

See Paragraphs 3 & 4

Termination pay.

March , 1945.

Mr. Emil Schram,
New York Stock Exchange,
11 Wall Street,
New York, N. Y.

Dear Mr. Schram:

Last July, your contract with the Exchange expired. We are all mindful of the tremendous progress the Exchange has made during the three and one-half years of your Presidency. Under your leadership, plans are being formulated greatly to expand the services of the Exchange in the foreign securities field. The plans which you are formulating will, in all probability, take several years to develop and carry out, and we are somewhat reluctant to proceed with these plans unless we can be assured that the Exchange will continue to have the benefit of your services over a period of years. We earnestly hope that you will agree to continue with the Exchange on the following terms and conditions:

1. The New York Stock Exchange agrees to employ you for a period of approximately fourteen years, commencing February , 1945, and ending December 31, 1958, this period is hereafter referred to as the Period of your Employment. During the Period of your Employment, the Exchange agrees to pay you as follows:

- (a) While you hold the office of President of the Exchange, at the rate of \$48,000 per year, payable in semi-monthly installments.
- (b) While you are employed by the Exchange in any capacity other than as President, at the rate of \$25,000 per year, payable in semi-monthly installments.

2. Under the Constitution of the Exchange, the President is elected to serve at the pleasure of the Board, and the Exchange cannot obligate itself to elect you President of the Exchange during the Period of your Employment or to retain you in office if you are so elected. You agree that at any time or from time to time during the period commencing on the date hereof, and ending with the organization meeting of the Board of Governors following the annual election of the Exchange in the year 1947, you will, if the Board chooses to elect you, accept the office and serve as President of the Exchange and of the affiliated companies of the Exchange. You will during such period faithfully discharge the duties of the office of President of the Exchange and also, if chosen, as President of the affiliated companies of the Exchange, and will use your best efforts to promote the interests of the Exchange and its affiliated companies. You shall not be obligated, however, to accept the office of President of the Exchange or of any of its affiliated companies after the organization

meeting of the Board following the annual election of the Exchange in 1947.

If during the Period of your Employment you shall not hold the office of President of the Exchange, you will render such services of an advisory nature as the Board of Governors may from time to time request in connection with the problems relating to the participation of the Exchange in the foreign securities field; the public relations of the Exchange; the relations between the Exchange and issuers of securities; the relations between the Exchange and its member firms and their customers; and legislation and prospective legislation affecting the securities business and the Exchange. Unless you hold the office of President of the Exchange, you shall not be obligated to perform any duties as an executive of the Exchange or its affiliated companies or to fill any office within the Exchange or its affiliated companies.

The advisory services which you hereby agree to render to the Exchange are to be rendered at such times as the Board of Governors may direct and you agree that you will, if required by the Exchange, render the advisory services at such places within the Americas and Europe as the Board of Governors may request; provided, however, that you shall not be obligated to be away from your home

for more than half of any calendar year in the aggregate on the business of the Exchange.

3. The Exchange agrees that, in the event that you should become so incapacitated at any time during the Period of your Employment as to be unable to fulfill the duties assigned you, the Exchange will pay you at the rate of \$25,000 per year commencing on the date you become incapacitated and terminating on December 31, 1958; provided, however, that such semi-monthly payments shall cease when the payments made pursuant to paragraph 1(b) hereof, plus the payments made under this clause 3 shall have been made for a period of ten years in the aggregate.

4. The Exchange agrees that in the event that you should die at any time during the Period of your Employment and leave a widow you surviving, the Exchange will make semi-monthly payments to your widow at the rate of \$25,000 per year payable in semi-monthly installments commencing on the date of your death and terminating on December 31, 1958; provided, however, that such semi-monthly payments shall cease when the payments made pursuant to paragraph 1(b) hereof, plus the payments, if any, made under clause 3, plus the payments made under this clause 4, shall have been made for a period of ten years in the aggregate; and further provided that if your widow

dies prior to December 31, 1958, the payments to be made to her hereunder shall cease on the date of her death.

5. The Exchange agrees to reimburse you for all expenses reasonably incurred by you in connection with services rendered by you at the request of the Exchange.

6. You and the Exchange agree that in the event (a) you should refuse or fail to observe or perform your agreements herein contained; (b) you should at any time prior to December 31, 1958, accept full time employment in any business; or (c) you should at any time prior to December 31, 1958 engage, or accept employment of any kind, in any business or enterprise similar to or in competition with the business of the Exchange or its affiliated companies or its member firms, then in any such event, this contract and all obligations of the Exchange hereunder shall forthwith terminate on the happening of any such event.

7. The Exchange has a Retirement Annuity Plan and an Employees' Group Life Insurance Plan. So long as the Exchange may maintain such a plan or plans and so long as you are an employee of the Exchange you will be

entitled to contribute to, and enjoy the benefits of, such plans in accordance with the terms and conditions thereof as from time to time in force.

8. Any payments which the Exchange agrees to make hereunder will be reduced by such amounts as are required to be withheld under and for the purposes of any Retirement Annuity Plan and Employees' Group Life Insurance Plan, under present and future social security, old age pension, income tax or other laws or regulations.

9. You and the Exchange agree that this contract is a personal contract and that the rights and interests hereunder (except those of the Exchange) may not be sold, transferred, assigned, pledged or hypothecated. During your lifetime you and the Exchange by mutual agreement may amend, modify or cancel this contract without the consent of any other person whomsoever.

10. You and the Exchange agree that the obligations of the Exchange hereunder are conditioned upon the Exchange obtaining any approval required under present or future laws or regulations.

If the terms set forth herein are satisfactory

to you, your acceptance on the line provided for that purpose will constitute the agreement between you and the New York Stock Exchange.

Very truly yours,

NEW YORK STOCK EXCHANGE

By _____
Chairman of the Board

Accepted:
