

including (a) use of the Nominating Committee to nominate directors, (b) the opportunity for members to petition to nominate additional director candidates, and (c) approval of the proposed amendments by the Board of Directors in accordance with the prescribed time frames. All such requirements are hereby waived, and the actions taken in contravention of all such requirements are hereby ratified.

Exhibit B

November 4, 2003

Dear Member:

I am writing to ask your support in reforming the governance and management architecture of the New York Stock Exchange, Inc. This will require that you change the Constitution to achieve the following objectives:

(1) Place responsibility for governance, compensation and internal controls, as well as for supervision of regulation, in the hands of a Board of Directors that is independent both from NYSE management and from the members, member organizations and listed companies.

(2) Separately preserve the existing engagement of the broker-dealer community and listed company community with the NYSE by creating a Board of Executives that will also include the executives of major public and private "buy side" entities as well as lessor members.

(3) Make transparent our governance process, its participants, their compensation, and our charitable donations and political contributions.

I also seek "fast track" authority from you to effect these changes and enable the new, independent Board to appoint the Board of Executives and to otherwise assume its responsibilities immediately following your vote.

Background

You know the background. The Exchange has evolved over many years, and its Board and management have had to deal with industry, issuer, operational and governance issues of increasing complexity. Recently, we have all been embarrassed by a set of problems that has hurt the Exchange and revealed the clear need to change our structure and processes at the top.

Proposal

I am asking that we reconstitute our Board. It will have between six and twelve members, all of whom will be independent, as well as a Chairman and a Chief Executive Officer (if he or she is not also the Chairman). The directors will be fiduciaries owing their loyalty to

the NYSE. The proposed slate is as follows:

- (1) Madeleine K. Albright
- (2) Herbert M. Allison, Jr.
- (3) Euan D. Baird
- (4) Marshall N. Carter
- (5) Shirley Ann Jackson
- (6) James S. McDonald
- (7) Robert B. Shapiro
- (8) Sir Dennis Weatherstone

If you elect these individuals as your initial Board, they will serve until June 2004. Thereafter, the entire Board will stand for election in June of each year.

It is important that the role and responsibility of the Board be clear and that a mechanism for self-appraisal and continual improvement be in place.

This letter and the attached proxy statement describe this for your information—in essence, the Board's responsibilities are to supervise our regulatory function; monitor marketplace performance and competitive position; engage with and approve strategy; hire, fire and pay the management; ensure an appropriate management succession plan; and ensure appropriate behavior.

In order for the NYSE to function effectively and continue as a spokesperson for the industry, the Board and our management must engage with the member owners and with senior voices from our constituents—our listed companies, the buy side and sell side entities, and the trading Floor. To this end:

(1) The Board of Directors will appoint a Board of Executives made up of approximately 20 constituent representatives, balanced among the major broker-dealers, the "Floor," lessor members, institutional investors and large public funds, and listed companies. Members of the Board of Executives will have the same fiduciary duties to the NYSE as its officers have.

(2) The Board of Executives will meet at least six times a year and will discuss Exchange performance, membership issues, listed company issues and public issues relating to market structure and performance.

(3) The Board of Directors will meet with the Board of Executives in joint session several times during each year contemporaneous with its own meetings, and will receive reports of the deliberations of the Board of Executives. Members of the Board of Executives will serve on some of the Committees with members of the Board of Directors.

(4) The Board of Directors will stay in touch with the membership in a variety of ways, including meeting separately at the end of each year with the lessor and Floor representatives on the Board of Executives.

In order to work effectively, the Board of Directors will need to appoint several Committees. Given the Board's small size, it can also simply appoint Committee Chairmen and function as a Committee of the whole.

Each year following its election, the Board will organize itself. As of this writing, I anticipate that the Board will have:

(1) An Audit Committee and a Regulatory Oversight & Regulatory Budget Committee to ensure proper controls and regulatory supervision are in place.

(2) A Human Resources & Compensation Committee to ensure that we have good management that is paid appropriately.

(3) A Nominating & Governance Committee to ensure that the Board of Directors and Board of Executives function well and that appropriate people are nominated for the Board and appointed to the Board of Executives.

The Board will also appoint some of its members to Committees (joint with Board of Executives members) dealing with the Quality of Markets, Market Structure and Strategy, Finance, and appeals of disciplinary actions and delistings. The Board will create and combine committees as warranted.

Leadership of the Board and Management

The Board will choose a Chairman and a CEO annually in June. If the Board of Directors identifies a person able to lead both it and the Board of Executives and to discharge the functions of chief executive, it may combine the two roles. Otherwise, it will select a different person for each role. I will continue in both roles until the new Board of Directors chooses my successor(s), which I hope will be before the end of this year. I have indicated to the Board nominees my willingness to thereafter remain on the Board, if appropriate.

Transparency

The workings of the Board of Directors and its governance must be transparent. To that end:

(1) Prior to the Annual Meeting, we will publish a proxy statement disclosing the Board Committee charters and the Committee reports on their activities for the year; membership on the Board, on the Board of Executives, and on the various standing and advisory Committees; the facts establishing each Board member's independence, including any non-director relationship between Board members and the NYSE itself and any material relationships among Board members; and Board compensation.