financial services industry generally and the Company in particular. Mr. Hersch also brings significant leadership experience to the Board and a deep understanding of the fixed-income and derivatives markets.

John Steinhardt

Director since April 2000

John Steinhardt (62) is a founder, and has been a Managing Partner, Co-Chief Executive Officer and Co-Chief Investment Officer, of KLS Diversified Asset Management since July 2007. From July 2006 until July 2007, Mr. Steinhardt managed a private investment portfolio. Mr. Steinhardt was the founder, Chief Executive Officer and Chief Investment Officer of Spectrum Investment Group from January 2005 to July 2006. Until October 2004, Mr. Steinhardt was Head of North American Credit Markets for JPMorgan Chase & Co. and a member of the Management Committee of the Investment Banking Division of JPMorgan Chase & Co. Prior to the merger of J.P. Morgan & Co. and the Chase Manhattan Bank, Mr. Steinhardt was the Head of U.S. Securities at Chase Securities Inc. and a member of the Management Committee from 1996 to 2000. He currently serves on the board of directors of the 92nd Street Y and the board of trustees of the Central Park Conservancy. Mr. Steinhardt received a B.S. in Economics from St. Lawrence University and an M.B.A from Columbia University.

Mr. Steinhardt brings substantial leadership experience at a number of financial institutions and extensive experience in the financial markets that we serve. Mr. Steinhardt also has a deep knowledge and understanding of the requirements of operating in a highly regulated industry.

James J. Sullivan

Director since March 2012

James J. Sullivan (56) is the Executive Chairman of Prudential Fixed Income and Head of the Global Institutional Relationship Group for PGIM, the asset management business of Prudential. Prior to assuming his current role in January 2016, Mr. Sullivan was Senior Managing Director and Head of Fixed Income at Prudential Investment Management, a global investment management firm, a position he held since 1999. Mr. Sullivan joined Prudential in 1981 and has extensive experience in managing fixed income bond portfolios for insurance, pension, and mutual fund clients. Mr. Sullivan received both a B.A. and an M.B.A. from Iona College.

Mr. Sullivan brings extensive buy-side experience in the financial services industry, specifically in the fixed-income markets that we serve, and a deep knowledge and understanding of the issues faced by the institutional investors who operate in those markets.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Director independence

The Board of Directors has determined that each of our current directors, other than Mr. McVey, currently meet the independence requirements contained in the NASDAQ listing standards and applicable tax and securities rules and regulations. None of these non-employee directors has a relationship with the Company or its subsidiaries that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In compliance with the NASDAQ listing standards, we have a Board of Directors comprised of a majority of independent directors. The NASDAQ listing standards have both objective tests and a subjective test for determining who is an independent director. The objective tests state, for example, that a director is not considered independent if he is an employee of the Company or is a partner in or controlling shareholder or executive officer of an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year. The subjective test states that an independent director must be a person who lacks a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

None of the non-employee directors were disqualified from independent status under the objective tests. In assessing independence under the subjective test, the Board took into account the standards in the objective tests, and reviewed and discussed additional information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to MarketAxess management. Based on all of the foregoing, as required by the NASDAQ listing standards, the Board made a substantive determination as to each of the independent directors that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board has not established categorical standards or guidelines to make these subjective determinations, but considers all relevant facts and circumstances.

In addition to Board-level standards for director independence, the directors who serve on the Audit Committee and the Compensation Committee each satisfy standards established by the SEC and the NASDAQ listing rules providing that to qualify as independent for purposes of membership on the Audit Committee or the Compensation Committee, members of such committees may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than their director compensation. Also, each of the directors who serve on the Compensation Committee has been determined to be a non-employee director for purposes of the applicable SEC rules and regulations and an outside director for purposes of the applicable tax rules.

In making its independence determinations, the Board considered transactions occurring since the beginning of 2013 between the Company and entities associated with the independent directors or members of their immediate family. In each case, the Board determined that, because of the nature of the director's relationship with the entity and/or the amount involved, the relationship did not impair the director's independence. The Board's independence determinations included reviewing the relationship of certain of our directors who are or, for a portion of the past three years, were senior employees of broker-dealer and institutional investor clients. In addition, the Board considered that Mr. Hernandez is the Co-Head of Global Banking at JPMorgan Chase & Co. (*JPMorgan*), which accounted for 5.6% of the Company's consolidated gross revenue for 2015, and is the administrative agent and sole lender under our credit agreement, provides cash management services to the Company and operates our share repurchase program.

We do not have a director tenure requirement, as we believe our efforts to regularly refresh the Board with new directors, as well as natural turnover, has achieved the appropriate balance between maintaining longer-term directors with deep institutional knowledge and new directors who bring new perspectives and diversity to our Board. Notwithstanding this belief and the fact that our corporate governance guidelines and NASDAQ Global Select Market rules do not deem long-tenured directors to be non-independent, our Board reviews director tenure in connection with its director independence determinations.

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How nominees to our Board are selected

Candidates for election to our Board of Directors are nominated by our Nominating and Corporate Governance Committee and ratified by our full Board of Directors for nomination to the stockholders. The Nominating and Corporate Governance Committee operates under a charter, which is available on our corporate website at www.marketaxess.com.

The Nominating and Corporate Governance Committee will give due consideration to candidates recommended by stockholders. Stockholders may recommend candidates for the Nominating and Corporate Governance Committee's consideration by submitting such recommendations directly to the Nominating and Corporate Governance Committee by mail or electronically. In making recommendations, stockholders should be mindful of the discussion of minimum qualifications set forth above under *Qualifications for director nominees*. However, just because a recommended individual meets the minimum qualification standards does not imply that the Nominating and Corporate Governance Committee will necessarily nominate the person so recommended by a stockholder. The Nominating and Corporate Governance Committee may also engage outside search firms to assist in identifying or evaluating potential nominees.

Board leadership structure

Our Chief Executive Officer (*CEO*) also serves as the Chairman of the Board (the *Chairman*), and we have a Lead Independent Director who is responsible, among other things, for consulting with the Chairman regarding the agenda for each Board meeting and coordinating the activities of the non-employee directors, including presiding over the executive sessions of non-employee directors. We believe that this structure is appropriate for the Company because it allows one person to speak for and lead the Company and the Board, while also providing for effective oversight by an independent Board through a Lead Independent Director. Our CEO, as the individual with primary responsibility for managing the Company's strategic direction and day-to-day operations, is in the best position to provide Board leadership that is aligned with our stockholders' interests as well as the Company's needs. Our overall corporate governance policies and practices, combined with the strength of our independent directors, minimize any potential conflicts that may result from combining the roles of CEO and Chairman.

Mr. Casper currently serves as the Lead Independent Director. The full Board, by majority vote, elects the Lead Independent Director.

The Board has established other structural safeguards that serve to preserve the Board's independent oversight of management. First, the Board is comprised almost entirely of independent directors who are highly qualified and experienced, and who exercise a strong, independent oversight function. The Board's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are comprised entirely of, and are chaired by, independent directors. Second, independent oversight of our CEO's performance is provided through a number of Board and committee processes and procedures, including regular executive sessions of non-employee directors and annual evaluations of our CEO's performance against pre-determined goals. The Board believes that these safeguards preserve the Board's independent oversight of management and provide a balance between the authority of those who oversee the Company and those who manage it on a day-to-day basis.

Board committees

The Audit Committee of our Board of Directors reviews, acts on and reports to our Board of Directors with respect to various auditing and accounting matters, including the recommendation of our independent registered public accounting firm, the scope of the annual audits, the fees to be paid to the independent registered public accounting firm, the performance of the independent registered public accounting firm and our accounting practices. The Audit Committee currently consists of Mr. Gomach (Chair), Ms. Chwick, Mr. Cruger and Mr. Hersch. The Board of Directors has determined that each member of the Audit Committee is an independent director in accordance with NASDAQ listing standards and that Mr. Gomach and Mr. Cruger are Audit Committee financial experts, as defined by SEC guidelines and as required by the applicable NASDAQ listing standards. For information regarding the experience and qualifications of our Audit Committee financial experts,

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see the information in this Proxy Statement under the section heading *Proposal 1 Election of Directors Director information*.

The Compensation Committee of the Board of Directors recommends, reviews and oversees the salaries, benefits and equity incentive plans for our employees, consultants, directors (other than non-employee directors) and other individuals whom we compensate. The Compensation Committee also administers our compensation plans. The Compensation Committee currently consists of Messrs. Steinhardt (Chair), Begleiter and Hersch. The Board of Directors has determined that each member of the Compensation Committee is an independent director in accordance with NASDAQ listing standards, a non-employee director under the applicable SEC rules and regulations and an outside director under the applicable tax rules. The Compensation Committee may form subcommittees and delegate authority to such subcommittees or individuals as it deems appropriate.

The Nominating and Corporate Governance Committee of the Board of Directors selects nominees for director positions to be recommended by our Board of Directors for election as directors and for any vacancies in such positions, develops and recommends for our Board of Directors the Corporate Governance Guidelines of the Company and oversees the annual review of the performance of the Board of Directors, each director and each committee. The Nominating and Corporate Governance Committee currently consists of Messrs. Hersch (Chair), Casper and Cruger. The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is an independent director in accordance with NASDAQ listing standards.

The Risk Committee assists the Board with its oversight of the Company's risk management activities, with particular responsibility for overseeing designated areas of risk that are not the primary responsibility of another committee of the Board or retained for the Board's direct oversight. Items delegated to the Risk Committee by the Board include technology risk, credit risk and regulatory risk. The Risk Committee currently consists of Ms. Chwick (Chair), Mr. Casper and Mr. Sullivan.

The Investment Committee assists the Board in monitoring whether the Company has adopted and adheres to a rational and prudent investment and capital management policy; whether management's investment and capital management actions are consistent with attainment of the Company's investment policy, financial objectives and business goals; the Company's compliance with legal and regulatory requirements pertaining to investment and capital management; the competence, performance and compensation of the Company's external money managers; and such other matters as the Board or Investment Committee deems appropriate. The Investment Committee currently consists of Messrs. Steinhardt (Chair), Hernandez and Sullivan.

Meetings and attendance

During the year ended December 31, 2015, the full Board held six meetings; the Audit Committee held five meetings; the Compensation Committee held three meetings; the Nominating and Corporate Governance Committee held three meetings; the Risk Committee held four meetings; and the Audit and Risk Committees held two joint meetings. The non-management directors met in executive session without management directors or employees at each of the meetings of the Board during 2015. We expect each director to attend each meeting of the full Board and of the committees on which he or she serves and to attend the annual meeting of stockholders. All directors attended at least 75% of the meetings of the full Board and the meetings of the committees on which they served and eight of the ten directors attended our 2015 annual meeting of stockholders.

Board involvement in risk oversight

The Company's management is responsible for defining the various risks facing the Company, formulating risk management policies and procedures, and managing the Company's risk exposures on a day-to-day basis. The Board's responsibility is to monitor the Company's risk management processes by informing itself of the Company's material risks and evaluating whether management has reasonable controls in place to address the material risks. The Board is not responsible, however, for defining or managing the Company's various risks.

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The Board of Directors monitors management's responsibility for risk oversight through regular reports from management to the Risk and Audit Committees and the full Board. Furthermore, the Risk and Audit Committees report on the matters discussed at the committee level to the full Board. The Risk and Audit Committees and the full Board focus on the material risks facing the Company, including strategic, operational, market, technology, credit, liquidity, legal and regulatory risks, to assess whether management has reasonable controls in place to address these risks. In addition, the Compensation Committee is charged with reviewing and discussing with management whether the Company's compensation arrangements are consistent with effective controls and sound risk management. Finally, risk management is a factor that the Board and the Nominating and Corporate Governance Committee consider when determining who to nominate for election as a director of the Company and which directors serve on the Risk and Audit Committees. The Board believes this division of responsibilities provides an effective and efficient approach for addressing risk management.

The Company's management-level Risk Committee assists management's efforts to assess and manage risk. The management-level Risk Committee is chaired by the Company's Chief Risk Officer and is comprised of department heads and other managers. The management-level Risk Committee assesses the Company's business strategies and plans and insures that appropriate policies and procedures are in place for identifying, evaluating, monitoring, managing and measuring significant risks. The management-level Risk Committee regularly prepares updates and reports for the Board Risk Committee and the Board of Directors.

Code of Conduct, Code of Ethics and other governance documents

The Board has adopted a Code of Conduct that applies to all officers, directors and employees, and a Code of Ethics for the CEO and Senior Financial Officers, which includes Mr. DeLise, our Chief Financial Officer. Both the Code of Conduct and the Code of Ethics for the CEO and Senior Financial Officers, as well as any amendments to, or waivers under, the Code of Ethics for the CEO and Senior Financial Officers, can be accessed in the *Investor Relations Corporate Governance Overview* section of our website at www.marketaxess.com.

You may also obtain a copy of these documents by writing to MarketAxess Holdings Inc., 299 Park Avenue, 10th Floor, New York, New York 10171, Attention: Investor Relations.

Copies of the charters of our Board's Audit Committee, Compensation Committee, Investment Committee, Risk Committee and Nominating and Corporate Governance Committee, as well as a copy of the Company's Corporate Governance Guidelines, can be accessed in the *Investor Relations Corporate Governance* section of our website.

Communicating with our Board members

Although our Board of Directors has not adopted a formal process for stockholder communications with the Board, we make every effort to ensure that the views of stockholders are heard by the Board or by individual directors, as applicable, and we believe that this has been an effective process to date. Stockholders may communicate with the Board by sending a letter to the MarketAxess Holdings Inc. Board of Directors, c/o General Counsel, 299 Park Avenue, 10th Floor, New York, New York 10171. The General Counsel will receive the correspondence and forward it to the Chairman of the Board and the Lead Independent Director, or to any individual director or directors to whom the communication is directed, as appropriate. Notwithstanding the above, the General Counsel has the authority to discard or disregard any communication that is unduly hostile, threatening, illegal or otherwise inappropriate or to take any other appropriate actions with respect to such communications.

In addition, any person, whether or not an employee, who has a concern regarding the conduct of the Company or our employees, including with respect to our accounting, internal accounting controls or auditing issues, may, in a confidential or anonymous manner, communicate that concern in writing by addressing a letter to the Chairman of the Audit Committee, c/o Corporate Secretary, at our corporate headquarters address, which is 299 Park Avenue, 10th Floor, New York, New York 10171, or electronically, at our corporate website, www.marketaxess.com under the heading *Investor Relations Corporate Governance Overview*, by clicking the *Confidential Ethics Web Form* link.

Table of Contents**Director compensation**

Our Board of Directors recommends, reviews and oversees the compensation, including equity awards, for our non-employee directors. All directors, other than Mr. McVey, are regarded as non-employee directors. Mr. McVey receives no additional compensation for his service as a director. In 2015, we increased the annual cash retainer payable to each non-employee director from \$60,000 to \$70,000 and we raised the annual equity retainer value from \$90,000 to \$95,000, while reducing the per meeting fee as described below. In August 2015, we granted 972 shares of restricted stock to each non-employee director. One-half of the award vested on November 30, 2015 and the balance is scheduled to vest on May 31, 2016. The number of shares of restricted stock granted was determined on the date of grant by dividing the equity grant value of \$95,000 by \$97.72, the average of the closing price of our Common Stock for the ten trading days up to and including the grant date (*Share Calculation*). We expect to continue to compensate our non-employee directors with a combination of cash and equity awards. All equity awards to non-employee directors are made under the Company's 2012 Incentive Plan.

The Company and the Board of Directors believe that equity-based awards are an important factor in aligning the long-term financial interest of the non-employee directors and stockholders. As such, the Board of Directors adopted stock ownership guidelines for the non-employee directors. A subsection of the ownership guidelines, the holding requirements, were most recently revised in April 2016 and require that non-employee directors hold not less than a number of shares of Common Stock equal in value to three times the annual base cash retainer payable to a director, or \$210,000, calculated using a price of \$124.08 per share, which was the average of the closing price of our Common Stock for the ten trading days up to and including the date the general ownership guidelines were last updated. The designated level of ownership generally must be achieved within five years after the director has become a Board member and must be maintained throughout the non-employee director's service with the Company. All shares of Common Stock beneficially owned by the director, including shares purchased and held personally, vested and unvested restricted shares, vested and unvested restricted stock units, settled performance shares, and shares deferred under a non-qualified deferred compensation arrangement, count toward the minimum ownership requirement; vested and unvested stock options are excluded. Additionally, non-employee directors must hold all shares granted for service for a minimum of five years from the date of grant, and a non-employee director cannot dispose of more than 50% of the total number of shares granted for service until after such director's retirement from the Board. Directors are also required, for a period of six months following his or her departure from the Board, to comply with the provisions of the Company's Insider Trading Policy that, among other things, prohibit trading in the Company's securities during specified blackout periods. All of our non-employee directors have either achieved the designated level of ownership or are in the five year period following their appointment or election to the Board during which they are expected to achieve compliance.

In addition to the Board retainer and equity awards, the Lead Independent Director (*Lead Director*) receives a supplemental annual retainer of \$40,000. In 2015, the Company gave the Lead Director the choice to have the supplemental retainer paid all in cash or half in cash and half awarded as restricted stock. The Lead Director chose for half (or \$20,000) to be awarded in the form of restricted stock, which equated to 205 shares based on the average of the closing price of our Common Stock for the ten trading days up to and including the date of grant. One-half of the award vested on November 30, 2015 and the balance is scheduled to vest on May 31, 2016. The chairs of the Audit and Compensation Committees receive a supplemental annual retainer of \$20,000 and \$15,000, respectively. The chairs of the Nominating and Corporate Governance, Risk and Investment Committees receive a supplemental annual retainer of \$10,000 each. In addition, in 2015 we reduced the amount that each non-employee director receives for each meeting of our Board of Directors and for each committee meeting that the director attends from \$1,500 to \$1,000 in coordination with the increases in director compensation described above.

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The Compensation Committee has retained the services of Grahall LLC (*Grahall*) as its independent compensation consultant. Grahall reports directly to the Compensation Committee in its role and has conducted an annual review of director compensation levels and a bi-annual review of director pay structure and practices, and in each event, shares the results of those reviews with the Compensation Committee. The Compensation Committee then submits any proposed changes in pay level or program structure to the full Board for its consideration, and if appropriate, approval.

Director compensation for fiscal 2015

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	All Other Compensation (\$)(3)	Total (\$)
Steven L. Begleiter	78,088	95,188	644	173,920
Stephen P. Casper	101,088	115,264	784	217,136
Jane Chwick	93,541	95,188	449	189,178
William F. Cruger	87,088	95,188	449	182,725
David G. Gomach	99,132	95,188	644	194,964
Carlos M. Hernandez	72,088	95,188	644	167,920
Ronald M. Hersch	96,110	95,188	644	191,942
John Steinhardt	97,676	95,188	644	193,508
James J. Sullivan	83,088	95,188	644	178,920
Lesley Daniels Webster(4)	48,645		449	49,094

(1) The amounts represent the aggregate grant date fair value of stock awards granted by the Company in 2015, computed in accordance with FASB ASC Topic 718. For further information on how we account for stock-based compensation, see Note 10 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 25, 2016.

(2) The table below sets forth information regarding the aggregate number of stock awards and the aggregate number of option awards outstanding at the end of fiscal year 2015 for each non-employee director: All options are vested.

	Aggregate Number of Stock Awards Outstanding at Fiscal Year End (#)	Aggregate Number of Option Awards Outstanding at Fiscal Year End (#)
Steven L. Begleiter	486	0
Stephen P. Casper	588	14,912
Jane Chwick	486	0
William F. Cruger	486	0
David G. Gomach	486	9,912
Carlos M. Hernandez	486	3,187
Ronald M. Hersch	486	14,912
John Steinhardt	486	14,912
James J. Sullivan	486	0
Lesley Daniels Webster		0

(3) Represents dividends paid during fiscal year 2015 upon the vesting of restricted stock.

(4) Ms. Daniels Webster did not stand for reelection at our 2015 annual meeting of stockholders and her service as a director ended on June 4, 2015.

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PROPOSAL 2 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

The Audit Committee of our Board has appointed the firm of PricewaterhouseCoopers LLP (*PwC*) as our independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2016, and the Board is asking stockholders to ratify that selection. Although current law, rules and regulations, as well as the charter of the Audit Committee, require our independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board considers the selection of our independent registered public accounting firm to be an important matter of stockholder concern and considers a proposal for stockholders to ratify such selection to be an important opportunity for stockholders to provide direct feedback to the Board on an important issue of corporate governance. In the event that stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain PwC, but may ultimately determine to retain PwC as our independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its sole discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

Your vote

Unless proxy cards are otherwise marked, the persons named as proxies will vote **FOR** the ratification of PwC as the Company's independent registered public accounting firm for the year ending December 31, 2016. Approval of this proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Common Stock present in person or represented by proxy and entitled to vote on the proposal.

Board recommendation

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF PWC AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2016.

Information about our independent registered public accounting firm

PwC has audited our consolidated financial statements each year since our formation in 2000. Representatives of PwC will be present at our Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions from stockholders.

In 2011, the Company, in the ordinary course of its business, entered into a bulk data agreement with PwC for the purpose of supporting valuation conclusions reached by PwC in the normal course of PwC's audit and other work for its clients. Pursuant to the agreement, the Company provides bond pricing data to PwC on terms consistent with the terms of similar data sales agreements entered into by the Company. The aggregate annual revenue to the Company from the data agreement is \$235,000 and, in 2015, PwC purchased an additional service under the data agreement for a one-time fee of \$36,000. On an annual basis, the Audit Committee evaluates the effect of such agreement on the independence of PwC and has concurred with the opinion of the Company and PwC that the arrangement constitutes an arm's-length transaction that would not affect PwC's independence.

Audit and other fees

The aggregate fees billed by our independent registered public accounting firm for professional services rendered in connection with the audit of our annual financial statements set forth in our Annual Report on Form 10-K for the years ended December 31, 2015 and 2014 and the audit of our broker-dealer subsidiaries' annual financial statements, as well as fees paid to PwC for tax compliance and planning and other services, are set forth below.

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Except as set forth in the following sentence, the Audit Committee, or a designated member thereof, pre-approves 100% of all audit, audit-related, tax and other services rendered by PwC to the Company or its subsidiaries. The Audit Committee has authorized the CEO and the Chief Financial Officer to purchase permitted non-audit services rendered by PwC to the Company or its subsidiaries up to, and including, a limit of \$10,000 per service and an annual aggregate limit of \$20,000 for all such services.

Immediately following the completion of each fiscal year, the Company's independent registered public accounting firm shall submit to the Audit Committee (and the Audit Committee shall request from the independent registered public accounting firm), as soon as possible, a formal written statement describing: (i) the independent registered public accounting firm's internal quality-control procedures; and (ii) all relationships between the independent registered public accounting firm and the Company, including at least the matters set forth in Independence Standards Board Standard No. 1 (*Independence Discussion with Audit Committees*), in order to assess the independent registered public accounting firm's independence.

Immediately following the completion of each fiscal year, the independent registered public accounting firm also shall submit to the Audit Committee (and the Audit Committee shall request from the independent registered public accounting firm), a formal written statement of the fees billed by the independent registered public accounting firm to the Company in each of the last two fiscal years for each of the following categories of services rendered by the independent registered public accounting firm: (i) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q or services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements; (ii) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (iv) all other products and services rendered by the independent registered public accounting firm, in the aggregate and by each service.

Set forth below is information regarding fees paid by the Company to PwC during the fiscal years ended December 31, 2015 and 2014.

Fee Category	2015	2014
Audit Fees(1)	\$ 1,312,790	\$ 1,449,775
Audit Related Fees		11,696
Tax Fees		
All Other Fees(2)	74,343	21,927
Total	\$ 1,387,133	\$ 1,483,398

(1) The aggregate fees incurred include amounts for the audit of the Company's consolidated financial statements (including fees for the audit of our internal controls over financial reporting) and the audit of our broker-dealer subsidiaries' annual financial statements.

(2) Other Fees are comprised of advisory fees in connection with regulatory matters, the adoption of International Financial Reporting Standards and annual subscription fees for accounting related research.

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee currently consists of Mr. Gomach (Chair), Ms. Chwick, Mr. Cruger and Mr. Hersch. Each member of the Audit Committee is independent, as independence is defined for purposes of Audit Committee membership by the listing standards of NASDAQ and the applicable rules and regulations of the SEC. The Board has determined that each member of the Audit Committee is financially literate, in other words, is able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, as required by NASDAQ rules. In addition, the Board has determined that Mr. Gomach and Mr. Cruger satisfy the NASDAQ rule requiring that at least one member of our Board's Audit Committee have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in the member's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Board has also determined that Mr. Gomach and Mr. Cruger are financial experts as defined by the SEC.

The Audit Committee appoints our independent registered public accounting firm, reviews the plan for and the results of the independent audit, approves the fees of our independent registered public accounting firm, reviews with management and the independent registered public accounting firm our quarterly and annual financial statements and our internal accounting, financial and disclosure controls, reviews and approves transactions between the Company and its officers, directors and affiliates, and performs other duties and responsibilities as set forth in a charter approved by the Board of Directors. A copy of the Audit Committee charter is available in the *Investor Relations - Corporate Governance - Overview* section of the Company's website.

During fiscal year 2015, the Audit Committee met five times. The Company's senior financial management and independent registered public accounting firm were in attendance at such meetings. Following each quarterly meeting during 2015, the Audit Committee conducted a private session with the independent registered public accounting firm, without the presence of management. The Audit Committee also met jointly with the Risk Committee two times during 2015.

The management of the Company is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on the Company's senior management, including particularly its senior financial management, to prepare financial statements with integrity and objectivity and in accordance with generally accepted accounting principles, and relies upon the Company's independent registered public accounting firm to review or audit, as applicable, such financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (*PCAOB*).

We have reviewed and discussed with senior management the Company's audited financial statements for the year ended December 31, 2015 which are included in the Company's 2015 Annual Report on Form 10-K. Management has confirmed to us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management and (ii) have been prepared in conformity with generally accepted accounting principles.

In discharging our oversight responsibility as to the audit process, we have discussed with PwC, the Company's independent registered public accounting firm, the matters required to be discussed by PCAOB AU 380 *Communication with Audit Committees*, as currently in effect, which requires our independent registered public accounting firm to provide us with additional information regarding the scope and results of their audit of the Company's financial statements, including: (i) their responsibilities under generally accepted auditing standards, (ii) significant accounting policies, (iii) management judgments and estimates, (iv) any significant accounting adjustments, (v) any disagreements with management and (vi) any difficulties encountered in performing the audit.

We have received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding PwC's communications with us concerning independence, and have discussed with PwC their independence.

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Based upon the foregoing review and discussions with our independent registered public accounting firm and senior management of the Company, we have recommended to our Board that the financial statements prepared by the Company's management and audited by its independent registered public accounting firm be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the SEC. The Committee also has appointed PwC as the Company's independent registered public accounting firm for the year ending December 31, 2016.

As specified in its Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. These are the responsibilities of the Company's management and independent registered public accounting firm. In discharging our duties as a Committee, we have relied on (i) management's representations to us that the financial statements prepared by management have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Submitted by the Audit Committee of the

Board of Directors:

David G. Gomach Chair

Jane Chwick

William F. Cruger

Ronald M. Hersch

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PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934 (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related rules of the SEC (*Dodd-Frank*)), the Company is providing its stockholders the opportunity to cast an advisory vote on the compensation of its named executive officers. This proposal, commonly known as a *say-on-pay* proposal, gives the Company's stockholders the opportunity to express their views on the named executive officers' compensation. We will include an advisory vote on executive compensation on an annual basis at least until the next shareholder advisory vote on the frequency of such votes.

As described in detail in the Compensation Discussion and Analysis below, the Company's named executive officer compensation program is designed to attract, reward and retain the caliber of officers needed to ensure the Company's continued growth and profitability. The primary objectives of the program are to:

align and reward Company and individual performance and decision-making with stockholder value creation and prudent risk management;

drive long-term growth objectives, thereby creating long-term value for our stockholders; and

provide rewards that are cost-efficient, equitable to our named executive officers and stockholders, and competitive with organizations that compete for executives with similar skill sets, thereby encouraging high-potential individuals with significant and unique market experience to build a career at the Company.

The Company seeks to accomplish these goals in a manner that is aligned with the long-term interests of the Company's stockholders. The Company believes that its named executive officer compensation program achieves this goal with its emphasis on long-term equity awards and performance-based compensation, in addition to short-term (annual) incentive awards, specifically cash incentives, which has enabled the Company to successfully motivate and reward its named executive officers. The Company believes that its ability to retain its current high-performing team of seasoned executive officers is critical to its continuing financial success and that its focus on the long-term interests of its named executive officers aligns with the interests of its stockholders.

For these reasons, the Board recommends a vote in favor of the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed in the Company's proxy statement for the 2016 Annual Meeting, pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

As an advisory vote, this proposal is not binding upon the Company, our Board or our Compensation Committee. Notwithstanding the advisory nature of this vote, our Board and the Compensation Committee, which is responsible for designing and administering the Company's named executive officer compensation program, value the opinions expressed by stockholders in their vote on this proposal, and will consider the outcome of the vote when making future compensation decisions for named executive officers. The affirmative vote of the holders of a majority of the outstanding shares of Common Stock present in person or represented by proxy and entitled to vote is required to approve this Proposal 3.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

Table of Contents**PROPOSAL 4 APPROVAL OF THE ADOPTION OF AN AMENDMENT AND RESTATEMENT OF THE MARKETAXESS HOLDINGS INC. 2012 INCENTIVE PLAN AND THE PERFORMANCE CRITERIA USED IN SETTING PERFORMANCE GOALS FOR AWARDS THEREUNDER INTENDED TO BE PERFORMANCE-BASED UNDER CODE SECTION 162(M)**

Stockholders are being asked to approve of an amendment and restatement of the MarketAxess Holdings Inc. 2012 Incentive Plan (as amended and restated effective June 7, 2012) (the *Plan*) and the performance criteria used in setting performance goals for awards thereunder intended to be performance-based under Code Section 162(m). Our Board approved the amendment and restatement of the Plan on April 20, 2016 (as amended and restated, the *2012 Incentive Plan*), subject to, and to be effective upon, the approval of the 2012 Incentive Plan by our stockholders at the Annual Meeting. The existing provisions of the Plan generally remain in effect, although we have extended the term of the 2012 Incentive Plan until April 20, 2026 (currently, the Plan is scheduled to expire on April 18, 2022). In addition to the foregoing, our stockholders are being asked to approve the Section 162(m) performance goals under the 2012 Incentive Plan, as described below, so that certain incentive awards granted under the 2012 Incentive Plan to executive officers of the Company may qualify as exempt performance-based compensation under Section 162(m) of the Code. Otherwise, Section 162(m) of the Code generally disallows the corporate tax deduction for certain compensation paid in excess of \$1,000,000 annually to each of the chief executive officer and the three other most highly paid executive officers of publicly held companies (other than the chief financial officer). Section 162(m) of the Code generally requires such performance goals to be approved by stockholders every five years. The Section 162(m) performance goals under the 2012 Incentive Plan were last approved at the Annual Meeting in 2012. Accordingly, following the first stockholders' meeting in 2017, awards granted under the 2012 Incentive Plan will not qualify as exempt performance-based compensation under Code Section 162(m) unless such approval is obtained or stockholders approve other designated performance criteria under the 2012 Incentive Plan at or prior to the first stockholders' meeting in 2017. Notwithstanding the foregoing, awards of stock options and stock appreciation rights will qualify as exempt performance-based compensation under Section 162(m) of the Code even if the stockholders do not approve the 162(m) performance goals. The Board believes it is important to retain the ability to grant incentive compensation that qualifies as performance-based compensation in order to retain the corporate tax deductibility of the payments.

Summary of the 2012 Incentive Plan

The following description of the 2012 Incentive Plan is a summary, taking into account the recent amendments, and is qualified in its entirety by reference to the 2012 Incentive Plan, a copy of which is attached as Appendix A.

Purpose. The purpose of the 2012 Incentive Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to offer eligible employees, consultants and non-employee directors incentive awards in order to attract, retain and reward such individuals and strengthen the mutuality of interests between such individuals and the Company's stockholders.

Administration. The 2012 Incentive Plan is administered by a committee (the *Committee*), which with regard to employees and consultants is intended to consist of two or more non-employee directors, each of whom will be, to the extent required, a non-employee director as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended, an outside director as defined under Section 162(m) of the Code, an independent director as defined under NASDAQ Listing Rule 5605(a)(2) and, as may be applicable, independent as provided pursuant to rules promulgated by the Securities and Exchange Commission under Dodd-Frank. Currently, the Compensation Committee of the Board, which meets these requirements, serves as the Committee under the 2012 Incentive Plan with regard to employees and consultants. Our Board serves as the Committee with respect to the application of the 2012 Incentive Plan to non-employee directors.

The Committee has full authority to administer and interpret the 2012 Incentive Plan, to grant awards under the 2012 Incentive Plan, to determine the persons to whom awards will be granted, to determine the types of awards to be granted, to determine the terms and conditions of each award, to determine the number of shares of Common Stock to be covered by each award and to make all other determinations in connection with the 2012

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Incentive Plan and the awards thereunder as the Committee, in its sole discretion, deems necessary or desirable. The terms and conditions of individual awards are set forth in written agreements that are consistent with the terms of the 2012 Incentive Plan.

No awards may be granted under the 2012 Incentive Plan after April 20, 2026. Awards granted prior to such date, however, may extend beyond such date and the provisions of the 2012 Incentive Plan will continue to apply thereto.

No award (other than stock options and stock appreciation rights) that is intended to be performance-based under Section 162(m) of the Code will be granted on or after the first meeting of the Company's stockholders that occurs in the fifth year following the year stockholders approve the 2012 Incentive Plan unless the performance goals described below are re-approved (or other designated performance goals are approved) by the stockholders.

Available Shares. The aggregate number of shares of Common Stock that may be issued or used for reference purposes under the 2012 Incentive Plan or with respect to which awards may be granted may not exceed 3,960,176 shares (which is the same number of shares that were available prior to the amendment and restatement of the 2012 Incentive Plan), which may be either authorized and unissued Common Stock or Common Stock held in or acquired for the treasury of the Company. In general, if awards under the 2012 Incentive Plan are cancelled for any reason, or expire or terminate unexercised, the shares covered by such awards will again be available for the grant of awards under the 2012 Incentive Plan. The number of shares of Common Stock available for awards under the 2012 Incentive Plan will be reduced by the total number of exercisable awards exercised (regardless of whether the shares of Common Stock underlying such awards are not actually issued as the result of net settlement) and any shares of Common Stock used to pay any exercise price or tax withholding obligation with respect to any award. In addition, the Company may not use the cash proceeds it receives from the exercise of stock options to repurchase shares of Common Stock on the open market for reuse under the 2012 Incentive Plan. Awards that may be settled solely in cash will not be deemed to use any shares of Common Stock that may be issued under the 2012 Incentive Plan.

The maximum number of shares of Common Stock with respect to which any award of stock options, stock appreciation rights, other stock-based awards or shares of restricted stock for which the grant of such award or the lapse of the relevant restriction period is subject to the attainment of specified performance goals that may be granted under the 2012 Incentive Plan during any fiscal year to any eligible employee or consultant will be 600,000 shares per type of award; however, the maximum number of shares of Common Stock for all types of awards to any such individual will be 1,000,000 shares during any fiscal year. There are no annual limits on the number of shares of Common Stock with respect to an award of restricted stock that is not subject to the attainment of specified performance goals to eligible employees or consultants. The maximum number of shares of Common Stock with respect to which performance shares may be granted under the 2012 Incentive Plan during any fiscal year will be 200,000 shares. The maximum value at grant of performance units that may be granted under the 2012 Incentive Plan during any fiscal year will be \$2,500,000. The maximum number of shares of Common Stock subject to any award that may be granted under the 2012 Incentive Plan during any fiscal year of the Company to any non-employee director will be 25,000 shares.

The individual maximum share limitations, the aggregate number of shares of Common Stock available for the grant of awards and the exercise price of an award in accordance with the 2012 Incentive Plan may be adjusted by the Committee to reflect any change in our capital structure or business by reason of certain corporate transactions or events in accordance with the terms of the 2012 Incentive Plan.

Eligibility and Types of Awards. All of our employees, consultants and non-employee directors are eligible to be granted nonqualified stock options, stock appreciation rights, restricted stock, performance shares, performance units and other stock-based awards. As of March 31, 2016, we had 357 employees, 35 consultants and 10 non-employee directors (including a non-employee director of one of our subsidiaries). In addition, our employees and employees of our affiliates that qualify as subsidiaries or parent corporations (as defined under Section 424 of the Code) are eligible to be granted incentive stock options under the 2012 Incentive Plan. Unless otherwise determined by the Committee at grant, awards granted under the 2012 Incentive Plan are subject to termination or forfeiture if the recipient engages in Detrimental Activity (as defined in the 2012 Incentive Plan)

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prior to, or during the one-year period after any vesting or exercise of the award. Full value awards (e.g., restricted stock or restricted stock units), will be subject to a minimum one-year vesting schedule for performance-based awards and three-year vesting for time-based awards.

Appreciation awards (e.g., stock options and stock appreciation rights), will be subject to a vesting schedule of no less than three equal annual installments on the first, second and third anniversaries of the grant date. However, accelerated vesting will be permitted in certain limited events (such as death, disability, retirement or change in control), and a more generous vesting schedule is permitted with respect to a basket of up to 5% of the aggregate share reserve and, in addition to such basket, for awards that are made as annual awards to non-employee directors or are made to non-employee directors upon their initial election or appointment as a director.

Any dividends or dividend equivalents paid on full-value awards will be subject to the same vesting requirements as the underlying award.

Stock Options. The Committee may grant nonqualified stock options and incentive stock options (only to eligible employees) to purchase shares of Common Stock. The Committee will determine the number of shares of Common Stock subject to each option, the term of each option (which may not exceed ten years (or five years in the case of an incentive stock option granted to a 10% stockholder)), the exercise price, the vesting schedule (if any) and the other material terms of each option. No stock option may have an exercise price less than the fair market value of the Common Stock at the time of grant (or, in the case of an incentive stock option granted to a 10% stockholder, 110% of fair market value).

Options will be exercisable at such time or times and subject to such terms and conditions as determined by the Committee at grant and the exercisability of such options may be accelerated by the Committee in its sole discretion. Upon the exercise of an option, the participant must make payment of the full exercise price, either (i) in cash, check, bank draft or money order; (ii) solely to the extent permitted by law, through the delivery of irrevocable instructions to a broker reasonably acceptable to the Company to deliver promptly to the Company an amount equal to the purchase price; or (iii) on such other terms and conditions as may be acceptable to the Committee.

Stock Appreciation Rights. The Committee may grant stock appreciation rights (SARs) either with a stock option that may be exercised only at such times and to the extent the related option is exercisable (Tandem SAR) or independent of a stock option (Non-Tandem SAR). A SAR is a right to receive a payment in Common Stock or cash (as determined by the Committee) equal in value to the excess of the fair market value of one share of Common Stock on the date of exercise over the exercise price per share established in connection with the grant of the SAR. The exercise price per share of Common Stock subject to a SAR may not be less than fair market value at the time of grant. The Committee may also grant limited SARs, either as Tandem SARs or Non-Tandem SARs, which may become exercisable only upon the occurrence of a change in control (as defined in the 2012 Incentive Plan) or such other event as the Committee may, in its sole discretion, designate at the time of grant or thereafter.

Restricted Stock. The Committee may award shares of restricted stock. Except as otherwise provided by the Committee upon the award of restricted stock, the recipient generally has the rights of a stockholder with respect to the shares, subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the recipient's restricted stock agreement.

Recipients of restricted stock are required to enter into a restricted stock agreement with the Company that states the restrictions to which the shares are subject, which may include satisfaction of pre-established performance goals, and the criteria or date or dates on which such restrictions will lapse.

If the grant of restricted stock or the lapse of the relevant restrictions is based on the attainment of performance goals, the Committee will establish for each recipient the applicable performance goals, formulae or standards and the applicable vesting percentages with reference to the attainment of such goals or satisfaction of such formulas or standards while the outcome of the performance goals is substantially uncertain.

Performance Shares. The Committee may award performance shares. A performance share is the equivalent of one share of Common Stock. The grant of performance shares will specify one or more performance criteria to meet within a specified period determined by the Committee at the time of grant. A minimum level of acceptable

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achievement will also be established by the Committee. If, by the end of the performance period, the recipient has achieved the specified performance goals, he or she will be deemed to have fully earned the performance shares. To the extent earned, the performance shares will be paid to the recipient at the time and in the manner determined by the Committee in cash, shares of Common Stock or any combination thereof.

Performance Units. The Committee may award performance units. Performance units will have a fixed dollar value. A performance unit is the right to receive Common Stock or cash of equivalent value. The grant of performance units will specify one or more performance criteria to meet within a specified performance cycle determined by the Committee at the time of grant. A minimum level of acceptable achievement will also be established by the Committee. If, by the end of the performance cycle, the recipient has achieved the specified performance goals, he or she will be deemed to have fully earned the performance units. To the extent earned, the performance units will be paid to the recipient at the time and in the manner determined by the Committee in cash, shares of Common Stock or any combination thereof.

Other Stock-Based Awards. The Committee may, subject to limitations under applicable law, make a grant of such other stock-based awards (including, without limitation, stock equivalent units, restricted stock units and awards valued by reference to book value of shares of Common Stock) under the 2012 Incentive Plan that are payable in cash or denominated or payable in or valued by shares of Common Stock or factors that influence the value of such shares. The Committee will determine the terms and conditions of any such other awards, which may include the achievement of certain minimum performance goals for purposes of compliance with Section 162(m) of the Code and/or a minimum vesting period.

Performance Goals. Code Section 162(m) requires that performance awards be based upon objective performance measures. If an award is intended to be performance-based under Code Section 162(m), the performance goals will be based on one or more of the following criteria with regard to the Company (or any subsidiary, division or other operational unit of the Company):

enterprise value or value creation targets of the Company;

income or net income; operating income; net operating income or net operating income after tax; operating profit or net operating profit;

cash flow including, but not limited to, from operations or free cash flow;

bank debt or other long-term or short-term public or private debt or other similar financial obligations (which may be calculated net of cash balances and/or other offsets and adjustments);

net sales, revenues, net income or earnings before income tax or other exclusions of the Company;

operating margin; return on operating revenue or return on operating profit;

return measures (after tax or pre-tax), including return on capital employed, return on invested capital; return on equity, return on assets, return on net assets;

market capitalization, fair market value of the shares of the Company's Common Stock, franchise value (net of debt), economic value added;

total stockholder return or growth in total stockholder return (with or without dividend reinvestment);

proprietary investment results;

estimated market share (whether based on FINRA TRACE volume or otherwise);

expense management/control or reduction (including, without limitation, compensation and benefits expense);

customer satisfaction;

technological improvements/implementation, new product innovation;

collections and recoveries;

property/asset purchases;

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litigation and regulatory resolution/implementation goals;

leases, contracts or financings (including renewals, overhead, savings, G&A and other expense control goals);

risk management/implementation;

development and implementation of strategic plans and/or organizational restructuring goals;

development and implementation of risk and crisis management programs; compliance requirements and compliance relief; productivity goals; workforce management and succession planning goals;

employee satisfaction or staff development;

formations of joint ventures or partnerships or the completion of other similar transactions intended to enhance the Company's revenue or profitability or to enhance its customer base; or

completion of a merger, acquisition or any transaction that results in the sale of all or substantially all of the stock or assets of the Company.

In addition, performance goals may be based upon the attainment of specified levels of Company (or subsidiary, division or other operational unit of the Company) performance under one or more of the measures described above relative to the performance of other corporations.

To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval), the Committee may: (i) designate additional business criteria on which the performance goals may be based; or (ii) adjust, modify or amend the aforementioned business criteria.

Change in Control. Unless otherwise determined by the Committee at the time of grant, awards subject to vesting and/or restrictions will not accelerate and vest or cause the lapse of restrictions upon a change in control (as defined in the 2012 Incentive Plan) of the Company. Instead, such awards will be, in the discretion of the Committee, (i) assumed and continued or substituted in accordance with applicable law; (ii) purchased by the Company for an amount equal to the excess of the price of the Company's Common Stock paid in a change in control over the exercise price of the award(s) (such purchase price not to exceed the fair market value of the Common Stock at the time of purchase), or (iii) cancelled if the price of the Common Stock paid in a change in control is less than the exercise price of the award. The Committee may also, in its sole discretion, provide for accelerated vesting or lapse of restrictions of an award at any time.

In the event of a merger or consolidation in which the Company is not the surviving corporation or in the event of a transaction that results in the acquisition of all or substantially all of the Company's Common Stock or assets, the Committee may elect to terminate all outstanding exercisable awards granted under the 2012 Incentive Plan, provided that during the period from notification of such termination to the date of consummation of the relevant transaction (which must be at least 20 days) each participant shall have the right to exercise all of his or her exercisable awards in full (without regard to any restrictions on exercisability), contingent on the consummation of such transaction.

Amendment and Termination. Notwithstanding any other provision of the 2012 Incentive Plan, the Board may at any time amend any or all of the provisions of the 2012 Incentive Plan, or suspend or terminate it entirely, retroactively or otherwise; *provided, however*, that, unless otherwise required by law or specifically provided in the 2012 Incentive Plan, the rights of a participant with respect to awards granted prior to such amendment, suspension or termination may not be adversely affected without the consent of such participant, and provided further that the approval of our stockholders will be obtained to the extent required by applicable law. Further, notwithstanding any other provision of the 2012 Incentive Plan, the Committee may amend the 2012 Incentive Plan in respect of any participant to the extent required in order to comply with (i) the IFPRU Remuneration Code published by the UK Financial Conduct Authority and/or (ii) any other applicable UK law and/or UK regulatory requirements relating to the remuneration of any participant.

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Miscellaneous. Generally, awards granted under the 2012 Incentive Plan are nontransferable (other than by will or the laws of descent and distribution), except that the Committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

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Certain U.S. Federal Income Tax Consequences. The rules concerning the federal income tax consequences with respect to options granted and to be granted pursuant to the 2012 Incentive Plan are quite technical. Moreover, the applicable statutory provisions are subject to change (possibly with retroactive effect), as are their interpretations and applications, which may vary in individual circumstances. Therefore, the following is designed to provide a general understanding of the U.S. federal income tax consequences. In addition, the following discussion does not set forth any gift, estate, social security or state or local tax consequences that may be applicable and is limited to the U.S. federal income tax consequences (state, local and other tax consequences are not addressed below) to individuals who are citizens or residents of the U.S., other than those individuals who are taxed on a residence basis in a foreign country.

The U.S. federal income tax law is technical and complex and the discussion below represents only a general summary. The following summary is included for general information only and does not purport to address all the tax considerations that may be relevant. Each recipient of a grant is urged to consult his or her own tax advisor as to the specific tax consequences to such grantee and the disposition of Common Stock.

Incentive Stock Options. In general, an employee will not realize taxable income upon either the grant or the exercise of an incentive stock option and the Company will not realize an income tax deduction at either such time. In general, however, for purposes of the alternative minimum tax, the excess of the fair market value of the shares of Common Stock acquired upon exercise of an incentive stock option (determined at the time of exercise) over the exercise price of the incentive stock option will be considered income. If the recipient was continuously employed on the date of grant until the date three months prior to the date of exercise and such recipient does not sell the Common Stock received pursuant to the exercise of the incentive stock option within either (i) two years after the date of the grant of the incentive stock option or (ii) one year after the date of exercise, a subsequent sale of the Common Stock will result in long-term capital gain or loss to the recipient and will not result in a tax deduction to the Company.

To the extent that the aggregate fair market value (determined as of the time of grant) of the Common Stock with respect to which incentive stock options are exercisable for the first time by an eligible employee during any calendar year under the 2012 Incentive Plan and/or any other stock option under the 2012 Incentive Plan of the Company, any subsidiary or any parent exceeds \$100,000, such options will be treated as nonqualified stock options. In addition, if the recipient is not continuously employed on the date of grant until the date three months prior to the date of exercise or a recipient disposes of the Common Stock acquired upon exercise of the incentive stock option within either of the above-mentioned time periods, the recipient will generally realize as ordinary income an amount equal to the lesser of (i) the fair market value of the Common Stock on the date of exercise over the exercise price, or (ii) the amount realized upon disposition over the exercise price. In such event, subject to the limitations under Sections 162(m) and 280G of the Code (as described below), the Company generally will be entitled to an income tax deduction equal to the amount recognized as ordinary income. Any gain in excess of such amount realized by the recipient as ordinary income would be taxed at the rates applicable to short-term or long-term capital gains (depending on the holding period).

Nonqualified Stock Options not deemed to be deferral arrangements under Code Section 409A. A recipient will not realize any taxable income upon the grant of a nonqualified stock option and the Company will not receive a deduction at the time of such grant unless such option has a readily ascertainable fair market value (as determined under applicable tax law) at the time of grant. Upon exercise of a nonqualified stock option, the recipient generally will realize ordinary income in an amount equal to the excess of the fair market value of the Common Stock on the date of exercise over the exercise price. Upon a subsequent sale of the Common Stock by the recipient, the recipient will recognize short-term or long-term capital gain or loss depending upon his or her holding period for the Common Stock. Subject to the limitations under Sections 162(m) and 280G of the Code (as described below), the Company will generally be allowed a deduction equal to the amount recognized by the recipient as ordinary income. Generally, a non-qualified stock option granted with an exercise price that is not less than fair market value of the stock subject to the non-qualified option will not be deemed to be deferred compensation under Section 409A of the Code.

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All Options. With regard to both incentive stock options and nonqualified stock options, the following also apply: (i) any of our officers and directors subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, may be subject to special tax rules regarding the income tax consequences concerning their stock options; (ii) any entitlement to a tax deduction on the part of the Company is subject to the applicable tax rules (including, without limitation, Section 162(m) of the Code regarding the \$1,000,000 limitation on deductible compensation); and (iii) in the event that the payment, exercisability or vesting of any award is accelerated because of a change in ownership (as defined in Code Section 280G(b)(2)), and such payment of an award, either alone or together with any other payments made to certain participants, constitutes a parachute payment under Code Section 280G, then subject to certain exceptions, a portion of such payment would be nondeductible to the Company and the participant would be subject to a 20% excise tax on such portion of the payment.

In general, Section 162(m) of the Code denies a publicly held corporation a deduction for federal income tax purposes for compensation in excess of \$1,000,000 per year per person to its covered employees (generally, its chief executive officer and three other executive officers (other than its chief financial officer) whose compensation is disclosed in its proxy statement), subject to certain exceptions. Compensation paid under certain qualified performance-based compensation arrangements, which (among other things) provide for compensation based on pre-established objective performance goals established by a compensation committee that is comprised solely of two or more outside directors, is not considered in determining whether a covered employee's compensation exceeds \$1,000,000. Options will generally qualify under one of these exceptions if they are granted under a plan that states the maximum number of shares with respect to which options may be granted to any recipient during a specified period of time and the plan under which the options are granted is approved by stockholders and is administered by a committee comprised of outside directors. Subject to stockholder approval of the Section 162(m) performance goals under the 2012 Incentive Plan, it is intended that certain awards under the 2012 Incentive Plan will satisfy these requirements so that the income recognized in connection with awards will not be included in a covered employee's compensation for the purpose of determining whether such individual's compensation exceeds \$1,000,000.

Code Section 409A. Code Section 409A provides that all amounts deferred under a nonqualified deferred compensation plan are includible in a participant's gross income to the extent such amounts are not subject to a substantial risk of forfeiture, unless certain requirements are satisfied. If the requirements are not satisfied, in addition to current income inclusion, interest at the underpayment rate plus 1% will be imposed on the participant's underpayments that would have occurred had the deferred compensation been includible in gross income for the taxable year in which first deferred or, if later, the first taxable year in which such deferred compensation is not subject to a substantial risk of forfeiture. The amount required to be included in income is also subject to an additional 20% tax. While most awards under the 2012 Incentive Plan are anticipated to be exempt from the requirements of Code Section 409A, awards that are not exempt are intended to comply with Code Section 409A.

The 2012 Incentive Plan is not subject to any of the requirements of the Employee Retirement Income Security Act of 1974, as amended. The 2012 Incentive Plan is not, nor is it intended to be, qualified under Section 401(a) of the Code.

Future Plan Awards. Because future awards under the 2012 Incentive Plan will be granted in the discretion of the Committee, the type, number, recipients, and other terms of such awards cannot be determined at this time. Information regarding our recent practices with respect to annual and long-term incentive awards and stock-based compensation under the Plan is presented in the Summary Compensation table and these related tables: Grants of Plan-Based Awards, Outstanding Equity Awards at Fiscal Year End, and Options Exercised and Stock Vested, elsewhere in this Proxy Statement, and in our financial statements for the fiscal year ended December 31, 2015, in the Annual Report that accompanies this Proxy Statement.

Table of Contents**Equity Compensation Plan Information**

The following table provides certain information regarding our common stock authorized for issuance under the 2012 Incentive Plan (without giving effect to this proposal) as of December 31, 2015:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plan approved by stockholders	939,036	\$ 23.83	612,857
Your vote			

Unless proxy cards are otherwise marked, the persons named as proxies will vote **FOR** the approval of the adoption of an amendment and restatement of the 2012 Incentive Plan and the performance criteria used in setting performance goals for awards thereunder intended to be performance-based under Code Section 162(m). Approval of this proposal requires the affirmative vote of a majority of the shares present at the Annual Meeting and entitled to vote on the proposal.

Board recommendation

THE BOARD RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE ADOPTION OF AN AMENDMENT AND RESTATEMENT OF THE 2012 INCENTIVE PLAN AND THE PERFORMANCE CRITERIA USED IN SETTING PERFORMANCE GOALS FOR AWARDS THEREUNDER INTENDED TO BE PERFORMANCE-BASED UNDER CODE SECTION 162(M).

Table of Contents**PROPOSAL 5 APPROVAL OF THE ADOPTION OF THE MARKETAXESS HOLDINGS INC. 2016 CODE SECTION 162(M) EXECUTIVE PERFORMANCE INCENTIVE PLAN AND THE PERFORMANCE CRITERIA USED IN SETTING PERFORMANCE GOALS THEREUNDER**

Stockholders are being asked to approve of the MarketAxess Holdings Inc. 2016 Code Section 162(m) Executive Performance Incentive Plan (the *162(m) Incentive Plan*) and the performance criteria used in setting performance goals thereunder. Our Board approved the 162(m) Incentive Plan on April 20, 2016 for Performance Periods (as defined below) commencing on or after such date, subject to, and effective upon, the approval of the 162(m) Incentive Plan by our stockholders at the Annual Meeting. The 162(m) Incentive Plan generally mirrors the provisions of the MarketAxess Holdings Inc. 2009 Code Section 162(m) Executive Performance Incentive Plan as currently in effect. The purpose of the 162(m) Incentive Plan is to attract, retain and motivate key employees of the Company by providing performance awards (*Performance Awards*) to designated key employees of the Company or its subsidiaries, including employees whose compensation may be subject to Section 162(m) of the Code.

Code Section 162(m) generally disallows a Federal income tax deduction to any publicly held corporation for compensation paid in excess of \$1,000,000 in any taxable year to the chief executive officer or any of the three other most highly compensated executive officers employed on the last day of the taxable year, other than the chief financial officer. The 162(m) Incentive Plan is designed to provide, and the Company intends to structure awards under the 162(m) Incentive Plan so that, compensation paid pursuant to the 162(m) Incentive Plan will qualify under the performance-based compensation exception under Code Section 162(m) and be eligible for continued tax deductibility. To preserve the tax deductibility of such compensation, the Company is seeking approval of the 162(m) Incentive Plan, including the criteria upon which the performance goals applicable to the 162(m) Incentive Plan may be based and the maximum amount that may be paid during any performance period to any participant. If stockholders do not approve the Section 162(m) performance goals at the Annual Meeting, then awards granted under the 162(m) Incentive Plan will not qualify as exempt performance-based compensation under Code Section 162(m).

Furthermore, Section 162(m) of the Code generally requires performance goals to be approved by stockholders every five years. The Section 162(m) performance goals under the MarketAxess Holdings Inc. 2009 Code Section 162(m) Executive Performance Incentive Plan (the *2009 Plan*) were last approved at the Annual Meeting in 2012. Accordingly, following the first stockholders meeting in 2017, awards granted under the 2009 Plan will also not qualify as exempt performance-based compensation under Code Section 162(m) unless such approval is obtained or stockholders approve other designated performance criteria under the 2009 Plan at or prior to the first stockholders meeting in 2017.

The following summary describes the principal provisions of the 162(m) Incentive Plan. The summary does not purport to be complete and is qualified in its entirety by the full text of the 162(m) Incentive Plan attached as Appendix B to this Proxy Statement.

Description of the 162(m) Incentive Plan

Administration. The 162(m) Incentive Plan will be administered by the Compensation Committee or such other committee appointed by the Board of Directors to administer the 162(m) Incentive Plan whose members are all outside directors as defined under Code Section 162(m) (the *Committee*). The Committee will have the authority to, among other things: (i) select the executives who will be eligible to receive Performance Awards; (ii) set the performance goals and the performance period during which a Performance Award is measured; (iii) certify the attainment of the performance goals and other material terms; (iv) reduce, recover or require repayment of all or any part of the amounts payable under Performance Awards; and (v) make all other determinations and take all other actions necessary or desirable for the 162(m) Incentive Plan administration.

Eligibility. For each period of not less than one fiscal year of the Company (as specified by the Committee) over which the attainment of the performance goals is measured (the *Performance Period*), the Committee will select the executives of the Company or its subsidiaries who will participate in the 162(m) Incentive Plan. As of April 25, 2016, two executives are participating in the 162(m) Incentive Plan. The Committee may generally add or remove designated participants at any time and from time to time, in its sole discretion.

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Maximum Performance Award. The maximum Performance Award payable to a participant with respect to any one fiscal year of the Company in a Performance Period shall not exceed the lesser of (i) \$5,000,000 and (ii) the maximum amount that can be awarded to any participant pursuant to any applicable law and/or regulatory requirements in relation to remuneration. For any Performance Period that is more than one fiscal year of the Company, the maximum Performance Award limit will be increased on a *pro rata* basis.

Performance Awards. A participant will be eligible to receive a Performance Award based on the achievement of specified performance goals established by the Committee for a Performance Period. A Performance Award may be a percentage of a participant's Individual Target Award (as described below) for the Performance Period based on the level of attainment of performance goals established for the Performance Period. Generally, no Performance Award is payable unless the minimum performance goals for the Performance Period are attained.

A Performance Award will be paid in whole or in part in cash or shares of Common Stock (if permitted under another plan approved by stockholders), as determined by the Committee, as soon as administratively feasible in the calendar year after the calendar year in which the Performance Period with respect to which the payment relates, but only after the Committee certifies that the performance goals were, in fact, satisfied, subject to any deferral or any other terms as may be notified to the participant whether at the time of grant or thereafter and/or where any such payment would breach any applicable law and/or regulatory requirements.

The Committee may provide prior to a Performance Period or thereafter that payment of any Performance Award will be deferred. Any deferred Performance Award will not increase (between the date on which it is credited to any deferred compensation program and the payment date) by an amount that would result in such deferral being deemed as an increase in the amount of compensation under Code Section 162(m). To the extent applicable, any deferral under the 162(m) Incentive Plan will be made in a manner intended to comply with the applicable requirements of Code Section 409A, as well as any other applicable law and/or regulatory requirements in relation to the deferral of remuneration.

Individual Target Awards. For any participant, the Committee may specify a targeted Performance Award for a Performance Period (an *Individual Target Award*), which may be expressed as a fixed dollar amount, a percentage of a participant's base pay, a percentage of a bonus pool funded by a formula as determined by the Committee based on achievement of performance goals, or an amount determined pursuant to an objective formula or standard. The Committee will also prescribe a formula to determine the maximum and minimum percentages (which may be greater or less than 100%, as applicable) of an Individual Target Award that may be earned or payable based on the degree of attainment of the performance goals during the Performance Period. The amount of any Individual Target Award must comply with any applicable law and/or regulatory requirements in relation to remuneration, including but not limited to the level of any variable remuneration that can be awarded to any participant. The Committee may elect to pay a participant an amount that is less than an Individual Target Award (or the attained percentage) notwithstanding the fact that the relevant performance goals have been attained (including but not limited to where this is necessary to comply with applicable law and/or regulatory requirements); except that, unless otherwise specified by the Committee, no discretion to reduce a Performance Award based on achievement of performance goals is permitted for any Performance Period in which a change of control (as defined in the 162(m) Incentive Plan) occurs or during such Performance Period with regard to the prior Performance Periods if the Performance Awards for the prior Performance Periods have not been paid by the time of the change of control, with regard to individuals who were participants at the time of the change of control (save where such reduction is required by applicable law and/or regulatory requirements).

Performance Goals. Code Section 162(m) requires that Performance Awards be based upon objective performance measures. The performance goals (*Performance Goals*) will be based on one or more of the following criteria with regard to the Company (or any subsidiary, division or other operational unit of the Company) as specified by the Committee:

enterprise value or value creation targets of the Company;

income or net income; operating income; net operating income or net operating income after tax; operating profit or net operating profit;

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cash flow including, but not limited to, from operations or free cash flow;

bank debt or other long-term or short-term public or private debt or other similar financial obligations (which may be calculated net of cash balances and/or other offsets and adjustments);

net sales, revenues, net income or earnings before income tax or other exclusions of the Company;

operating margin; return on operating revenue or return on operating profit;

return measures (after tax or pre-tax), including return on capital employed, return on invested capital; return on equity, return on assets, return on net assets;

market capitalization, fair market value of the shares of the Company's Common Stock, franchise value (net of debt), economic value added;

total stockholder return or growth in total stockholder return (with or without dividend reinvestment);

proprietary investment results;

estimated market share (whether based on FINRA TRACE volume or otherwise);

expense management/control or reduction (including, without limitation, compensation and benefits expense);

customer satisfaction;

technological improvements/implementation, new product innovation;

collections and recoveries;

property/asset purchases;

litigation and regulatory resolution/implementation goals;

leases, contracts or financings (including renewals, overhead, savings, G&A and other expense control goals);

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risk management/implementation;

development and implementation of strategic plans and/or organizational restructuring goals;

development and implementation of risk and crisis management programs; compliance requirements and compliance relief; productivity goals; workforce management and succession planning goals;

employee satisfaction or staff development;

formations of joint ventures or partnerships or the completion of other similar transactions intended to enhance the Company's revenue or profitability or to enhance its customer base; or

completion of a merger, acquisition or any transaction that results in the sale of all or substantially all of the stock or assets of the Company.

In addition, Performance Goals may be based upon the attainment of specified levels of Company (or subsidiary, division or other operational unit of the Company) performance under one or more of the measures described above relative to the performance of other corporations. To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval), the Committee may: (i) designate additional business criteria on which the Performance Goals may be based; or (ii) adjust, modify or amend the aforementioned business criteria. In addition, Performance Goals may incorporate, if and only to the extent permitted under Code Section 162(m), provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances.

Change of Control. In the event of a change of control (as defined in the 162(m) Incentive Plan) of the Company, any unpaid portion of any Performance Award that has been earned and certified, but is being deferred

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in accordance with the 162(m) Incentive Plan, will immediately be vested and paid within 90 days following the consummation of the change of control, subject to any applicable law and/or regulatory requirements prohibiting such payment.

Partial Payments. Generally, Performance Awards will not be paid to any participant who is not actively employed on the date the Performance Award is payable. Notwithstanding the foregoing, the Committee may make a full, *pro rata* or other payment (not to exceed the maximum achievable Performance Award for the participant for the Performance Period) to a participant for a Performance Period with or without regard to the actual achievement of the Performance Goals in the event of the participant's termination of employment due to death or disability, or a full or *pro rata* Performance Award payment to a participant for a Performance Period based on actual achievement of the Performance Goals established for the Performance Period in the event that the participant's employment is terminated without cause (as defined in the Company's 2012 Incentive Plan or any successor plan thereto approved by the Company's stockholders) or the participant resigns for good reason. The term Good Reason will have the meaning assigned to such term in the participant's individual employment agreement or similar agreement in effect at the time of the grant of the Performance Award. Notwithstanding the foregoing, unless otherwise determined by the Committee, if the participant does not have an individual employment agreement or similar agreement, or Good Reason is not defined therein, the participant will not have the right to a *pro rata* payment of the participant's Performance Award for a Performance Period upon any voluntary termination by the participant during the Performance Period.

If a change of control is consummated during a Performance Period, the Committee must make, to each participant who is a participant at the time of such change of control (subject to any applicable law and/or regulatory requirements), at least a *pro rata* Performance Award payment based on actual achievement of the Performance Goals established for the Performance Period and pro rated for the portion of the Performance Period completed through the change of control. If a change of control of the Company is consummated during a Performance Period, the Committee may, in its sole discretion, make a Performance Award payment to a participant who is a participant at the time of such change of control that is greater than a *pro rata* Performance Award payment but not in excess of the maximum achievable Performance Award for the participant for such Performance Period, with or without regard to actual achievement of the Performance Goals.

Subject to any applicable law and/or regulatory requirements, partial Performance Award payments not based on the actual achievement of the Performance Goals will be paid within 75 days following the event pursuant to which the Performance Award is payable. Partial Performance Award payments based on the actual achievement of the Performance Goals established for the full Performance Period will be paid when the Performance Award would have otherwise been paid.

Term; Amendment or Termination. The 162(m) Incentive Plan has no specified term, and the Board of Directors may amend, suspend or terminate the 162(m) Incentive Plan or adopt a new plan in place of the 162(m) Incentive Plan at any time. However, stockholder approval is required for any amendment that alters the Performance Goals, changes the class of eligible employees or otherwise requires stockholder approval under Code Section 162(m). No amendment, suspension or termination may, without a participant's consent, alter or impair a participant's right to receive payment of a Performance Award otherwise payable under the 162(m) Incentive Plan.

The 162(m) Incentive Plan is not subject to any of the requirements of the Employee Retirement Income Security Act of 1974, as amended, nor is it intended to be qualified under Code Section 401(a).

Recoupment. All compensation payable under the 162(m) Incentive Plan will be subject to any performance adjustment policies or compensation recapture policies established by the Board or the Committee in order to comply with law, rules or other regulatory requirements applicable to the Company or any participants including without limitation any such policy that is intended to comply with (i) The Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules and regulations promulgated thereunder; and/or (ii) the IFPRU Remuneration Code published by the UK Financial Conduct Authority; and/or (iii) such other applicable law and/or regulatory requirements. Any such performance adjustment policies or compensation recapture policies may require clawback or forfeiture of Performance Awards.

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Future Plan Awards. Because future awards under the 162(m) Incentive Plan will be granted in the discretion of the Committee, the type, number, recipients and other terms of such awards cannot be determined at this time. Information regarding our recent practices with respect to annual and long-term incentive awards is presented in the Summary Compensation table and elsewhere in this Proxy Statement, and in our financial statements for the fiscal year ended December 31, 2015, in the Annual Report that accompanies this Proxy Statement.

Your vote

Unless proxy cards are otherwise marked, the persons named as proxies will vote **FOR** the approval of the adoption of the 162(m) Incentive Plan and the performance criteria used in setting performance goals thereunder. Approval of this proposal requires the affirmative vote of a majority of the shares present at the Annual Meeting and entitled to vote on the proposal.

Board recommendation

THE BOARD RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE ADOPTION OF THE 162(M) INCENTIVE PLAN AND THE PERFORMANCE CRITERIA USED IN SETTING PERFORMANCE GOALS THEREUNDER.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of April 11, 2016 by (i) each person or group of affiliated persons known by us to beneficially own more than five percent of our Common Stock, (ii) each of our named executive officers, (iii) each of our directors and nominees for director and (iv) all of our directors and executive officers as a group.

The following table gives effect to the shares of Common Stock issuable within 60 days of April 11, 2016 upon the exercise of all options and other rights beneficially owned by the indicated stockholders on that date. Beneficial ownership is determined in accordance with Rule 13d-3 promulgated under Section 13 of the Securities Exchange Act of 1934, as amended, and includes voting and investment power with respect to shares. Percentage of beneficial ownership is based on 37,113,303 shares of Common Stock outstanding at the close of business on April 11, 2016. Except as otherwise noted below, each person or entity named in the following table has sole voting and investment power with respect to all shares of our Common Stock that he, she or it beneficially owns.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o MarketAxess Holdings Inc., 299 Park Avenue, 10th Floor, New York, New York 10171.

	Number of Shares Beneficially Owned	Percentage of Stock Owned
5% Stockholders		
BlackRock, Inc.(1)	3,326,379	8.96%
Wells Fargo & Company(2)	3,131,829	8.44%
The Vanguard Group(3)	2,529,846	6.82%
Named Executive Officers and Directors		
Richard M. McVey(4)	1,363,940	3.62%
Steven Begleiter(5)	6,756	*
Stephen P. Casper(6)	58,778	*
Jane Chwick(7)	2,591	*
William F. Cruger(8)	2,578	*
David G. Gomach(9)	40,288	*
Carlos M. Hernandez(10)	21,914	*
Ronald M. Hersch(11)	46,545	*
John Steinhardt(12)	40,300	*
James Sullivan(5)	6,756	*
Antonio L. DeLise(13)	38,685	*
Nicholas Themelis(14)	72,996	*
All Executive Officers and Directors as a Group (12 persons)(15)	1,702,127	4.51%

* Less than 1%.

(1) Information regarding the number of shares beneficially owned by BlackRock, Inc. was obtained from a Schedule 13G filed by BlackRock, Inc. with the SEC. The principal business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10022.

(2) Information regarding the number of shares beneficially owned by Wells Fargo & Company was obtained from a Schedule 13G filed by Wells Fargo & Company with the SEC. The principal business address of Wells Fargo & Company is 420 Montgomery Street, San Francisco, CA 94104.

(3)

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Information regarding the number of shares beneficially owned by The Vanguard Group was obtained from a Schedule 13G filed by The Vanguard Group with the SEC. The principal business address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

- (4) Consists of (i) 621,278 shares of Common Stock owned individually; (ii) 146,153 shares of unvested restricted stock; and (iii) 596,509 shares of Common Stock issuable pursuant to stock options granted to Mr. McVey that are or become exercisable within 60 days. Does not include (i) 489,211 shares of Common Stock issuable pursuant to stock options and deferred restricted stock units that are not exercisable within 60 days or (ii) 12,044 performance shares.

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- (5) Consists of (i) 6,270 shares of Common Stock owned individually; and (ii) 486 shares of unvested restricted stock.
- (6) Consists of (i) 43,278 shares of Common Stock owned individually; (ii) 588 shares of unvested restricted stock; and (iii) 14,912 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days.
- (7) Consists of (i) 2,591 shares of Common Stock owned individually. Does not include 972 restricted stock units that are unvested.
- (8) Consists of (i) 2,578 shares of Common Stock owned individually. Does not include 972 restricted stock units that are unvested.
- (9) Consists of (i) 29,890 shares of Common Stock owned individually; (ii) 486 shares of unvested restricted stock; and (iii) 9,912 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days. All shares of Common Stock, other than unvested restricted stock, are held indirectly in a trust for which Mr. Gomach is trustee.
- (10) Consists of (i) 18,241 shares of Common Stock owned individually; (ii) 486 shares of unvested restricted stock; and (iii) 3,187 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days.
- (11) Consists of (i) 36,147 shares of Common Stock owned individually; (ii) 486 shares of unvested restricted stock; and (iii) 9,912 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days.
- (12) Consists of (i) 29,902 shares of Common Stock owned individually; (ii) 486 shares of unvested restricted stock; and (iii) 9,912 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days.
- (13) Consists of (i) 36,025 shares of Common Stock; and (ii) 2,660 shares of unvested restricted stock. Does not include (i) 46,929 shares of Common Stock issuable pursuant to stock options and deferred restricted stock units that are not exercisable within 60 days or (ii) 7,098 performance shares.
- (14) Consists of (i) 45,184 shares of Common Stock owned in joint tenancy with his spouse; (ii) 7,748 shares of unvested restricted stock; and (iii) 20,064 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days. Does not include (i) 46,114 shares of Common Stock issuable pursuant to stock options and deferred restricted stock units that are not exercisable within 60 days or (ii) 12,872 performance shares.
- (15) Consists of (i) 877,654 shares of Common Stock; (ii) 160,065 shares of unvested restricted stock; and (iii) 664,408 shares of Common Stock issuable pursuant to stock options that are or become exercisable within 60 days. Does not include (i) 190,968 shares of Common Stock issuable pursuant to stock options that are not exercisable within 60 days; (ii) 393,230 restricted stock units that are unvested and deferred restricted stock units or (iii) 32,014 performance shares that are unvested.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below is information concerning our executive officers as of April 11, 2016.

Name	Age	Position
Richard M. McVey	56	Chief Executive Officer and Chairman of the Board of Directors
Antonio L. DeLise	54	Chief Financial Officer
Nicholas Themelis	52	Chief Information Officer

Richard M. McVey has been Chief Executive Officer and Chairman of our Board of Directors since our inception. See *Proposal 1 Election of Directors Director information* for a discussion of Mr. McVey's business experience.

Antonio L. DeLise has been Chief Financial Officer since March 2010. From July 2006 until March 2010, Mr. DeLise was the Company's Head of Finance and Accounting, where he was responsible for financial regulatory compliance and oversight of all controllership and accounting functions. Prior to joining us, Mr. DeLise was Chief Financial Officer of PubliCard, Inc., a designer of smart card solutions for educational and corporate sites, from April 1995 to July 2006. Mr. DeLise also served as Chief Executive Officer of PubliCard from August 2002 to July 2006, President of PubliCard from February 2002 to July 2006, and a director of PubliCard from July 2001 to July 2006. Prior to PubliCard, Mr. DeLise was employed as a senior manager with the firm of Arthur Andersen LLP from July 1983 through March 1995.

Nicholas Themelis has been Chief Information Officer since March 2005. From June 2004 through February 2005, Mr. Themelis was the Company's Head of Technology and Product Delivery. From March 2004 to June 2004, Mr. Themelis was the Company's Head of Product Delivery. Prior to joining us, Mr. Themelis was a Principal at Promontory Group, an investment and advisory firm focused on the financial services sector, from November 2003 to March 2004. From March 2001 to August 2003, Mr. Themelis was a Managing Director, Chief Information Officer for North America and Global Head of Fixed-Income Technology at Barclays Capital. From March 2000 to March 2001, Mr. Themelis was the Chief Technology Officer and a member of the board of directors of AuthentiDate Holdings Corp., a start-up focused on developing leading-edge content and encryption technology. Prior to his tenure at AuthentiDate, Mr. Themelis spent nine years with Lehman Brothers, ultimately as Senior Vice President and Global Head of the E-Commerce Technology Group.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

The Compensation Discussion and Analysis (*CD&A*) explains our pay for performance methodology, describes and analyzes our compensation programs and practices, and details the specific amounts of compensation paid for fiscal year 2015 to our named executive officers. Our named executive officers for fiscal year 2015 were Mr. McVey, our Chief Executive Officer (*CEO*) and Chairman of the Board, Mr. DeLise, our Chief Financial Officer (*CFO*), and Mr. Themelis, our Chief Information Officer (*CIO*), and collectively with the CEO and CFO, the *NEOs*).

Executive Summary***Compensation and Performance Highlights***

The following chart provides a summary overview of NEO compensation in 2015, as well as key financial metrics used to determine such compensation. Further details, including components of compensation for each NEO, are provided in this CD&A.

	Key Financial Metrics		
	2015	2014	Change
Revenues (millions)	\$ 303.1	\$ 262.8	15%
Operating Income (millions)	\$ 147.9	\$ 118.5	25%
Diluted EPS	\$ 2.55	\$ 1.97	29%
Year-End Stock Price	\$ 111.59	\$ 71.71	56%

	Base Salary			Total Cash Compensation			Total Direct Compensation		
	2015	2014	Change	2014	2013	Change	2014	2013	Change
in '000 s									
McVey, CEO	\$ 500	\$ 500	0%	\$ 2,600	\$ 2,450	6%	\$ 7,400	\$ 6,700	10%
DeLise, CFO	\$ 300	\$ 300	0%	\$ 1,140	\$ 1,000	14%	\$ 1,750	\$ 1,550	13%
Themelis, CIO	\$ 300	\$ 300	0%	\$ 1,650	\$ 1,500	10%	\$ 2,650	\$ 2,425	9%

2015 Performance

Highlights of our financial performance during 2015 as compared to 2014 include the following:

Revenues: For the seventh consecutive year, annual revenues reached an all-time high, increasing over 15% to \$303.1 million, from \$262.8 million in 2014.

Operating Income: Operating income reached a record high for the sixth consecutive year, increasing 25% from \$118.5 million in 2014 to \$147.9 million in 2015.

Earnings per share: Diluted earnings per share (*EPS*) increased over 29% to an all-time high of \$2.55 in 2015 from \$1.97 in 2014.

Stock Price: The Company's Common Stock price closed at \$111.59 at the end of 2015, an increase of almost 56% from \$71.71 at year-end 2014.

Trading Volume: Total trading volume increased to a record high of \$979 billion in 2015 from \$767 billion in 2014.

Market Share:

Our adjusted¹ market share in U.S. high-grade corporate bonds grew from an estimated 14.5% of the total U.S. high-grade corporate bond volume in 2014, as reported by the Financial Industry Regulatory Authority (FINRA) Trade Reporting and Compliance Engine (TRACE), to an estimated 16.8% in 2015.

¹ We adjusted the reported U.S. high-grade TRACE volumes to eliminate the increased reporting of affiliate back-to-back trades by certain broker-dealers that occurred from April 2014 through October 2015 and the inclusion of 144A securities in reported TRACE volumes beginning on July 1, 2014. Based on information provided by FINRA, we believe that the TRACE volumes, as adjusted by us, provide a more accurate comparison to prior period reporting.

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Our adjusted market share of U.S. high-yield corporate bond volume, as reported by TRACE and excluding 144A securities in reported TRACE volumes beginning on July 1st, 2014, increased to an estimated 9.3% in 2015 compared to 6.2% for 2014.

Relative Performance vs. Peer Group (as defined below under *How We Determine Pay Levels – Peer Group*): For 2015, our financial performance against our Peer Group, comprised of 21 companies, was as follows:

First in year-over-year and five-year share price growth, as well as one- and five-year total shareholder return (*TSR*);

Second in three-year share price growth;

Top three in year-over-year EPS, EBITDA, and pre-tax margin growth; and

Top 20% in year-over-year operating income growth.

Relative Performance vs. Other Reference Groups: For 2015, our performance against other reference groups was as follows:

First in one-, three-, and five-year TSR as compared to 15 companies designated by Institutional Investor Services (*ISS*), an independent proxy advisory firm, as our peers for 2015;

Rank 50th in five-year TSR and 40th in ten-year TSR of all 2,173 U.S. public companies with over \$1 billion in market capitalization²; and

Our share price growth as compared to the following sectors on a one-, three-, and five-year basis was as follows:

	MKTX Stock Return		Russell 2000 Stock Return Alpha		NASDAQ Comp. Stock Return Alpha		S&P MidCap 400 Stock Return Alpha		S&P SmallCap 600 Stock Return Alpha		S&P Financial Sector Stock Return Alpha	
1-year	55.6%	(5.7%)	61.3%	5.7%	49.9%	(3.7%)	59.3%	(3.4%)	59.0%	(3.5%)	59.1%	
3-year	216.1%	33.7%	182.4%	65.8%	150.3%	37.1%	179.1%	41.0%	175.2%	45.4%	170.7%	
5-year	436.2%	44.9%	391.3%	88.8%	347.5%	54.2%	382.1%	61.6%	374.7%	49.8%	386.4%	

How 2015 Performance Affected Executive Compensation

The aggregate annual cash incentive payments to the NEOs increased by 8% to \$4.29 million in 2015 from \$3.975 million in 2014 (see *Annual Variable Performance Awards Payable in Cash* below).

Aggregate Total Direct Compensation (*TDC*), which includes cash payments, annual equity awards and the annualized value of multi-year equity awards, was 11% higher in 2015 than in 2014 (see *Total Direct Compensation* below).

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We exceeded our internal target operating income goal in 2015. Accordingly, performance shares granted for 2015 settled at 132.2% of the targeted award amounts (see *Long-term Incentives* *Equity-based Awards* below).

Changes/Key Actions in 2015

In 2015, the following changes and key decisions with respect to our executive management and rewards architecture were implemented to assure that our executive compensation program continues to balance the reward and retention of our key executives with the short-term and long-term interests of our stockholders:

Annual Incentive Design We continued to manage our profitability and increase operating margins in 2015 by reducing the percentage of operating income allocated to the annual cash incentive performance awards payable to our employees (the *Bonus Accrual*). In addition, in 2015, we modified the

² Data provided by FactSet.

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methodology for decreasing the accrual rate in the event that we exceeded the base-level targets (see *Annual Variable Performance Awards Payable in Cash* below).

Structural Change in Performance Share Design We adjusted the method for determining the percentage payout earned under performance shares as described below.

New Employment Agreement and Retention Equity Awards for CEO In January 2015, we entered into a new 5-year employment agreement with our CEO (the *New CEO Agreement*). In connection with the *New CEO Agreement*, the CEO was awarded performance-based retention equity awards with an aggregate grant date value of \$8 million (the *Performance Equity Award*). The value of the *Performance Equity Award* is offset against the CEO's compensation in equal installments beginning with his compensation for 2015 and the four following years. The *Performance Equity Award* vests concurrently with the 5-year term of the *New CEO Agreement* (See *New CEO Agreement* and *Use of Multi-Year Equity* below).

Actions in 2016

The following actions were taken with respect to executive compensation in 2016 prior to the filing of this Proxy Statement:

Multi-Year Awards for CFO and CIO In January 2016, the CFO and CIO were awarded multi-year equity awards with an aggregate grant date value of \$3 million and \$1.8 million, respectively (the *NEO Multi-Year Awards*). The value of the *NEO Multi-Year Awards* will be offset against the NEO's respective compensation in equal installments beginning with their compensation for 2015 and the four following years. The *NEO Multi-Year Awards* vest over a five-year period.

Advisory Vote on Executive Compensation

At our 2015 Annual Meeting of Stockholders, 94.8% of the votes present and entitled to vote on the non-binding advisory vote on executive compensation proposal were in favor of our NEO compensation as disclosed in the proxy statement for the 2015 Annual Meeting of Stockholders. In evaluating 2015 compensation for our NEOs, the Compensation Committee reviewed these final vote results and took into consideration the strong support of our stockholders for our compensation policies. Although it determined that no significant changes to our executive compensation policies were necessary, the Compensation Committee continues to review our NEO compensation program and the compensation goals set forth in the CD&A on an annual basis.

Compensation Practices

We maintain a high standard of compensation policies and practices as illustrated below:

What We Do	What We Avoid
ü Emphasis on performance -based compensation	× No guaranteed bonuses
ü Use of clawbacks	× No pension / SERP plans
ü Stock ownership guidelines	× No single-trigger Change in Control benefits
ü Appropriate risk management	× No §280G excise tax Gross -Up Benefits
ü Compensation Committee 100% independent	× No corporate aircraft or other excessive perquisites
ü Automatic reduction of severance payments subject to §280G excise tax	× No dividends on performance shares until earned
	× No repricing underwater options without Shareholder approval
	× No hedging of MarketAxess stock

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Overview of Compensation Objectives and Strategy for Our NEOs

Our NEO pay philosophy is tied to our belief that compensation should directly correlate with business results, including financial business results. In addition, our executive compensation program is designed to attract, reward and retain the caliber of executives we need to ensure our continued growth and profitability. The program's primary objectives are:

Alignment: align and reward Company and individual performance and decision-making with stockholder value creation while providing for prudent risk management;

Value Creation: drive long-term growth objectives, thereby creating long-term value for our stockholders; and

Cost-Effectiveness: provide rewards that are cost-efficient, equitable to both our NEOs and stockholders, and competitive with organizations that compete for executives with similar skill sets. This encourages high-potential individuals with significant and unique market experience to build a career at the Company.

We have certain unique operating characteristics that directly impact our compensation philosophy and the way we attract, reward and retain key management talent:

We are a hybrid financial technology company whose NEOs must combine an expertise of the fixed-income securities market with the knowledge and ability to conceptualize, create, implement and deliver technology-driven market solutions. As a result of global market changes and regulatory reform (including recent regulatory changes under the Dodd-Frank Act in the U.S. and European Market Infrastructure Regulation (EMIR) and Markets in Financial Instruments Directive II (MiFID II)), there are more start-up initiatives trying to compete in our markets. Accordingly, we compete with the financial services and software development industries and newer start-ups for executive talent.

We are a relatively flat organization with low overhead in support positions; therefore, our NEOs must have the ability and desire to manage tactical details and effectively communicate with and lead broad teams of employees across all levels of the organization.

We are unique in the financial technology market as no other publicly traded company solely and directly competes with us. Therefore, our NEOs must be innovative as they help set the Company's direction and determine the role it plays in the financial markets. In implementing the Company's compensation programs and arriving at individual pay decisions, the Compensation Committee considers that other organizations (such as broker-dealers) may provide their executives with compensation components similar to ours, but within compensation structures that may be different than ours. These structures may provide their executives with earnings opportunities that exceed what we can afford to pay. For example, our emphasis on lower base salaries and greater performance-based incentives potentially results in other organizations offering higher base salaries than we do for similar skills. This can improve the consistency of pay realized by executives at companies with whom we compete for talent but differs from what our NEOs receive under our current program.

To assess the financial impact of our compensation programs, the Compensation Committee focuses on managing our aggregate compensation and benefits expense expressed as a percentage of our total annual revenues (*C&B Ratio*). The Compensation Committee believes that monitoring this measure improves our overall profitability (See discussion about C&B Ratio below in *How We Determine Pay Levels*) and provides a normalized efficiency measure by which we can compare our compensation structure to those maintained by our peers and other financial and technology industry companies.

We believe that continuity of the leadership team benefits the Company. As such, we promote long-term commitments from our NEOs. To support these objectives, we provide our NEOs with a mix of both short-term incentives (base salary and performance-based annual cash awards), long-term (three- to five-year) equity incentives, and where appropriate (currently, the CEO), contractual protection (which agreements may also contain provisions that support a long-term commitment to the Company). Ultimately, the value realized by our NEOs from our equity incentive awards depends on several factors: our financial performance and changes in our Common Stock price, satisfaction of an award's

vesting schedule, and compliance with any on-going

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employment or post-termination covenants. Taken together, we believe these factors help create a comprehensive scheme that reinforces our long-term performance-based orientation that is also aligned with the interests of our shareholders.

Factors Determining Compensation

Role of the Compensation Committee

The compensation programs for our NEOs are administered by the Compensation Committee with assistance from management and our independent compensation advisors. The Compensation Committee reviews all components of remuneration and decides which elements of compensation, if any, should be adjusted or paid based on corporate and individual performance results and competitive benchmark data. This approach supports our pay for performance culture and our intention to offer compensation that is highly correlated with each NEO's individual responsibilities and performance, corporate financial performance and return for stockholders. The Compensation Committee:

has developed and continually reviews and revises our NEO compensation policies and benefits strategy and provides guidance for the implementation of those policies and strategies;

determines and recommends to the Board the amounts and elements of compensation for Mr. McVey; and

works closely with Mr. McVey in recommending to the Board the amounts and elements of compensation for our other NEOs. The Compensation Committee's function is more fully described in its Board-approved charter, which is available on our corporate website at www.marketaxess.com under the *Investor Relations - Corporate Governance* caption.

In performing its duties, the Compensation Committee:

annually reviews competitive compensation data, recent compensation trends and any other relevant market data obtained by its compensation consultant and considers the impact on our compensation architecture;

reviews all compensation, including equity holdings (both vested and unvested amounts) earned by each NEO;

consults with the compensation consultant regarding market data and the full Board regarding performance data when considering decisions concerning Mr. McVey's compensation; and

considers the recommendations of Mr. McVey relating to performance and the recommendations of its compensation consultant relating to market data and compensation trends when considering decisions concerning the compensation of our other NEOs.

All compensation decisions related to cash incentives or equity grants for our NEOs are determined by the Compensation Committee in conjunction with the CEO, except for his own awards, and reviewed by the Board.

Use of Outside Advisors

In making its determinations with respect to compensation of our NEOs, the Compensation Committee currently retains the services of Grahall LLC (*Grahall*) as its independent compensation consultant. In this capacity, Grahall reports directly to the Compensation Committee. During 2015, Grahall provided the following services with respect to NEO compensation:

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Pay Analysis Reviewed and benchmarked competitive market pay levels and conducted retention analyses with respect to 2015 compensation for our NEOs;

Proxy Disclosure Assisted in the preparation of the Company's CD&A included in the proxy statement for our 2015 Annual Meeting of Stockholders;

Share Ownership Guidelines Assisted management and the Compensation Committee in the oversight of our ongoing share ownership guidelines applicable to our NEOs and members of the Board;

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New CEO Agreement and Performance Equity Award Provided assistance to the Compensation Committee regarding the structure of the New CEO Agreement which was entered into in January 2015. The consultant also helped the Compensation Committee evaluate and structure the Performance Equity Award granted to Mr. McVey in connection with the execution of the New CEO Agreement;

Multi-Year Awards for NEOs Provided the assistance to the Compensation Committee and CEO regarding the structure of the multi-year awards for the CIO and CFO; and

General Advice/Compliance Provided other compensation-related recommendations and performed other services, including providing advice regarding regulatory and advisory compliance issues, the design and management of our annual incentive plan, and the Company's equity awards and usage of authorized shares (*i.e.*, burn rate), as well as an ongoing review and composition of our peer group (as discussed below in *Peer Group*).

Grahall also provided services during 2015 relating to the compensation of our directors as discussed above in *Director Compensation*.

The Compensation Committee has the sole authority to retain, terminate and set the terms of the relationship with any outside advisors who assist the Compensation Committee in carrying out its responsibilities.

How We Determine Pay Levels

Peer Group

The Company uses peer group information to help set competitive market levels and structure for our NEOs. Because our closest competitors include private firms with unpublished compensation data, we rely on a broader base of financial services and technology companies to facilitate our review.

While public peers may differ from us in terms of size (whether measured by market capitalization or annual revenues) and core business (in that none provide the multi-dealer electronic trading platform for credit products that we provide), these companies are the closest matches available to us in terms of a comparable business model. Each provides technology solutions to the financial markets, and some provide electronic trading platforms similar to ours, albeit in other asset classes.

At the Compensation Committee's direction, Grahall performs an ongoing review of the composition of our peer group. Factors include financial size, whether companies compete with us for customers, executives or other employee talent, and whether their business operations involve a similar asset class or product offering. Grahall considers a broad range of companies, including peers of peers included in industry research reports. Grahall also assesses and collects data on a broader group of companies in the financial services, IT services and software industries, based on relative revenue, market capitalization and operating income similarity.

After development of a list of companies, Grahall develops a subset of target peers and reviews public disclosure regarding the business model being pursued by each company. This allows us to assess alignment with our industry and our strategic approach. In 2015, Grahall assisted the Compensation Committee in restructuring our Peer Group, which was necessitated due to a reduction in ongoing peers due to industry consolidation, as well as our desire to more closely align our Peer Group with those companies designated as peers by Institutional Shareholder Services. In determining the potential slate of peers, Grahall reviewed all publicly traded diversified financials, capital markets, consumer finance, as well as IT services and software firms.

Financial parameters used by Grahall to identify the peers generally range from +/- 2.5 times the Company's most recent annual revenues and +/- 5 times the Company's market capitalization (similar to ISS methodology). However, unlike ISS, Grahall developed similarity scores for each potential peer that equally weight annual revenues and market capitalization, as the Company believes market capitalization is an equally important financial indicator by which our potential peers can and should be assessed. This process provides a comparability number for each peer to our Company for the current operating period. Grahall also calculates and considers a similarity score based on operating income. Grahall then recommends any appropriate changes to the Peer Group for the operating period, which is reviewed by the Company and the Compensation Committee. The Company may also suggest peers that it believes may be appropriate for inclusion in the Peer Group, and in fact did so in 2015.

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Due to the desire to broaden our Peer Group and increase the focus on our international expansion efforts, for the first time, the Company included companies not listed on U.S. exchanges, but whose business models we believe are a better fit than U.S.-based alternatives. These peers are indicated in the chart below along with the other 2015 peers, and include TMX (CAN), Tullet (LON), and Fidessa (LON). Because these companies are not listed on a U.S. exchange (and thus are subject to different reporting requirements), the available data for these companies may be less robust than for their U.S. counterparts. Finally, the Company also determined that it was appropriate to include SS&C Technologies Holdings, Inc., a company primarily focused on providing software and technology solutions to the financial services industry, in our Peer Group for the first time.

After revising our peers for the 2015 compensation period, our Peer Group was comprised of the following firms:

Peer	Description	Client Base	Products	Revenue (\$ in millions)	Operating Income (\$ in millions)	Market Cap (\$ in billions)(1)	New in 2015? Y/N
<i>MarketAxess Holdings Inc.</i>	<i>Electronic trading platform for the trading of corporate bonds and other fixed income products</i>	<i>Institutional</i>	<i>Fixed Income</i>	<i>\$ 303</i>	<i>\$148</i>	<i>\$ 4.72</i>	
Alliance Bernstein Holding L.P.	Provides investment management and research services, across asset classes, on a global basis.	Institutional and Retail	Various	\$ 3,021	\$631	\$ 2.37	Y
BGC Partners, Inc.	Provides brokerage services to the wholesale financial markets across a broad array of products via voice, hybrid, and fully- electronic solutions.	Institutional	Various	\$ 2,575	-\$61	\$ 0.65	N
CBOE Holdings, Inc.	Operation of markets for the trading of listed options contracts as well as futures and options on futures products, integrating electronic trading with traditional trading.	Institutional	Listed options and futures	\$ 635	\$320	\$ 5.26	N
Cohen & Steers	International investment manager providing investment services across products, distribution services and advisory consulting services.	Institutional	Various	\$ 329	\$128	\$ 1.89	Y
Fidessa Group PLC(2)	Provides trading, investment and information solutions for the financial community.	Institutional	Technology Provider	\$ 436	\$143	\$ 0.94	Y
Financial Engines	Technology-enabled portfolio management services, investment advice and retirement income services.	Retail	Various	\$ 311	\$49	\$ 1.95	Y
Gain Capital Holdings	Global provider of on-line trading services specializing in foreign exchange, precious metals, and contracts-for-difference (CFD).	Institutional and Retail	FX, Metals, CFD	\$ 436	\$18	\$ 0.33	N
Greenhill & Co	Provides financial advisory services related to mergers and acquisitions, restructurings, financings, and capital raisings.	Institutional, Corporate, Government	Various	\$ 262	\$46	\$ 0.60	Y
Hercules Technology Growth Capital, Inc.	Provides venture debt, secured loans, and growth capital to privately held companies.	Institutional	Capital / Funding	\$ 157	\$74	\$ 0.88	Y

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Peer	Description	Client Base	Products	Revenue (\$ in millions)	Operating Income (\$ in millions)	Market Cap (\$ in billions)(1)	New in 2015? Y/N
Interactive Brokers	Automated global electronic broker and market maker specializing in routing orders, executing and processing trades in securities, futures, foreign exchange instruments, bonds, and mutual funds.	Institutional	Various	\$ 1,256	\$458	\$ 15.89	N
Investment Technology Group, Inc.	Independent research and execution broker providing institutional liquidity, execution services, analytical tools and proprietary research globally.	Institutional	Equities	\$ 635	\$123	\$ 0.71	N
KCG Holdings, Inc.	Provides access to capital markets and electronic agency-based trading across multiple asset classes to institutional clients and corporations.	Institutional and Corporate	Various	\$ 1,489	\$306	\$ 1.14	N
Main Street Capital	Provides long-term equity and debt investments.	Middle Market, Small Companies	Capital / Funding	\$ 165	\$107	\$ 1.59	Y
MSCI, Inc.	Global provider of investment decision support tools and analytics across diverse markets, asset classes, geographies, and clients.	Various, including Institutional	Various	\$ 1,075	\$404	\$ 7.31	N
Northstar Asset Management	Manages real estate and other investment platforms globally.	Institutional	Various	\$ 436	\$57	\$ 2.36	Y
Oaktree Capital Group, LLC	Global investment management firm focused on alternative markets.	Institutional and Retail	Various	\$ 202	-\$739	\$ 3.03	Y
SS&C Technologies Holdings, Inc.	Software products and services across financial functions including trading, middle office, back office and reporting.	Institutional	Technology Provider	\$ 1,000	\$134	\$ 6.16	Y
TMX Group(3)	Operates across asset classes in trading, clearing & depository, information services and technology / issuer services.	Institutional	Various	\$ 552	\$17	\$ 2.69	Y
Tullett Prebon plc(2)	Global interdealer broker.	Institutional	Various	\$ 1,173	\$180	\$ 0.81	Y
Virtus Investment Partners, Inc.	Investment manager across various products.	Institutional and Retail	Various	\$ 382	\$80	\$ 0.62	Y
Wisdom Tree Investments, Inc.	Global Exchange Traded Product sponsor offering ETFs across asset classes.	Institutional and 401(k) Providers	Various	\$ 299	\$137	\$ 1.69	Y

(1) Market Cap as reported close of business on April 14, 2016

(2) Tullett Prebon and Fidessa are traded on the London Exchange (LON)

(3) TMX Group is traded on the Toronto Stock Exchange (TSE)

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Several peers were removed from our Peer Group in 2015. SWS Group, Inc. and GFI Group Inc. were removed as each was acquired in 2015 and no longer publicly reported compensation data for their executives. Intercontinental Exchange, Inc. was removed due its acquisition of the New York Stock Exchange, as the Compensation Committee believed that both the annual revenues and market capitalization of the resulting entity were too large for us to use for benchmarking purposes. While IBKR remains in our peer group, they are used selectively for benchmarking the compensation of certain applicable senior executive positions.

Benchmarking Importance and Process

Given our unique position in our industry, and the unique skill sets necessary for executives to succeed at the Company, we believe that reviewing benchmark data is a vital part of the process by which the Compensation Committee determines relevant pay ranges and TDC for our executives. Once the Peer Group review described above is completed, the Compensation Committee directed Grahall to identify a broader group of peers for compensation benchmarking purposes. In order to accomplish this, Grahall researches and assesses the financial performance on a year-over-year basis and pay practices of each of the following groups:

Our Peer Group, which consisted of 21 financial services and financial technology companies for 2015;

15 financial services companies (4020 GICS classification from Standard & Poor's) designated solely by ISS as our peer group for the 2015 compensation period (the composition of which may vary on an annual basis);

A broader group of financial services companies, categorized by the following industries:

Capital Markets;

Diversified Financials; and

Consumer Finance; and

A broader group of technology companies, categorized by the following industries:

Software & Services; and

IT Services.

Grahall used the same financial parameters to develop the two broader groups for 2015 as they did for the Peer Group. We anticipate the composition of each of these groups (excluding the Peer Group) will change over time even if our methodology remains consistent because the Company's and the subject companies' relative annual revenues and market capitalizations will invariably change.

Data from each of these groups is used to refine our calibration of market pay for our NEOs. Grahall used statistical modeling to help insure internal consistency among the positions that were compared to those of our NEOs.

The compensation calibration conducted by Grahall is further augmented with multiple sources of applicable financial services and financial technology survey data to validate the compensation levels and practices and to compare our compensation architecture to these different groups and the general market. Grahall uses this aggregate information to prepare its recommended pay ranges and presents them to the Compensation Committee for its consideration and approval. To minimize the impact of year-to-year data volatility, Grahall aggregates data from this process

over multiple years (with a greater emphasis on the most recent periods).

As in previous years, Grahall worked with the CEO and our other executives to gather pertinent Company information, including corporate financial performance and employee lists, that allowed the Compensation Committee to design compensation programs appropriate for our size, financial performance and strategic objectives. Additionally, through our formal semi-annual planning, goal-setting and feedback process, the CEO provided the Compensation Committee with performance feedback for each NEO, other than himself. The Compensation Committee then determined target individual pay ranges for each NEO based on corporate financial performance; the NEO's role, responsibilities, expertise, institutional knowledge and individual performance; the NEO's contribution to, and achievement of, corporate strategic goals and financial performance; and the level of competition that exists within the market for a given position. As these factors

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change over time, the Compensation Committee uses its judgment (with Grahall's assistance) rather than relying on numerical or fixed formulas to weigh these items consistently from year to year.

Use of C&B Ratio

In determining incentive pay ranges for our NEOs, the Compensation Committee also assesses the impact of such pay ranges on our targeted C&B Ratio. The Compensation Committee believes that focusing on the C&B Ratio is both appropriate and typical in the financial services industry, as it provides a highly relevant and normalized data point regarding the efficiency of our compensation programs on both a year-to-year basis and on a comparative basis versus our Peer Group or other companies in our industry. Since the NEOs' annual incentive payments are a component of aggregate compensation expense, the Compensation Committee may reduce the NEOs' incentives to reduce the C&B Ratio to meet our internal target, which is revised annually. Since 2012, our C&B Ratio has been below 30%, which the Compensation Committee believes is an appropriate target given our current revenues, employee base and strategic plans.

After consideration of all the foregoing factors, the Compensation Committee determines each NEO's TDC level within the appropriate range. The Compensation Committee then determines an ideal pay mix—the relative amount of TDC for each NEO that should be delivered as base salary, annual cash incentives and long-term equity incentive awards—in accordance with that analysis.

Performance Evaluations

Mr. McVey – CEO

In assessing Mr. McVey's performance, the Compensation Committee credited him with:

Leading the Company's achievement of record financial performance for the seventh consecutive year, including record trading volume, market share, revenues and operating income;

Delivering long-term value for our stockholders as evidenced by ranking 50th in five-year TSR and 40th in ten-year TSR of all 2,173 U.S. public companies with over \$1 billion in market capitalization;

Expanding the Company's global reach through investment in Europe and Asia;

Leading the strategy and increased investment in Open Trading to promote new liquidity solutions for clients;

Increasing the expertise and investment in Risk Management in both the Company and the Board of Directors;

Leading the Company's strategy discussions with the Board of Directors, and leading the execution of that strategy with the Global Management Team; and

Actively promoting the Company's strategy and capabilities through senior investor and dealer relationship management, meetings with regulators, industry conferences and trade associations.

Mr. DeLise – CFO

In determining Mr. DeLise's 2015 incentive compensation, the Compensation Committee and Mr. McVey focused on our corporate financial performance and credited him with:

Assuming responsibility for our Credit and risk functions, increasing staff with relevant expertise, and improving reporting to the Risk and Audit Committees of the Board and the internal Risk, Credit, and Disclosure Committees;

Working closely with our business executives and the Board in developing and executing immediate and long-term strategic decisions, including new products and product pricing;

Implementing continued improvements in our internal and external financial reporting, budgeting, forecasting and scenario planning;

Developing and executing the Company's dividend and share repurchase programs and also renewing and upsizing the Company's credit facility;

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Continued optimization of the Company's tax structure, including an update of the Company's transfer pricing processes; and

Strengthening the Company's investor relations program and maintaining active relationships with analysts and stockholders.

Mr. Themelis - CIO

Mr. Themelis and his team are instrumental to our revenue generation efforts in that they provide unique, stable, world-class technology to the credit markets. In this capacity, he was credited with the following achievements during 2015:

Enhancements to our architecture, including innovative Open Trading solutions and client chat capability;

Various initiatives around optimizing our infrastructure, increasing systems stability and reducing costs, including closing a redundant data center, implementing advanced monitoring tools, and completing the buildout of another floor for our New York employee base;

Investing in the staff assigned to working on the Trax applications, replacing the legacy Trax applications, significantly increasing the stability of the Trax platform, and detailing a roadmap for the delivery of MiFID II compliant Trax applications;

Creating the first intra-day trade tape product in Europe with Axess All ;

Increasing revenues generated from our suite of unique global data products; and

Active involvement in the running of the day-to-day business for U.S. traded products, which delivered a record revenue year for our core U.S. business.

Pay for Performance Alignment - Realized Compensation

To assess our pay-for-performance alignment, the Compensation Committee and Grahall reviewed all compensation realized (*Realized Compensation*) by Mr. McVey relative to our TSR for the three-year period ended December 31, 2014 (the most recent period for which peer compensation data was available at the time of filing this proxy statement) against our 2014 peer group. For purposes of this review, Realized Compensation was determined by adding the following elements together:

Sum of three years' base salary;

Sum of three years' actual annual incentive payments;

Intrinsic (in-the-money) value of stock options awarded during the three year period (using December 31, 2014 closing price);

Value of three years' restricted stock awards updated for December 31, 2014 closing price;

Sum of all performance awards made during the three year period as settled (not target); and

Any other payments or form of wealth received by the executive as reported in the compensation table for the applicable three-year period.

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The Company believes the structure of our compensation program which min