

(2) We will publicly disclose information regarding the means by which members and investors may communicate with the NYSE's non-management directors.

(3) The annual report of the Human Resources & Compensation Committee will detail compensation decisions for the top five officers, the existence of any contracts for these individuals and the compensation for the top management team as a whole. The Committee will detail the competitive comparisons and performance judgments that guided their recommendations.

(4) The Nominating & Governance Committee will explain its nominations and make public the procedures that are in place to ensure that appropriate potential nominees are found and considered.

(5) The Board of Directors will detail the considerations that lead to membership on the Board of Executives, and the current membership. A report of the activities of the Board of Executives will be included in the proxy statement.

(6) The various advisory committees of the NYSE will be identified and described, and their members listed in the proxy statement.

(7) An annual report detailing the charitable activities of or on behalf of the Exchange, including the activities of the NYSE Foundation, will be included with the proxy statement.

(8) A report disclosing NYSE political activities, including a list of political contributions made by any NYSE PAC, will be made available prior to the annual meeting.

Rationale

The logic supporting these proposed changes is straightforward.

(1) The NYSE needs a competent, engaged Board without conflicts and dedicated to the NYSE's long-term interests.

(2) The NYSE will not recover its voice and legitimacy as leader of the U.S. capital markets until it is seen as an example of good corporate governance and capable of properly managing its own affairs. An "insider board" is not acceptable—not in general and certainly not as a supervisor of our regulatory responsibilities.

(3) The members of the Exchange need to be kept informed of Board decisions and have access to the Board through full disclosure, direct interaction, an annual meeting and an open election of the Board itself.

(4) The NYSE has to be deeply engaged with listed companies and buy and sell side firms, as well as member owners, through substantive, focused interaction.

Engagement on the Proposals

This letter seeks to highlight some of the most important changes that I propose in your governance architecture and the reasons why I recommend them to you.

To assure that you understand my proposals and to afford you the opportunity to ask questions, I plan to hold several meetings in various locations. You are invited to attend any of the following meetings at the location of your choice:

Wednesday, November 5: Washington, DC

Friday, November 7: Boca Raton, Florida

Monday, November 10: Philadelphia, Pennsylvania and New York, New York

Wednesday, November 12: Cleveland, Ohio and Chicago, Illinois

Friday, November 14: Los Angeles, California

Saturday, November 15: San Francisco, California

Please call this toll-free number if you plan to attend and we will give you the details: 1-888-410-7850. You may also contact us via email at governance@nyse.com.

Proxy Statement and Ballot

The matters to be acted upon are described more fully in the accompanying Proxy Statement.

I urge you to read it carefully and to vote in favor of the proposals.

If I can have your support, we will have a solid and independent Board of Directors directly elected by the members, and a Board of Executives able to ensure our continued centrality to constituent concerns. This arrangement will serve you, the Exchange itself and most importantly, the investing public.

I ask for your vote.

Best,

/s/ John S. Reed,

John S. Reed.

NEW YORK STOCK EXCHANGE, INC.

11 Wall Street

New York, New York 10005

NOTICE OF SPECIAL MEETING

To be held November 18, 2003

To the Members:

Proposal 1. Amend and Restate the Constitution in the form attached as Annex A.

Proposal 2. Election of eight (8) directors.

Only members of record and in good standing at the close of business on November 18, 2003 will be entitled to

vote at this meeting or at any adjournments thereof.

By Order of the Interim Chairman of the Board,

/s/ Darla C. Stuckey

Darla C. Stuckey, *Secretary*

November 4, 2003.

IMPORTANT: To ensure that you are represented at the Special Meeting, please vote in one of these ways:

- **USE THE TOLL-FREE NUMBER shown on your proxy card;**
- **VISIT THE WEBSITE noted on your proxy card to vote via the Internet;**
- **MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid express mail envelope to IVS Associates, Inc., 111 Continental Drive, Suite 210, Newark, Delaware 19713, or by FAX to 302-369-8486; OR**
- **VOTE IN PERSON by appearing at the Special Meeting and submitting a ballot at the meeting.**

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ANNEX A—Amended and Restated Constitution

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ANNEX C—Diagram: Proposed NYSE Governance Architecture

NEW YORK STOCK EXCHANGE, INC

The New York Stock Exchange, Inc. is the world's premier equities market. A broad spectrum of participants, including individual investors, institutional investors, listed companies, and members and member organizations, create the NYSE auction market. The NYSE is committed to serving the interests of public investors in equities by maintaining the most efficient, liquid, fair and orderly markets in the world.