

directors, (b) the opportunity for members to petition to nominate additional director candidates, and (c) approval of the proposed amendments by the current Board of Directors in accordance with the prescribed time frames.

In light of these extraordinary circumstances, it is possible that other governance reforms may be appropriate, or that those included in the amended and restated Constitution or in this proxy statement may require modification. The Exchange will have several means of addressing such issues, if they arise, including: (a) amendment of the Constitution by the members, (b) amendment by the Board of those provisions of the Constitution that permit such amendment by the Board, subject to the requirement that the membership be notified in advance, and (c) to the extent consistent with the Constitution, adoption by the Board of appropriate rules, various charters and other ancillary documents.

Effectiveness of Constitutional Amendments

The NYSE is a self-regulatory organization and national securities exchange registered with the SEC pursuant to the Act. The NYSE is required to file with the SEC copies of any proposed rule change, including these Constitutional amendments. Under the Act, unless otherwise permitted, these Constitutional amendments will not take effect until approved by the SEC. The Act provides for public notice of these Constitutional amendments, for public comment, and for specific time periods for SEC action.

PROPOSAL 1—Constitutional Amendments

The Interim Chairman of the Board recommends a vote FOR adoption of the following resolution, which will be presented at the meeting:

RESOLVED, that the recommendation by the Interim Chairman of the Board to amend and restate the Constitution in the form attached as Annex A to this Proxy Statement be and hereby is approved.

PROPOSAL 2—Election of Directors

The Interim Chairman of the Board recommends a vote FOR the election of the following directors:

- (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

NOMINEES FOR ELECTION AS DIRECTORS

The number of directors to be elected is eight (8). The designated proxy holders of the Exchange intend, unless otherwise instructed, to vote all proxies for the election of the following eight nominees. If elected, they will hold office until the next annual meeting (June 2004), or until their successors are elected and qualified. Thereafter the Board will stand for election every year. The following provides information about each nominee as of November 4, 2003, including his or her business background.

Name, Principal Occupation and Certain Directorships

MADELEINE K. ALBRIGHT— Age 66.

Dr. Albright served as the 64th Secretary of State of the United States. She was the first female Secretary of State and is the highest-ranking woman in the history of the U.S. government. Her autobiography, *Madam Secretary: A Memoir*, was published in September 2003. Dr. Albright is the founder of The Albright Group LLC, a global strategy firm. Dr. Albright is the first Michael and Virginia Mortara Endowed Distinguished Professor in the Practice of Diplomacy at the Georgetown School of Foreign Service and the first Distinguished Scholar of the William Davidson Institute at the University of Michigan Business School. She is also the Chairman of The National Democratic Institute for International Affairs, Chair of The PEW Global Attitudes Project and President of the Truman Scholarship Foundation. From 1993–1997, Dr. Albright served as the United States Permanent Representative to the United Nations and as a member of the President's Cabinet and National Security Council. In 1995, she led the U.S. delegation to the UN's Fourth World Conference on Women in Beijing, China. Dr. Albright was the Director of Women in Foreign Service Programs and a Research Professor of International Affairs at Georgetown University during the decade prior to her return to public service. From 1989–1992, she was President of the Center for National Policy, a non-profit public policy organization based in Washington D.C. From 1978–81, Dr. Albright was a member of President Carter's National Security Council and White House staff. From 1976–78, she served as Chief Legislative Assistant to U.S. Senator Edmund S. Muskie. Dr. Albright received her B.A. with Honors

from Wellesley College, Masters and Doctorate from Columbia University's Department of Public Law and Government, as well as a Certificate from the Russian Institute.

HERBERT M. ALLISON, JR.— Age 60.

Mr. Allison became chairman, president and chief executive officer of Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA–CREF) on November 1, 2002. He joined TIAA–CREF after a 28-year career at Merrill Lynch & Co., where he last served as president and chief operating officer. After leaving Merrill Lynch in mid-1999, Mr. Allison served as national finance chairman for Senator John McCain's presidential campaign. Prior to his move to TIAA–CREF, he was president and chief executive officer of the Alliance for Lifelong Learning, a nonprofit venture of Oxford, Stanford and Yale universities. Mr. Allison is currently vice chairman of the United Negro College Fund and serves on the Yale Investment Committee, and on the Advisory Council of the Yale School of Management. President George W. Bush recently appointed him to the board of the Vietnam Education Foundation, a new federal agency, which he now chairs. Mr. Allison is a former board member of the National Association of Securities Dealers and Nasdaq and past chairman of the Stanford Business School Advisory Council. He graduated from Yale College and served as an officer in the U.S. Navy before earning an M.B.A. from Stanford.

EUAN D. BAIRD— Age 66.

Mr. Baird, a native of Aberdeen, Scotland, is the Chairman of Rolls-Royce plc, having been appointed in February 2003. He is also the retired Chairman, President and Chief Executive Officer of Schlumberger. Mr. Baird joined Schlumberger in 1960 as a field engineer and was elected Chairman of the Board, President and Chief Executive Officer in 1986. He retired from Schlumberger in 2003. Mr. Baird currently serves as Trustee of the Carnegie Institution of Washington since 1998; as Trustee of the Tocqueville Alexis Fund (formerly the Haven Fund) since 1994; as a member of the Prime Minister's Council of Science and Technology in the UK since 2000; as a member of the Advisory Committee of Banque de France since November 2001; and on the Boards of ScottishPower, Areva, and Société Générale since 2001; and on the Board of InterContinental Exchange since 2002. He attended Aberdeen University and Trinity College, Cambridge receiving an M.A. in Geophysics from