

The NYSE, founded in 1792, is a New York not-for-profit corporation which was first incorporated in 1971. The NYSE's executive offices are located at 11 Wall Street, New York, New York 10005; telephone: (212) 656-3000.

MEETING AND SOLICITATION

The Proposals

This Proxy Statement is being furnished to NYSE members in connection with the solicitation of proxies for use at a special meeting to be held on November 18, 2003, at 4:30 p.m. New York time, in the Board room at the New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005 (the "Special Meeting"). The purpose of this Special Meeting is for you to consider and vote upon a proposal to approve an amended and restated Constitution, which provides for a number of significant changes to the governance of the NYSE, and to elect a new Board of Directors of the NYSE upon adoption of the amended Constitution. If elected, these directors will serve until the next annual meeting of members, scheduled for June 3, 2004.

The Interim Chairman of the Board recommends that you vote FOR the proposal to amend and restate the Constitution and FOR the election of the new Board of Directors. This Proxy Statement and the accompanying proxy card were first sent to members on November 4th, 2003.

Vote of Members; Notice; Quorum

Each regular member in good standing shall be entitled to one vote on the proposal to amend and restate the Constitution and on each position to be filled. Each physical access member in good standing shall be entitled to one vote, and each electronic access member in good standing who became such prior to March 30, 1986 shall be entitled to one-half vote. All members of record in good standing on the date of the mailing of notice are entitled to notice of the Special Meeting and those members in good standing as of the date of such meeting, or at any adjournment, are entitled to vote at the meeting. As of the date of this notice, there are 1365 regular members and 4 physical access members in good standing, and 2 electronic access members in good standing who became such prior to March 30, 1986 (one-half vote each).

The amended and restated Constitution shall be authorized by a majority of the votes cast by the members entitled to vote thereon, in person or by proxy, at the Special Meeting, if a quorum is present. Members entitled to cast a majority of the total number of votes entitled to be

cast (1370), present in person or by proxy will constitute a quorum.

Proxies; Revocation

If you vote by signing a proxy, your votes at the Special Meeting will be cast as you indicate on your proxy card. If no instructions are indicated on your signed proxy card, your votes will be cast FOR the approval and adoption of the amended and restated Constitution and FOR the election of the new Board of Directors. If you cast your votes through the Internet or by telephone or fax, your votes will be cast at the Special Meeting as instructed.

You may revoke your proxy at any time before the proxy is voted at the Special Meeting. A proxy may be revoked prior to the vote at the Special Meeting in any of three ways:

- by submitting a written revocation dated after the date of the proxy that is being revoked to the Secretary of the New York Stock Exchange, Inc., 11 Wall Street, New York, NY 10005;
- by submitting a later-dated proxy by mail, telephone, fax or Internet; or
- by attending the Special Meeting and voting by paper ballot in person.

Attendance at the Special Meeting will not, in itself, constitute revocation of a previously granted proxy.

The NYSE will pay the costs associated with printing this Proxy Statement and soliciting proxies for the Special Meeting. Our officers and employees may solicit proxies by telephone, mail, the Internet or in person. We have retained MacKenzie Partners, Inc. to assist us in the solicitation of proxies, using the means referred to above, and will pay fees of up to \$15,000, plus reimbursement of out-of-pocket expenses.

Adjournments

If no quorum exists of members present or represented by proxy, the Special Meeting shall be adjourned to reconvene at the same time and place on the day two weeks thereafter by members who are present or represented by proxy. If a quorum shall not then be assembled, the meeting shall be dissolved and the proposed amendment shall not become effective. At the adjourned meeting, if a quorum is present or represented by proxy, the members may transact any business that might have been transacted at the original meeting.

Confidential Voting

It is the Exchange's policy that all proxies, ballots, and voting tabulations, including telephone, Internet and fax voting, that identify members be kept confidential. The Exchange has engaged

IVS Associates to count the votes represented by proxies, ballots and cast by phone. Creighton Dunlop and William Marsh, employees of IVS, will be appointed Inspectors. The Exchange will pay IVS a fee of \$5,500 plus reasonable out-of-pocket expenses for this service.

THE PROPOSALS

At the NYSE Special Meeting, NYSE members will be asked to vote upon a proposal to amend the Constitution to enhance the NYSE's corporate governance structure. To implement the proposed corporate governance reforms, members will also be asked to vote for the election of directors. Approval of the amendments to the NYSE Constitution is a condition to the election of the nominees for directors. Therefore, if NYSE members wish to approve the new slate of directors, they must also approve the amended and restated Constitution.

Background and Reasons for the Proposals

Recent events have demonstrated that the NYSE's corporate governance structure has not kept pace with either the best practices in corporate governance that have developed over the last three decades or the tremendous changes in the nature of the Exchange's constituents. Just as corporate America is re-examining and improving its own corporate governance in the context of a changing environment, so too must the NYSE.

In March 2003, Securities and Exchange Commission ("SEC" or "Commission") Chairman William H. Donaldson asked the New York Stock Exchange, Inc. and the other self-regulatory organizations to review their corporate governance in light of the broad review of governance practices throughout corporate America, to ensure that their governance structures and practices serve the public well. In April 2003, the NYSE Board created the Special Committee on Governance of the NYSE and charged it with reviewing the NYSE's governance with a view to making appropriate reforms. In June 2003, the Special Committee issued an Initial Report to the Board, which contained ten governance reforms that the Board put into effect immediately.

The Special Committee continued its work through the summer, reaching out to a broad range of individuals and organizations representing investors, listed companies and members. The Special Committee held five days of hearings in which it heard testimony from 32 groups and individuals. It received six additional written