

ADVISORY COMMITTEES TO THE  
NEW YORK STOCK EXCHANGE BOARD OF DIRECTORS

DOMESTIC ADVISORY COMMITTEES

- o EXCHANGE TRADERS ADVISORY COMMITTEE - Chartered in January 1985 to advise the Board on ways to strengthen the efficiency and expand the usage of Exchange markets, and to review policy issues that affect Exchange traders. The Committee consists of 12 representatives from major NYSE member organizations who originate institutional or retail order flow on the NYSE trading floor, and whose responsibility within their firm allows them to reflect the firm's views and concerns on matters addressed by the Committee. The Committee also provides advice to the Exchange staff on:
  - The impact of proposed trading rules and related matters on the needs and interest of Exchange traders; and
  - Strengthening communications between the Exchange and Exchange traders.
  
- o INSTITUTIONAL TRADERS ADVISORY COMMITTEE - Formed in June 1974 to advise the NYSE Chairman on policies and procedures for strengthening the efficiency of Exchange markets. In June 1976, the Committee was designated an advisory committee to the Board. In addition to its primary function, the panel, which is comprised of 15 representatives of leading financial investing institutions, provides assistance to the NYSE staff on:
  - The impact of proposed trading rules and related developments on the needs and interests of institutional investors; and
  - Developing ways to improve communications between the Exchange and investing institutions.
  
- o INDIVIDUAL INVESTORS ADVISORY COMMITTEE - Formed in January 1988 to advise the NYSE Board on policies and program which affect individual investors in equities, options, futures and fixed income securities. The Committee, which is comprised of up to 12 public representatives, also:
  - Reviews the impact of proposed rules and related matters on individual shareholders;
  - Recommends additional ways to provide fair and open markets for all investors;
  - Serves as liaison between individual shareholders and the NYSE Board; and
  - Enhances communications between individual investors and the NYSE.

(continued) ...

- o LEGAL ADVISORY COMMITTEE - Chartered in September 1978 to advise the NYSE Board and committees of the Board, especially the Public Policy Committee, on matters relating to corporate governance and other subjects involving broad legal issues or principles which directly or indirectly affect the Exchange, the securities industry, or the U.S. capital markets system. The Committee is made up of 19 representatives of the legal profession from many different geographical locations. The group possesses expertise in virtually all areas of corporate legal practice. The Committee provides assistance to the Exchange staff on policies relating to:
  - The NYSE Listed Company Manual;
  - ALI Corporate Governance Project;
  - Regulation of the financial services industry; and
  - Legal matters relating to industry rules and regulations.
  
- o LISTED COMPANY ADVISORY COMMITTEE - Chartered in December 1976 to assist the NYSE Board in reaching decisions that reflect the policy-related interests and concerns of listed companies. The Committee, which consists of up to 21 active chief executive or chief operating officers, also:
  - Provides a sounding-board for the NYSE staff with respect to contemplated policies and programs affecting listed companies' interest; and
  - Recommends policies or actions aimed at promoting the legitimate interests of listed companies.
  
- o REGIONAL FIRMS ADVISORY COMMITTEE - Formed in May 1973 to offer advice to the Exchange's Department of Member Firms on important securities industry issues affecting the Exchange's regional firms. In June 1976, the Committee was designated an advisory panel to the NYSE Board. The present membership consists of up to 19 individuals. Each must be a chief executive officer, president, managing partner or one of the top three executives of a NYSE regional firm. Eighteen of the current members represent firms with headquarters outside New York City in all sections of the country. The Committee provides its views on policy matters before the NYSE Board and;
  - Recommends policies and actions aimed at promoting the legitimate interests of regional firms; and
  - Provides a forum through which regional firms can communicate their needs, preferences and concerns.

(continued) ...

- o REGULATORY ADVISORY COMMITTEE - Chartered in September 1988, to advise NYSE Directors on issues of regulation, self-regulation and the regulatory system as they affect the NYSE, the securities industry and capital markets. The Committee is comprised of up to 19 members who have a broad-based knowledge of the regulatory process and practical experience in dealing with how regulatory issues are decided and the methods of implementing such decisions.
  
- o SPECIALTY FIRMS ADVISORY COMMITTEE - Chartered in September 1976 to provide liaison between the Exchange's Board of Directors and smaller NYSE member organizations in the New York City metropolitan area. The Committee's constituency includes the full spectrum of non-specialist firms in the metropolitan area which are neither national nor regional in scope. The Committee presently consists of 18 members, each of whom is a chairman, chief executive officer, president or managing partner of a NYSE member firm. The Committee's three major functions are:
  - To advise the Board of the impact on specialty firms of important policy decisions which the Exchange is considering;
  - To solicit and communicate to the Board the views of the Committee's constituency on the problems and needs of specialty firms which merit the Board's consideration; and
  - To recommend policies or actions aimed at promoting the legitimate interests of specialty firms.
  
- o UPSTAIRS TRADERS ADVISORY COMMITTEE - Formed in May 1975 to advise the NYSE Chairman on the extent to which NYSE and SEC rules and proposals may contribute to the quality and efficiency of NYSE markets. In June 1976 the Committee was designated an advisory committee to the Board on policies and procedures designed to enhance the efficiency of the Exchange's marketplace in an emerging National Market System environment. The present Committee is comprised of 17 senior officers of Exchange member firms who are involved, on a daily basis, in transacting large orders for individual and institutional investors. They also are responsible for exposing their firms' own capital to risk to facilitate the execution of large orders from their customers. The Committee also;
  - Provides guidance to the staff with respect to improving communications between the Exchange Floor and the upstairs trading desks of member firms.

(continued) ...

## INTERNATIONAL ADVISORY COMMITTEES

- o EUROPEAN ADVISORY COMMITTEE - Chartered in September 1985 to advise the NYSE Board on the views and attitudes of the European corporate community regarding the role of the NYSE in international matters. The Committee consists of up to 15 active or former chief executive officers of European-based companies or financial institutions. No more than two members are from any one country, other than the country of the Committee Chairman. The Committee's mission is to provide the Exchange with its views and opinions on:
  - Strengthening Exchange policies and programs dealing with the internationalization of the capital markets;
  - Facilitating multinational offerings of corporate securities;
  - Monitoring legislative and regulatory proposals that impose duties or responsibilities on corporate boards of directors of publicly owned issuers; and
  - Strengthening communications between the Exchange and the European corporate community.
  
- o INTERNATIONAL CAPITAL MARKETS ADVISORY COMMITTEE - Formed in November 1972 to advise the NYSE Chairman on policies to strengthen the U.S. as a world capital center and the NYSE as an international stock market. In June 1976 the Committee was designated an advisory panel to the NYSE Board. Originally comprised of 12 senior officers of NYSE member organizations with an intimate knowledge of international finance, the Committee's charter was revised in September 1981 and in August 1984 to broaden its responsibilities, increase the number of members and create three new categories of membership: chief financial officers or treasurers of NYSE-listed multinational corporations; former government officials with experience in the international area; and individuals affiliated with major financial institutions that are not NYSE members.

At present, the Charter calls for a maximum 21 members, including 14 senior officers of NYSE member firms; four chief financial officers or treasurers of NYSE multinational corporations, two ex-government officials affiliated with NYSE member organizations, private law firms or the academic community; and one individual affiliated with a non-NYSE international financial institution. The Committee;

- Receives and reacts to prospective Exchange policies and programs in the international arena;

(continued) ...

- Advises the Exchange on operating systems and procedures to facilitate trading in U.S. securities by non-U.S. residents;
  - Recommends programs to encourage foreign companies to list their securities in the U.S.; and
  - Advises the staff on fulfilling the Exchange's obligations as a member of the International Federation of Stock Exchanges.
- o JAPAN ADVISORY COMMITTEE - Formed in August 1988 to counsel NYSE Directors on the views and concerns of Japan's business and financial community. The 11 members of the Committee consist of active or former senior officers of major Japanese public companies and financial institutions. The Committee also provides assistance to the Exchange staff on matters relating to:
- international capital markets;
  - globalization of financial markets.

December 1988