As filed with the Securities and Exchange Commission on April 30, 2001
File No. -

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10
GENERAL FORM FOR REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

The Nasdaq Stock Market, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	52-1165937
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
One Liberty Plaza New York, New York (Address of Principal Executive Offices)	10006 (Zip Code)

Registrant's telephone number, including area code:
212-858-4750

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Securities to be registered pursuant to Section 12(b) of the Act:

Not Applicable

Title of each class to be so registered	Name of each exchange on which each class to be registered

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, par value $.01 per share
(Title of class)

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Certain statements in this registration statement (the "Registration Statement") contain or may contain information that is forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors including, without limitation, the risks described in "Item 1. Business--Risk Factors" of this Registration Statement. Readers should carefully review this Registration Statement in its entirety, including, but not limited to, The Nasdaq Stock Market, Inc.'s ("Nasdaq") financial statements and the notes thereto. Nasdaq undertakes no obligation to publicly release any revisions to such forward-looking statements to reflect events or circumstances after the date hereof.

Item 1. Business.

Nasdaq Overview

Nasdaq, is the world's largest electronic, screen-based equity securities market and the largest equity securities market in the world based on dollar volume. Through its deployment of advanced technology, Nasdaq is positioning itself to become the world's first truly global securities market. Since its inception in 1971, Nasdaq has been at the forefront of innovation and a leader in utilizing technology to enhance the securities markets. Nasdaq's total share volume for the year ended December 31, 2000 increased approximately 63.5% compared to the year ended December 31, 1999 to 442.7 billion shares, which represented approximately 61.6% of the total shares traded in the United States. Dollar volume for the year ended December 31, 2000 increased 85.2% compared to the year ended December 31, 1999 to $20.4 trillion, approximately 62.9% of the dollar volume of all equity shares traded in the United States. For the year ended December 31, 2000, Nasdaq share volume averaged approximately 1.76 billion shares daily and the dollar volume on Nasdaq averaged $81 billion per day. In addition, the market value of Nasdaq-listed companies has increased over the last five years from $1.5 trillion at December 31, 1996 to $3.6 trillion at December 31, 2000, which represents approximately 22.3% of total U.S. equity market value compared to 17% five years ago.

There are approximately 4,700 companies listed on Nasdaq, making it the market of choice for more companies than any other U.S. equities market. As of December 31, 2000, Nasdaq was home to the highest percentage of publicly-traded technology and service companies in the U.S., including 77% of computer hardware and peripherals companies, 96% of computer networking companies, 87% of computer software and data processing companies, 87% of semiconductor companies, 72% of telecommunications and electronic companies, and 81% of biotechnology companies. In addition, as of December 31, 2000, there were over 480 foreign companies listed on Nasdaq, more than on any other U.S. equities market. Of all U.S. initial public offerings in the year ended December 31, 2000, 397 companies, or approximately 88% of initial public offerings on primary U.S. exchanges, were brought to market on Nasdaq and raised over $52.5 billion in equity capital.

Nasdaq's top 100 U.S. and international non-financial listed stocks, reflecting Nasdaq's largest growth companies across major industry groups, comprise the Nasdaq-100 Index(R). As of March 31, 2001, the companies in the Nasdaq-100 Index had an average market capitalization of approximately $16.1 billion and an average daily trading share volume of 11.8 million shares. From March 31, 1991 to March 31, 2001, the Nasdaq-100 Index rose by approximately 494%. In addition, the Nasdaq Composite Index(R) rose by approximately 282% over the same 10 year period, compared with an approximate 209% gain for the S&P 500 Index(R), an approximate 239% gain for the Dow Jones Industrial Average, and an approximate 190% gain for the NYSE Composite Index(R). The Nasdaq Composite Index measures all domestic and non-U.S. based common stocks listed on Nasdaq. This index is market-value weighted so that each company's security affects the index in proportion to its market value.

Nasdaq, initially an automated quotation system, has evolved into an electronic screen-based display and execution system to provide price discovery and high levels of liquidity for thousands of equity securities. Since its inception, Nasdaq has expanded its services through the innovative deployment of technology to provide better price discovery and trade executions, enhanced services for issuer listings, and broader information dissemination. Nasdaq has three main revenue sources:

- transaction services, which accounted for approximately 45.5% of Nasdaq's revenues for the year ended December 31, 2000;
- market information services, which accounted for approximately 29.8% of Nasdaq's revenues for the year ended December 31, 2000; and
- issuer services, which accounted for approximately 21.3% of Nasdaq's revenues for the year ended December 31, 2000.

Nasdaq's total revenues increased from $332.2 million for the year ended December 31, 1996 to $868.0 million for the year ended December 31, 2000,

representing a compounded annual growth rate of 27.2% that was primarily due to a strong increase in market information and transaction services revenues. Nasdaq's total revenues for the year ended December 31, 2000 of $868.0 million increased $233.8 million, or 36.9% from $634.2 million for the year ended December 31, 1999. The growth in revenues for the year ending December 31, 2000 was due primarily to the growth in trading volumes and market information services. See "Item 15. Financial Statements and Exhibits."

Industry Overview

Historically, stock markets have served as gathering points for buyers and sellers of securities. In the U.S., traditional stock markets operate in an order-driven "physical" environment-a single trading floor where orders are routed through a designated dealer called a specialist. Structured to respond to incoming orders, floor-based stock markets employ an auction system that channels trades for a particular stock through a specialist. This gives one specialist an exclusive franchise to make a market in a particular security. The basic function of a specialist is to maintain an orderly market while allowing public agency orders to interact with one another.

Development of advanced communication and computer technology, as well as certain regulatory developments, changed the needs and expectations of the securities industry. In response, a new stock market model was pioneered by Nasdaq in 1971: a quotation-driven, floor-less, screen-based, electronic dealer market model. This market linked widely dispersed buyers and sellers without the limitation of a single location or the restriction of channeling all trades through a single specialist. The Nasdaq model accommodates a system of multiple geographically dispersed market makers and alternative trading systems ("ATSs"). These ATSs that are linked together via a screen-based, electronic trading and execution system include both crossing systems and electronic communications networks ("ECNs")(1). Nasdaq information technology receives and then simultaneously broadcasts quotes representing investor orders or market maker interest to more than 500,000 computer terminals worldwide.

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(1) Crossing systems collect orders to buy and sell, and thereafter, at predetermined times match buyers and sellers in a batch processing mode. ECNs are formally defined in Rule 11 Ac1-1 of the Exchange Act. Their primary function is to act as a venue for the display of subscriber limit orders.

Market makers openly compete with one another for investors' orders and are responsible for providing continuous, two-sided quotes (the "bid" and "ask"). Excluding ECNs, which actively display orders in many stocks of Nasdaq-listed companies, there is an average of approximately 14 market makers for each stock traded on Nasdaq. Some of Nasdaq's more actively traded stocks far exceed this average and some stocks have over 80 market makers. Collectively, the market makers provide continuous depth (the numbers of buyers and sellers) and liquidity (the ease with which the market can absorb volume buying and selling without dramatic fluctuation in price) while maintaining an orderly market.

Nasdaq has evolved to incorporate features of both quotation-driven (dealer) and order-driven (auction) markets. The SEC Order Handling Rules of 1996 generally provide a means for investors to have their best-priced limit orders (orders to buy or sell stock at a specified price) displayed to all market participants. When an investor's limit order is priced better than the market maker quote to which the investor (or his broker) has given his limit order, the investor's order can determine the inside spread (the difference between a stock's best buy and sell price). Nasdaq's implementation of these rules further enhanced both the depth and liquidity of the market.

The securities industry is once again undergoing sweeping changes, spurred by factors such as: rapid advances in information technology (in particular the Internet); globalization of securities trading; the dramatic increase in trading volume in the stock markets; regulatory changes (in particular the Order Handling Rules and the SEC's Regulation ATS); and the emergence of ATSs. These changes present the securities industry with the challenge of developing a stock market model that can provide a natural center of liquidity and depth and, therefore, of price discovery. To be successful, a stock market may be required to provide globally dispersed buyers and sellers round-the-clock stock price quotation and immediate execution of trades in a low-cost environment.

Nasdaq's Strategic Initiatives

Nasdaq's strategic initiatives include enhancing its market structure, pursuing global market expansion through the creation of Nasdaq Japan, Inc. ("Nasdaq Japan") and Nasdaq Europe S.A./N.V. and exploring alliances with foreign exchanges, competing for listings, competing for trading volume in exchange-listed securities, and creating a market for listing and trading single stock futures.

Enhancing Market Structure.

Nasdaq National Market ("NNM") Execution System. The NNM Execution System (also known as "SuperSOES(sm)") is an improved order execution system designed to provide automatic execution capability for market makers and order entry firms and streamline Nasdaq's transaction systems. The NNM Execution System will combine features of the existing SelectNet(R) and Small Order Execution System ("SOES(sm)"). SelectNet is an order delivery and negotiation system that facilitates order execution. It currently links all market participants that trade Nasdaq stocks and is the primary system that market makers use to trade with one another. SOES currently provides for the automatic execution of small orders of public customers. The

central purpose of the NNM Execution System is to encourage and assist market participants to provide liquidity by increasing their ability to manage the receipt and execution of the dramatically increased volume of orders prevalent in today's Nasdaq market.

Among other things, NNM Execution System rules:

- permit automatic execution of both customer and market maker proprietary orders against the best priced quote in the market;
- establish a larger maximum automatic execution order entry size of up to 999,999 shares for NNM securities;
- reduce time delays between NNM executions against the same market maker at the same price level; and
- enable system interaction with a market maker's reserve size in NNM securities.

The new system was recently approved by the SEC and is tentatively scheduled to begin operating in the third quarter of 2001.

Nasdaq Order Display Facility. On January 10, 2001, the SEC approved a rule proposal to establish the Nasdaq Order Display Facility ("SuperMontage(sm)") to improve the Nasdaq market structure and make it a strong natural center of liquidity. SuperMontage, a fundamental market enhancement, is an improved user interface designed to refine how market participants can access, process, display, and integrate orders and quotes in Nasdaq. SuperMontage has several strategic implications. First, it is intended to attract more orders to the Nasdaq market by providing a comprehensive display of the interest at or near the inside market (i.e, the highest bid and the lowest offer for a security, which is also called the "inside quote"). Second, SuperMontage is intended to increase competition and market transparency. Third, SuperMontage will provide pre-trade anonymity to market participants using a Nasdaq system. As such, prior to execution, no one will know the identity of the firm displaying the order unless such firm reveals its identity.

In the January 10 approval order, the SEC imposed certain conditions on both Nasdaq and the National Association of Securities Dealers, Inc. (the "NASD") that must be met prior to the implementation of SuperMontage. These conditions include that:

- the NASD will offer a quote and trade reporting alternative that satisfies the Order Handling Rules, Regulation ATS, and other regulatory requirements for ATSs and market makers;
- NASD quotes disseminated through the exclusive securities information processor ("ESIP") will identify the ATS or market maker source of the quote; and
- participation in SuperMontage will be entirely voluntary.

Assuming these conditions can be met and Nasdaq can successfully implement SuperMontage, Nasdaq will add SuperMontage to the Nasdaq Workstation II(R) ("NWII"), which will show the top three price levels: the best bid/best offer in Nasdaq, and the two subsequent price levels. In each case, this display will be accompanied by the aggregate order size at each price level. Nasdaq market makers and ECNs that are members of The Nasdaq Stock Market will be able to display their orders anonymously at these price levels in SuperMontage, thus encouraging display of greater trading interest. As currently envisioned, SuperMontage displays the aggregate trading interest in a security at the top of the screen by aggregating multiple levels of trading interest of identified market participants and any non-identified interest that exists in such security, which is entered into the Nasdaq system. Market participants will be able to access the best prices in SuperMontage electronically using enhanced versions of Nasdaq's NNM Execution System and SelectNet services. Thus, Nasdaq will provide order delivery and automatic execution against the prices displayed in SuperMontage. Nasdaq will continue to offer the ability for market participants to negotiate transactions with specific market makers and ECNs electronically at sizes above the quote size in Nasdaq.

By allowing (but not requiring) market participants to give the Nasdaq system multiple orders at a single as well as at multiple price levels, SuperMontage will assist market participants with the management of their back book, i.e., orders that are not at the top price point in the market maker's book/system. This functionality will also assist market participants with compliance with the Order Handling Rules. Other system enhancements will make it easier for ECNs to participate in automatic execution.

Pursuing Global Market Expansion. The forces of technology and deregulation are accelerating the pace of globalization in the trading and processing of securities. Nasdaq believes that the foundation to create a global exchange should be built on a strong regional presence in the dominant capital centers of the world. At this time, those centers are the United States, Europe, and parts of Asia, particularly Japan. By establishing centers for price discovery and trading in these key regions, the foundation will be developed for electronically linking these markets to establish a global platform.

Nasdaq Japan. In June 1999, a joint venture agreement was entered into with SOFTBANK Corp. of Japan to capitalize a new company, Nasdaq Japan Planning Company, Inc. (subsequently renamed Nasdaq Japan, Inc.), which is undertaking to develop and implement a new electronic stock market in Japan as a section of the Osaka Securities Exchange (the "OSE"). On April 19,

2000, Nasdaq Japan signed a Business Collaboration Agreement with the OSE to establish Nasdaq Japan Market as a new market section of the OSE. The Nasdaq Japan Market began operations on June 19, 2000. In its first phase of operations, prior to its deployment of Nasdaq/Indigo Markets technology, Nasdaq Japan will recruit initial public offerings of companies for listing and will trade these securities on the existing OSE system. As of March 31, 2001, 41 companies are trading on the interim trading platform. The Nasdaq Japan Market operates under the umbrella of the OSE, which provides regulatory and listing review as well as clearance and settlement services. In addition, Nasdaq Japan intends to be competitive in the trading of U.S. listed securities and exchange-traded funds ("ETFs") in Japan, with the trading of the Nasdaq-100 QQQ ETF planned to begin in 2001.

On October 24, 2000, Nasdaq Japan sold in a private placement transaction an approximately 15 percent stake for approximately $48 million to a group of 13 major Japanese, U.S., and European brokerages, thereby reducing the ownership interest of Nasdaq Global Holdings ("Nasdaq Global") in Nasdaq Japan to approximately 39 percent. Nasdaq Global is a wholly- owned subsidiary of Nasdaq. Ten of the new investors sit on an advisory council that recently elected one director to represent them on Nasdaq Japan's seven member board. The proceeds of this private placement will be used primarily for working capital and the development of a more sophisticated and efficient share-trading platform.

Nasdaq Europe S.A./N.V. In March 2001, Nasdaq acquired an initial 68% stake in EASDAQ S.A./N.V. ("EASDAQ") with an immediate aim to dilute its interest to 51% through the introduction of other strategic partners as shareholders. EASDAQ is a pan-European stock market for emerging growth companies and is headquartered in Brussels. Under the agreement, Nasdaq has restructured EASDAQ into Nasdaq Europe S.A./N.V., which expects to become a globally linked pan-European market. By the end of the second quarter of 2001, it is expected that Nasdaq Europe S.A./N.V. will launch the newly developed European Trading System ("ETS"). ETS is expected to offer similar functionality as The Nasdaq Stock Market while being adaptable to the needs and requirements of the European market. In addition, Nasdaq Europe S.A./N.V. intends to introduce a hybrid market model (similar to SuperMontage) customized to European best practices later this year. This market model will integrate market maker quotes into an anonymous, voluntary limit order book and provide expanded negotiation facilities and trade reporting.

Canadian Alliance. In April 2000, Nasdaq entered into a cooperative agreement with the Provincial Government of Quebec for the development of a new securities market within Canada called Nasdaq Canada. Nasdaq Canada will be developed in stages, and may culminate in the creation of an autonomous pan-Canadian market. The first stage commenced on November 21, 2000 with the installation of Nasdaq terminals in 10 Canadian securities firms in Montreal, Canada. These terminals allow these firms to trade Nasdaq- listed securities directly through their local broker, including the over 40 Canadian firms previously listed solely on Nasdaq in the United States. The second stage is scheduled to commence following the implementation of SuperMontage.

Competing for Listings. Nasdaq will continue to pursue new listings aggressively. As of December 31, 2000, there were 4,734 issuers listed on Nasdaq. From January 1 through December 31, 2000, 397 new issuers listed on Nasdaq following their initial public offerings, which raised over $52.5 billion. Since 1990, over 88% of companies having initial public offerings on primary U.S. markets have chosen to list on Nasdaq. Nevertheless, Nasdaq's overall number of listings has declined in each of the last five fiscal years from a record high of 5,556 listings as of December 31, 1996 as a result of Nasdaq imposing more rigorous listing standards and consolidation of listings due to increased merger and acquisition activity. Nasdaq's strategies for maintaining its current listings and gaining new listings include marketing and building brand identity, contacting key decision makers, and providing value-added issuer services.

Marketing. Marketing efforts center on creating a valuable brand-an important factor in attracting and retaining large world class growth companies. Nasdaq's branding strategy is designed to convey to the public that the world's innovative, successful growth companies are listed on Nasdaq. New and existing companies value being listed on a market that is recognized around the world, and that helps position them as highly attractive to investors of all types. Nasdaq employs a variety of initiatives and tools in its marketing efforts, including media advertising, Internet publishing (Nasdaq.com), and international road shows.

Contacting Key Decision Makers. Nasdaq's issuer services directors are continually engaged with each key Nasdaq-listed company. A schedule of calls and visits along with contact with various industry and market forums are used to enhance customer satisfaction, keep companies informed of new developments at Nasdaq, and discuss the benefits of a listing on Nasdaq. Nasdaq also has created a program to educate investment bankers, capital market dealers, institutional investors, and other constituencies that influence listing decisions.

Issuer Services. Nasdaq provides value-added information services, products, and programs to Nasdaq-listed companies. This combination of online real time data and analytical information, along with a series of seminars and other programs, is designed to help management of listed companies make better equity management decisions. Nasdaq offers a variety of value-added products and services to Nasdaq-listed companies, and each company is assigned a Nasdaq issuer service director.

Competing for Trading Volume in Exchange-Listed Securities. Nasdaq InterMarket consists of exchange-listed stocks traded off the floor of an exchange. For the year ended December 31, 2000, Nasdaq InterMarket accounted for approximately 10.6% of trades in stocks listed on the New

York Stock Exchange, Inc. (the "NYSE") and approximately 16.2% of trades in stocks listed on the American Stock Exchange LLC ("Amex"). The vast majority of Nasdaq InterMarket trades are reported to the Consolidated Tape Association ("CTA") Plan by two major wholesale market makers. One ECN currently quotes in Nasdaq InterMarket; other ECNs report trades through Nasdaq systems to CTA and some are planning to begin quoting in Nasdaq InterMarket. Additionally, there is significant trading activity accounted for by NASD members that trade exchange-listed stocks away from a registered exchange. The Nasdaq-like open architecture of Nasdaq InterMarket allows market participants to provide fast, low-cost executions for the sector of the market accounted for by online traders.

The current business environment provides the opportunity for a vigorous Nasdaq InterMarket effort to increase market share by encouraging additional market makers and ECNs to participate. Nasdaq InterMarket operates a transaction credit program designed to lower costs for InterMarket participants executing trades through Nasdaq facilities. The program allows InterMarket participants to share in the tape revenue Nasdaq receives as the participant in the CTA Plan. In addition, in May 2000, Nasdaq redesigned certain systems to improve the InterMarket trading environment. As more quotes and orders are displayed within Nasdaq InterMarket, trading among its participants could expand, increasing the value of the Nasdaq facilities that support Nasdaq InterMarket.

Creating a Single Stock Futures Market. On March 20, 2001, Nasdaq entered into a non-binding letter of intent and is currently negotiating a definitive agreement with the London International Financial Futures and Options Exchange ("LIFFE") to create a new U.S. joint venture company that will list and trade single stock futures. The products of the new joint venture are expected to be traded through the LIFFE CONNECT(TM) electronic system.

Products and Services

Nasdaq's revenue sources can be classified into three principal categories: (1) transaction services, which accounted for approximately 45.5% of Nasdaq's revenues for the year ended December 31, 2000; (2) market information services, which accounted for approximately 29.8% of Nasdaq's revenues for the year ended December 31, 2000; and (3) issuer services, which accounted for approximately 21.3% of Nasdaq's revenues for the year ended December 31, 2000.

Transaction Services. Transaction services provide dealers and traders with price discovery, order routing and processing, and trade reporting and comparison tools supported by key technologies.

Dissemination of Quotes. Nasdaq provides quotation collection, processing, and dissemination to its market participants. Subscribers to the system pay a monthly fee based generally on the number of display terminals used by the subscriber. Using the network, market makers and ECN operators enter quotes that are then processed and broadcast to all other subscribers. The highest bid and lowest offer combine to set the inside market.

Order Routing and Processing. Historically, orders for Nasdaq-listed stocks were communicated via the telephone. However, advances in technology made routing with electronic systems prevalent. Since the late 1980s, Nasdaq has provided order routing services that during the last few years have experienced increased usage. Approximately 27% of Nasdaq's share volume comes from orders routed using a Nasdaq system. The remaining 73% comes from third-party networks and proprietary systems.

Nasdaq has four systems that provide for order routing and/or execution: SelectNet, SOES, Advanced Computerized Execution System ("ACES"), and the Computer Assisted Execution Systemsm ("CAESsm"). SelectNet and SOES, as well as Nasdaq's plan to leverage them into the NNM Execution System, are described above. See "--Nasdaq's Strategic Initiatives-Enhancing Market Structure-Nasdaq National Market ("NNM") Execution System." SelectNet and SOES accounted for approximately 16.8% of revenues for the year ended December 31, 2000.

The third Nasdaq trading system, ACES, is an order routing service that is used by market makers to execute order flow from order entry firms with which the market maker has a relationship. The order entry firms can route orders directly to specified market makers through their NWIIs or their own proprietary systems. These orders are executed within the market makers' internal trading systems and execution reports are routed back to the order entry firms. ACES is often used by market makers to connect with firms whose order traffic is too sparse to justify the fixed costs of establishing a proprietary network linkage. ACES fees accounted for approximately 2.0% of Nasdaq's revenues for the year ended December 31, 2000.

The fourth system, CAES, is the Nasdaq InterMarket transaction service system. CAES is linked to the Intermarket Trading System ("ITS"), which links Nasdaq InterMarket with U.S. stock exchanges that are participants in the ITS Plan. CAES allows NASD member firms to direct orders in exchange-listed securities to other Nasdaq InterMarket market makers for automated execution (i.e., automatic response as well as automatic execution). Technology enhancements made during 2000 allow Nasdaq InterMarket participants to accept the delivery of CAES and ITS orders if the recipient provides an automated response. The ITS interface allows CAES/ITS market makers to direct and receive orders from the securities exchanges that trade ITS eligible securities. With the exception of the Cincinnati Stock Exchange, other securities exchanges currently do not provide for automatic execution of orders sent to them via CAES/ITS. The current fee for CAES orders is $0.50 for the originating party (i.e., the sender). The current fee for ITS orders is $1.00 for the originating party (i.e., the sender). CAES and ITS fees accounted for less than 1% of Nasdaq's revenues for the year ended December 31, 2000.

Trade Reporting and Comparison--Automated Confirmation Transaction Servicesm ("ACTsm"). U.S. securities laws require that all registered stock exchanges and securities associations establish a transaction reporting plan by which information (specifically price and volume) concerning trades executed in qualified securities in those markets is centrally collected and disseminated to vendors, which in turn sell it to the public. This procedure furthers the goal of transparency, a stated objective of U.S. securities policy designed to protect investors. Transactions in Nasdaq-listed securities, exchange listed securities traded over-the-counter ("OTC"), and other equity securities traded OTC are reported to ACT. A protocol establishes which of the two parties to the trade are assigned reporting responsibility. During market open hours, members are to report trades within 90 seconds. Alternative procedures are in place for reporting trades executed after hours. ACT has a schedule of fees that reflect the services it provides. Tape-only trade reports are assessed a nominal fee, while trades that require comparison matching generally are assessed a higher fee depending upon the size of the trade. ACT fees accounted for approximately 11.5% of Nasdaq's revenues for the year ended December 31, 2000.

Market Information Services. As a market operator, Nasdaq collects and disseminates quote and trade information. Using its network system, Nasdaq accepts orders and quotes from market makers and ECNs and disseminates these orders and quotes to a wide range of market participants. Of particular interest among these quotes are the inside quotes. Broker/dealers also use the Nasdaq system (specifically ACT) to report transactions promptly. As a result, participants in Nasdaq have real-time access to quote and trade data. Interested parties that are not direct market participants in Nasdaq also can receive real-time information through a number of data products.

Nasdaq has two primary data products designed to serve the varying levels of detail desired by different brokers and dealers and their customers. The first product is called Level 1. This product provides subscribers with the current inside quote and most recent transaction price. Professional subscribers to this product currently pay $20 per terminal per month for the service, which is typically delivered to the subscriber through a third-party data vendor. A vendor or a broker/dealer can provide non-professional customers with Level 1 information at a reduced fee calculated on a per query basis of $.005 with a cap of $1 per month per user. The growth in online investing has increased the usage of these fee structures by online brokerage firms and other Internet services. The second data product, the Nasdaq Quotation Dissemination Service ("NQDS"), currently priced at $50 per terminal per month for professional subscribers and $10 per terminal per month for non-professional customers, provides subscribers with the quotes of each individual market maker and ECN, in addition to the inside quotes and last transaction price. NQDS is not priced on a per query basis.

Issuer Services. At December 31, 2000, Nasdaq listed 4,734 domestic and international companies, the largest number of listings of any equity market in the world. Since the end of 1994, 3,294 initial public offerings, approximately 85.5% of all initial public offerings in U.S. primary markets, listed on Nasdaq. Nasdaq charges issuers an initial listing fee, a listing of additional shares fee, and an annual fee. The initial listing fee includes a one-time listing application fee of $5,000 and a total shares outstanding ("TSO") fee. The total maximum fee for the initial listing application is $95,000. The fee for listing of additional shares is based on the TSO, which Nasdaq reviews quarterly. The fee is $2,000, or $.01 per additional share, whichever is higher, up to a maximum of $17,500 per quarter and an annual maximum of $35,000. Annual fees are based on TSO and range from $10,710 to $50,000 for NNM securities.

Other Markets

The Nasdaq Stock Market is the flagship market of Nasdaq and has two tiers of listed companies: The Nasdaq National Marketsm, which includes over 3,700 companies, and The Nasdaq SmallCap Marketsm, with over 850 smaller, emerging growth companies. Nasdaq also operates the Nasdaq InterMarket, which is described under "--Nasdaq's Strategic Initiatives-Competing for Trading Volume in Exchange-Listed Securities," as well as the OTC Bulletin Board.

OTC Bulletin Board. The OTC Bulletin Board(R) is an electronic, screen-based market for securities that currently are not listed on Nasdaq or any primary exchange. At present, the OTC Bulletin Board is a quotation service, as companies do not list on the OTC Bulletin Board. NASD members may post quotes only for companies that file periodic reports with the SEC and/or with a banking or insurance regulatory authority. In addition, such companies are required to be current with their periodic filings.

Last year, in conjunction with Nasdaq's application to become registered as a national securities exchange ("Exchange Registration"), the Nasdaq Board of Directors (the "Nasdaq Board") and the NASD Board of Governors (the "NASD Board" and, together with the Nasdaq Board, the "Boards"), approved several rule changes that are designed to enhance the OTC Bulletin Board and permit Nasdaq to continue to operate it after Exchange Registration. First, the Boards approved a program for Nasdaq to enter into a listing agreement with each OTC Bulletin Board issuer and impose new listing standards to ensure the quality of these issuers. Second, both Boards approved the creation of an automated order delivery system for the OTC Bulletin Board that would allow orders to be delivered and executed via NWII. Finally, to accompany the new listing standards and order delivery system, the Boards approved enhanced market rules that provide for limit order protection, short interest reporting, and intraday trading halt authority.

Nasdaq has submitted to the SEC drafts of these proposed rules and has

discussed an exemption request that would allow Nasdaq to continue to operate the OTC Bulletin Board after Exchange Registration. The SEC has not yet approved the rules or the exemption request. Therefore, it is not certain whether Nasdaq will continue to operate the OTC Bulletin Board following Exchange Registration.

Technology

Nasdaq was the world's first electronic screen-based stock market and its use of new computer networking, telecommunications, and information technologies distinguishes it from other U.S. securities markets. Nasdaq embraces automation through the effective use of technology as the key to the future of financial markets. Using technology, Nasdaq eliminates the need for a physical trading floor and enables securities firms across the country to compete freely with one another in a screen-based environment. Nasdaq also employs technology to maximize its ability to communicate with investors, issuers, traders, the media, and others. Nasdaq technologies include:

Nasdaq Workstation II. Introduced in 1995, NWII is a proprietary front-end interface for Nasdaq's quotation network. This network of workstations gives securities traders access to a centralized quotation service, automated trade executions, real-time reporting, trade negotiations, and clearing. Nasdaq's trading terminals are now on the desks of approximately 9,000 users. With NWII, traders are immediately connected to Nasdaq's electronic trading network. NWII employs advanced Windows technology to create a fast, flexible, and convenient trading environment running on a variety of platforms that can be integrated with most in-house systems. Also available is an Application Programming Interface ("API") through which approximately 2,400 users currently customize NWII to meet their own presentation needs.

The Nasdaq Network. Nasdaq's primary telecommunications network, called the Enterprise Wide Network II ("EWNII"), was designed, built, and is managed by WorldCom Inc. This network is one of the world's largest, most reliable, and sophisticated networks delivering time-sensitive information from Nasdaq's technology centers to traders nationwide. The EWNII is presently capable of handling trading four billion shares per day. The advanced design of the EWNII allows Nasdaq to scale the network to greater levels of capacity as market conditions dictate. Since the introduction of the EWNII in August 1999 the capacity of the network has been doubled to meet growing market demand.

The Processing Complex. Nasdaq's quote, trade execution, and trade reporting systems are based on mainframe technology and are located in a processing complex in Trumbull, Connecticut. The systems routinely handle trade volume of over two billion shares daily and over 4,000 transactions per second. In addition, these systems have substantial reserve capacity to handle far greater levels of activity. An alternate processing complex located in Rockville, Maryland backs up the Trumbull technology center.

Data Repository. Market data from Nasdaq's quote and trade execution systems are transferred via high-speed communications links to a market data repository in Rockville, Maryland. At this facility, eight terabytes of online data are available for real-time analysis, historical analysis, market surveillance and regulation, and data mining. The information is provided to applications and users through relational database and higher-level access facilities. The data is also available for delivery to Internet applications.

Nasdaq Tools. On March 7, 2000, Nasdaq purchased Financial Systemware, Inc. ("FSI"), a manufacturer of software products. FSI became a wholly-owned subsidiary of Nasdaq that has been named Nasdaq Tools, Inc. ("Nasdaq Tools"). Nasdaq Tools has an order routing and quote management product that allows for, among other things, automatic execution of a liability order, automatic updating of a security's market, and the ability to decline subsequent orders at the same price. Nasdaq Tools is in the process of introducing a new service bureau product. "Tools Plus" is a position management system with real-time valuation, including profit and loss calculations, automatic execution and display of orders, risk management features, direct ECN access (for SEC Ordering Handling Rule compliance), and storage of information in a database and/or report format. It also provides an Order Audit Trail System ("OATS(sm)") compliance feature that handles transaction reporting via e-mail to regulatory agencies.

Strategic Technology Alliances. Historically, Nasdaq has demonstrated an ability to adapt current technology to provide an efficient, robust, and fault tolerant price discovery network. To continue its successful evolution, Nasdaq has formed partnerships and alliances with innovative technology leaders, including the following:

WorldCom. In November 1997, Nasdaq committed to a six-year, $600 million dollar contract for WorldCom Inc. to build and maintain the EWNII, a custom Extranet that would expand Nasdaq's daily trading capacity to four billion shares a day, with the capability of scaling up to eight billion shares a day. The EWNII is one of the world's largest and most sophisticated information systems, delivering time-sensitive information from Nasdaq's Trumbull, Connecticut technology center to traders nationwide and giving Nasdaq sophisticated routing and information collection capabilities.

Microsoft. Nasdaq uses Microsoft technology to drive Nasdaq.com and other Web sites. In addition, Microsoft products are in broad use throughout Nasdaq, including Microsoft Exchange for e-mail and sharing information; NT and Windows 2000 servers for application, file, and print support; and Windows workstations for applications and professional productivity. Future potential technology alliances with Microsoft include site and information linkages between Nasdaq.com and Microsoft's MoneyCentral Web site. The alliance may sponsor industry standard solutions for Internet-based financial information exchange and management.

TIBCO. Nasdaq has formed an alliance with TIBCO Software Inc. ("TIBCO") to develop a series of innovative applications utilizing TIBCO information bus technology, which simplifies and manages communications between diverse systems and platforms. These applications include the real-time dissemination of market data, population of data on the Nasdaq.com Web site, and planned use of the technology in next-generation workstation products. Future uses of TIBCO technology may include the development and deployment of next-generation market systems, and extension of publish-and-subscribe technology to additional data distribution channels inside and outside Nasdaq.

Primex. On December 9, 1999, Nasdaq signed a letter of intent with Primex Trading N.A., LLC to provide investors and market makers with a new electronic trading platform. The new system will allow users to seek price improvement opportunities for their customers' orders by electronically exposing them to participants who compete for the orders based on price within the context of the best quotes publicly displayed. The technology will be offered exclusively to Nasdaq and is scheduled to launch in 2001.

IndigoMarkets. IndigoMarkets(sm) Ltd., a joint venture company with SSI Ltd. of India, was established in May 2000. Nasdaq Global currently has a 55% interest in the venture. The company will create market systems for Nasdaq global markets, including Nasdaq Japan. IndigoMarkets is also expected to license its products to other customers worldwide. In October 2000, Indigo Markets created a wholly-owned Indian subsidiary, Indigo Markets India Private Ltd. The purpose of the new subsidiary is to license products to Indian customers as well as to provide ongoing maintenance and consulting services.

BIOS Group. On June 25, 1999, Nasdaq and the BIOS Group, a research and development organization based in Santa Fe, New Mexico, formed the Nasdaq/BIOS R&D Joint Venture, LLC (the "Nasdaq BIOS JV"). This joint venture is owned 50% by Nasdaq and 50% by the BIOS Group. The purpose of the joint venture is to spawn inventions and applied research to advance the business objectives of Nasdaq. Nasdaq will retain a right of first refusal on any intellectual property generated as a result of the joint venture. Nasdaq has the exclusive right to any technologies related to its business objectives.

Competition

Price Discovery and Trading Services. Nasdaq's core trading service is the provision of the Nasdaq network that provides for the entry and real-time broadcast of quotes to market makers and ECNs. Competing stock exchanges or network providers may develop ways to replicate Nasdaq's network more efficiently than Nasdaq and persuade a critical mass of market participants to switch to the new network/market. Another threat to Nasdaq's network revenue could emerge if competing stock exchanges were able to find ways to link into the network effectively while avoiding the subscription fees paid by member firms. The SEC could require Nasdaq to distribute the quotations of independent exchanges or the NASD through the Nasdaq network without permitting Nasdaq to charge the same quotation fees that Nasdaq may assess on Nasdaq quote providers. If this were to occur, Nasdaq would, in effect, incur added costs potentially without an opportunity to recover such costs from its full user base. In addition, Nasdaq's order routing systems face a number of forms of competition from ECNs and third-party service bureaus that handle order routing.

Issuer Listings. Nasdaq competes primarily with the NYSE for listings. Every year, a number of Nasdaq-listed companies leave Nasdaq for the NYSE. For the year ended December 31, 2000, 25 companies moved from Nasdaq to the NYSE while one switched from the NYSE to Nasdaq.

In addition, for smaller companies, the option of not listing on any market also exists. Markets for the securities of such companies are made by securities firms who voluntarily post quotes or indications of interest. Two leading vehicles for posting of quotes are the OTC Bulletin Board, currently owned and operated by Nasdaq, and the NQB Pink Sheets owned by the National Quotation Bureau, a privately-held firm. The National Quotation Bureau currently operates an electronic version of the Pink Sheets, allowing for the more frequent updating of quotes. This enhancement to the Pink Sheets may lead some companies to reconsider the value of a Nasdaq listing and increase the level of listing competition Nasdaq faces at the small-company end of the spectrum.

Data and Information Services. Nasdaq's data services revenue is under competitive threat from other stock exchanges that trade Nasdaq stocks, including the established regional exchanges. Current SEC regulations permit national securities exchanges to trade certain securities that are not listed on an exchange, including NNM securities, pursuant to Nasdaq's Unlisted Trading Privileges Plan ("UTP Plan") that is submitted to and approved by the SEC. Currently, only the Chicago Stock Exchange and the Cincinnati Stock Exchange have developed a quote and trade linkage with Nasdaq and trade Nasdaq securities. There are, however, three other members of the UTP Plan that are eligible to, but do not currently, trade Nasdaq securities in part because these members have not developed the appropriate linkage. Recently, another exchange has indicated an interest in joining the UTP Plan. In addition, two ECNs have made application to the SEC to become registered as national securities exchanges and, if successful, may become participants in the UTP Plan.

During the last few years, there has been an increase in the number of ECNs. In general, ECNs subscribe to the network service, report trades to ACT, and use Nasdaq's order routing systems. On one level, an ECN performs the same function as a market maker bringing buyers and sellers together. However, ECNs pose a potential threat to Nasdaq's business because under the new SEC guidelines, they could register as securities exchanges. In this case, they would be eligible for a share of the revenue generated by

the sale of Nasdaq's data products, and their use of Nasdaq's systems could diminish.

Employees

As of December 31, 2000, Nasdaq had approximately 1,200 employees. None of its employees is subject to collective bargaining agreements or is represented by a union. Nasdaq considers its relations with its employees to be good.

Recent Restructuring Transactions

At a special meeting of NASD members held on April 14, 2000, more than a majority of NASD members approved a plan to restructure and broaden the ownership in Nasdaq (the "Restructuring") through a two-phase private placement of (1) newly-issued shares of Common Stock, and (2) warrants issued by the NASD (the "Warrants") to purchase shares of Common Stock owned by the NASD. The Restructuring was intended, among other things, to strategically realign the ownership of Nasdaq, minimize potential conflicts of interest between Nasdaq and NASD Regulation, Inc. ("NASDR"), and allow Nasdaq to respond to current and future competitive challenges caused by technological advances and the increasing globalization of financial markets.

In connection with the first phase of the Restructuring ("Phase I"), (1) the NASD separated Amex from The Nasdaq-Amex Market Group ("Market Group"), a holding company that was a wholly-owned subsidiary of the NASD; (2) Market Group was then merged with and into Nasdaq; (3) Nasdaq effected a 49,999-for-one stock dividend creating 100 million shares of Common Stock outstanding (all of which were initially owned by the NASD); and (4) Nasdaq authorized the issuance of an additional 30.9 million in new shares of Common Stock to be offered for sale by Nasdaq as part of the Restructuring.

In Phase I, on June 28, 2000, Nasdaq sold an aggregate of 23,663,746 shares of Common Stock for an aggregate consideration of $260,301,206. The NASD sold an aggregate of 6,415,049 Warrants to purchase an aggregate amount of 25,660,196 shares of Common Stock and an aggregate of 323,196 shares of Common Stock owned by the NASD for an aggregate consideration of $74,120,695.

In the second phase of the Restructuring ("Phase II"), on January 18, 2001, Nasdaq sold an aggregate of 5,028,797 shares of Common Stock for an aggregate consideration of $65,374,361. The NASD sold an aggregate of 4,392,345 Warrants to purchase an aggregate amount of 17,569,380 shares of Common Stock and an aggregate of 4,222,295 shares of Common Stock owned by the NASD for an aggregate consideration of $116,382,665. Investors in Phase I and Phase II consisted of NASD members, Nasdaq market participants, issuers with securities quoted on Nasdaq, and other strategic partners.

On March 23, 2001, Nasdaq entered into an agreement to issue and sell $240,000,000 in aggregate principal amount of its 4% Convertible Subordinated Debentures due 2006 (the"Subordinated Debentures") to Hellman & Friedman Capital Partners IV, L.P. and certain of its affiliates (collectively, "Hellman & Friedman"). The Subordinated Debentures are convertible into an aggregate of 12,000,000 shares of Common Stock, subject to adjustment. The transaction is expected to close in the second quarter of 2001. Upon consummation of the transaction, Hellman & Friedman will own approximately 9.8 percent of Nasdaq on an as-converted basis. In connection with the transaction, Nasdaq has agreed to use its best efforts to seek stockholder approval of a charter amendment that would provide for voting debt in order to permit Hellman & Friedman to vote on an as-converted basis on all matters on which common stockholders have the right to vote, subject to the five percent voting limitation in Nasdaq's Restated Certificate of Incorporation (the "Certificate of Incorporation"). In addition, Nasdaq has also agreed that in the event that the Nasdaq Board approves an exemption from the foregoing five percent limitation for any person (other than an exemption granted in connection with a strategic market alliance) and seeks the concurrence of the SEC with respect thereto, Nasdaq will grant Hellman & Friedman a comparable exemption from such limitation and use its best efforts to obtain SEC concurrence of such exemption. In connection with the transaction, Nasdaq agreed to grant Hellman & Friedman certain registration rights with respect to the shares of Common Stock underlying the Subordinated Debentures. Additionally, Nasdaq agreed to permit Hellman & Friedman to designate one person reasonably acceptable to Nasdaq for nomination as a director of Nasdaq for so long as Hellman & Friedman own Subordinated Debentures and/or shares of Common Stock issued upon conversion representing at least 50% of the shares of Common Stock issuable upon conversion of the Subordinated Debentures initially purchased. Nasdaq has elected F. Warren Hellman to fill a vacant directorship on the Nasdaq Board pursuant to the foregoing provision to be effective upon the consummation of the sale of the Subordinated Debentures to Hellman & Friedman.

On March 23, 2001, Nasdaq entered into an agreement with the NASD whereby Nasdaq would use the net proceeds from the sale of the Subordinated Debentures to purchase 18,461,538 shares of Common Stock from the NASD for $13 per share for an aggregate purchase price of $239,999,994. This transaction will be consummated concurrently with the issuance and sale of the Subordinated Debentures. In connection with the transaction, Nasdaq and the NASD have agreed to enter into an Investor Rights Agreement pursuant to which Nasdaq will grant the NASD certain demand and piggyback registration rights with respect to the shares of Common Stock owned by it.

On April 25, 2001, the Nasdaq Board approved in principle to take steps to prepare for an initial public offering (the "IPO") of its Common Stock. The timing of the IPO will depend on a variety of factors including Exchange Registration, the progress of several important technology initiatives (e.g., SuperMontage), and market conditions.

Risk Factors

This Registration Statement contains forward-looking statements that involve risks and uncertainties. Nasdaq's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Nasdaq described below and elsewhere in this Registration Statement.

The risks and uncertainties described below are not the only ones facing Nasdaq. Additional risks and uncertainties not presently known to Nasdaq or that Nasdaq currently believes to be immaterial may also adversely affect Nasdaq's business. If any of the following risks actually occur, Nasdaq's business, financial condition, or operating results could be materially adversely affected.

Nasdaq's operating results could fluctuate significantly in the future.

Nasdaq's operating results may fluctuate significantly in the future as a result of a variety of factors, including: (i) a decrease in the trading volume in Nasdaq; (ii) increased competition from alternative market venues that might reduce market share and create pricing pressure; (iii) competition from the NYSE or new competing exchanges for new listings; (iv) a reduction in market data revenue; (v) the rate at which Nasdaq obtains new listings and maintains its current listings; (vi) regulatory changes and compliance costs; (vii) Nasdaq's ability to utilize its capital effectively; (viii) Nasdaq's ability to manage personnel, overhead, and other expenses, in particular technology expenses; and (ix) general market and economic conditions.

Nasdaq's business could be harmed by market fluctuations and other risks associated with the securities industry generally.

A substantial portion of Nasdaq's revenues is tied to the trading volume of its listed securities. Trading volume is directly affected by economic and political conditions, broad trends in business and finance, and changes in volume and price levels of securities transactions. An adverse change affecting the economy or the securities markets could result in a decline in trading volume. Nasdaq is also particularly affected by declines in trading volume in technology and Internet-related stocks because a significant portion of its customers trade in these types of stocks and a large number of technology and Internet-related companies are listed on Nasdaq. A downturn in the initial public offering market is also likely to have an adverse effect on Nasdaq's revenues, including, in particular, revenues from listing fees. A decline in trading volume would lower transaction services revenues, and Nasdaq's profitability may be adversely affected if it is unable to reduce costs at the same rate. For example, in the first quarter of 2001, 31 initial public offerings were brought to market on Nasdaq compared to 165 in the first quarter of 2000. There were also 95 de-listed companies in the first quarter of 2001 compared to 36 during the same time period last year. Consequently, Nasdaq's issuer services revenues declined in the first quarter of 2001. Further downward trends in general market conditions could adversely affect Nasdaq's revenues and reduce its profitability if Nasdaq cannot reduce its costs at the same rate to offset such trends.

Substantial competition could reduce Nasdaq's market share and harm Nasdaq's financial performance.

Nasdaq has spent a considerable amount of time and money in developing its trading network. While Nasdaq believes that its network is currently the most widely used, fault tolerant, and efficient network available for trading equities, it is possible that a competing securities exchange, network provider, or technology company could develop ways to replicate Nasdaq's network more efficiently than Nasdaq and persuade a critical mass of market participants to switch to a new network. The NYSE has announced that it might buy or build its own electronic network for trading Nasdaq stocks and has announced that it is in discussions with seven other exchanges in Europe, Asia, and the Americas to form a set of global alliances that would be intended to allow investors to trade throughout the day. This could have an adverse effect on Nasdaq's business, financial condition, and results of operation.

SelectNet is Nasdaq's automated market service that enables securities firms to route orders, negotiate terms, and execute trades in Nasdaq securities. If there is an increase in the number of market makers or ECNs that determine they do enough order routing traffic to justify setting up a proprietary network for their traffic, Nasdaq may be forced to reduce its fees further or risk losing its share of the order routing business. In addition, certain system providers link many Nasdaq market makers. These systems may be able to increase the number of orders executed through their systems versus the Nasdaq systems. A reduction in the order routing business could have an adverse effect on Nasdaq's business, financial condition, and operating results.

The traditional products and services offered by markets are being unbundled. Historically, Nasdaq has provided listings, execution services, information services, and regulatory services to the investing public. Currently, there are many competitors operating in the execution services market. Nasdaq has not historically implemented pricing strategies that isolate its various businesses. Due to competition in the execution services business, as well as Nasdaq's past practice of bundling products and services, it is uncertain whether Nasdaq will be able to compete successfully in this business. Furthermore, Nasdaq faces multiple pricing constraints, including in particular, regulatory constraints, that may prevent it from competing effectively in certain markets.

Substantial competition could reduce Nasdaq's issuer services revenues.

Nasdaq faces competition for listings from other primary exchanges,

especially from the NYSE. In addition to competition for initial listings, Nasdaq also competes with the NYSE to maintain listings. In the past, a number of issuers listed on Nasdaq have left Nasdaq for the NYSE each year. The largest 50 Nasdaq-listed issuers (based on U.S. market value) accounted for approximately 51% of total dollar volume traded on Nasdaq for the year ended December 31, 2000. The loss of one or more of these issuers would result in a significant decrease in revenues from Nasdaq's transaction services. Historically, Rule 500 of the NYSE, which required supermajority stockholder approval before a listed company could delist from the NYSE, made it extremely difficult for issuers on the NYSE to leave voluntarily. As of December 31, 2000 only two issuers have transferred from the NYSE to Nasdaq. A recent amendment to Rule 500 allows a company to delist from the NYSE if it obtains the approval of its board of directors and its audit committee, publishes a press release announcing its proposed delisting and sends a written notice to its largest 35 stockholders of record (U.S. stockholders of record if a non-U.S. issuer) alerting them to the proposed delisting. Nasdaq believes that Rule 500 in its modified form may continue to constitute an impediment to Nasdaq's ability to compete for NYSE listings.

Nasdaq has invested a considerable amount of capital and time competing for issuer listings with other primary exchanges. In addition to the listing fee, a listing generates revenue from execution services and sales of market data. ATSs do not currently provide listing venues, although such systems can register as an exchange and compete with traditional exchanges for the execution and market data business. At least two ECNs have applied to become registered as a national securities exchange. If these new exchanges are successful in attracting trading volume and do not continue to use Nasdaq transaction systems, traditional listings will become less profitable to Nasdaq as they will not provide corresponding revenue from trade executions and the sale of market data. In addition, if ATSs become exchanges, they may enter the competition for issuer listings. There can be no assurances that Nasdaq will be able to maintain or increase its listing revenues. The reduction in initial listings or the loss of a top issuer could have an adverse effect on Nasdaq's business, financial condition, and operating results.

Nasdaq's data service revenues are threatened by other exchanges trading Nasdaq stocks.

Current SEC regulations permit national securities exchanges to trade certain securities that are listed on Nasdaq pursuant to the UTP Plan. Nasdaq's UTP Plan entitles these exchanges to a share of Nasdaq's data revenue, roughly proportional to its share of trading as measured by share volume and number of trades. Currently, only two UTP Plan participants trade Nasdaq securities and their respective share of trades is minimal. The Boston Stock Exchange, Philadelphia Stock Exchange, and the Pacific Exchange have indicated their intent to commence trading in Nasdaq securities pursuant to the UTP Plan. In addition, at least two ECNs have applied for exchange registration and expressed interest in becoming UTP Plan participants. If the UTP Plan participants' share of trades in Nasdaq stocks increases substantially, Nasdaq's financial condition and operating results could be adversely affected. In addition, since the allowable costs that are shared by UTP Plan participants and the fees Nasdaq can charge for data products are not exclusively set by Nasdaq, Nasdaq's control over its revenue and cost base under the UTP Plan is limited. Current amendments to the UTP Plan under negotiation include (i) an increase in the number of the eligible securities over a one year period from 1,000 to all 4,734 NNM and SmallCap securities, and (ii) the elimination of the floor and ceiling limits on the amount of market data revenue Nasdaq must share with the UTP Plan participants. These and other amendments could have a materially adverse effect on Nasdaq's business, financial condition, and operating results.

Nasdaq could lose its status as an exclusive securities information processor because of recent regulatory developments.

Nasdaq serves as a securities information processor ("SIP") for purposes of collecting and disseminating quotation and last sale information for transactions effected in its market. Nasdaq also acts as an ESIP pursuant to the UTP Plan. Under the UTP Plan, Nasdaq collects quotation and last sale information from competing exchanges (currently the Chicago Stock Exchange and the Cincinnati Stock Exchange) and consolidates such information with its own. Nasdaq sells this information to vendors for a fee ("Tape Fees"), and the data vendors in turn sell the last sale and quotation data publicly. Under the revenue sharing provision of the UTP Plan, Nasdaq is permitted to deduct certain costs associated with acting as an ESIP from the total amount of Tape Fees collected. After these costs are deducted from the Tape Fees, Nasdaq distributes to the respective UTP Plan participants their pro-rata share of Tape Fees.

While Nasdaq is currently the ESIP for NNM securities, Nasdaq is working with the other UTP Plan participants to enter into a Request-for-Proposal ("RFP") process to select a new processor. This process is the result of the SEC's conditions for extending the UTP Plan beyond its March 2001 termination date. The SEC has required that there be good faith negotiations among the UTP Plan participants on a revised UTP Plan that provides for either (i) a fully viable alternative ESIP for all Nasdaq securities, or (ii) a fully viable alternative non-exclusive SIP. To avoid conflicts of interest, the SEC cautioned that in the event the revised UTP Plan provides for an exclusive consolidating SIP, a UTP Plan participant--particularly Nasdaq--should not operate such SIP unless (i) the SIP is chosen on the basis of bona fide competitive bidding and the participant submits the successful bid, and (ii) any decision to award a contract to a UTP Plan participant, and any ensuing renewal of such contract, is made without that UTP Plan participant's direct or indirect voting participation. The UTP Plan participants are currently in the nascent stages of creating the RFP, and it will likely take months to solicit competing bids and come to a joint decision on a new SIP. The SEC

also imposed other conditions relating to the NASD's access to the alternative SIP.

Nasdaq also has been participating in the meetings of the SEC Advisory Committee on Market Data. The dialogue has touched on potentially fundamental changes to SEC rules and policies that govern SIPs and national market system plans. Nasdaq's written position on this issue presents two alternative approaches that ensure the continuation of broad dissemination of consolidated national best-bid-and-offer and consolidated last sale information, but that focus on the ability for exchanges to compete in an open environment. The first alternative is to eliminate mandatory participation in the national market system plans, including the UTP Plan, and allow exchanges to choose among several competing SIPs to distribute their data. The second alternative, as an interim approach, is to maintain a single national market system plan with a single ESIP, but one that is more limited in scope and function. The SEC Advisory Committee on Market Data is expected to present its recommendations at the end of September 2001.

Nasdaq may lose trade reporting revenues if more market participants bypass the comparison feature of its trade reporting system.

If market participants establish clearing relationships with the same clearing firm, they would not have to utilize ACT for comparison/clearing purposes. Thus, firms can form joint clearance and settlement arrangements to reduce ACT comparison fees. In addition, Nasdaq has adopted a rule establishing a cap on monthly ACT risk management fees that a clearing firm must pay on behalf of a correspondent firm. Nasdaq has also proposed an interpretation to the SEC detailing which firms are effectively "self-clearing" with respect to affiliated correspondents and thus relieved of their obligation to pay ACT risk management fees for trades cleared on behalf of those correspondents. Both of these rules will reduce ACT risk management fees collected by Nasdaq. If more market participants bypass ACT, Nasdaq's business, financial condition, and operating results could be materially adversely affected. See "Item 1. Business-Products and Services."

Certain Congressional and SEC reviews could result in a reduction in data fees that could reduce Nasdaq's revenues.

The SEC is reviewing concerns by industry members that the present level of data fees do not properly reflect the costs associated with their collection, processing, and distribution. As noted above, the SEC has established the SEC Advisory Committee on Market Data and its recommendation is due on September 30, 2001. Nasdaq has argued that there are regulatory, market capacity, and other related costs of operating the market. A fee realignment that does not recognize the full market costs of creating and delivering market data could reduce overall data revenues in the future and adversely affect Nasdaq's business, financial condition, and operating results.

Legislation was introduced and hearings were held in the last session of Congress pertaining to whether stock exchanges and markets have a property right to quote and trade data. Hearings were held again on this subject in March and April 2001. Since securities firms are required to supply the market operator with quote and trade information, some have argued that the operator has no right to be able to sell the data back to the securities firms. This issue continues to be debated and the outcome could have a significant impact on the viability of Nasdaq's data revenue and, as a consequence, on its business, financial condition, and operating results.

Nasdaq is subject to extensive regulation that may harm its ability to compete with less regulated entities.

Under current federal securities laws, changes in Nasdaq's rules and operations, including its pricing structure, must be approved by the SEC. The SEC may approve, disapprove, or recommend changes to proposals submitted by Nasdaq. In addition, the SEC may delay the initiation of the public comment process or the approval process. This delay in approving changes, or the altering of any proposed change, could have an adverse effect on Nasdaq's business, financial condition, and operating results.

System limitations and failures could harm Nasdaq's business.

Nasdaq's business depends on the integrity and performance of the computer and communications systems supporting it. If Nasdaq's systems cannot be expanded to cope with increased demand or fail to perform, Nasdaq could experience: (i) unanticipated disruptions in service, (ii) slower response times, and (iii) delays in the introduction of new products and services. These consequences could result in lower trading volumes, financial losses, decreased customer service and satisfaction, litigation or customer claims, and regulatory sanctions. Nasdaq has experienced occasional systems failures and delays in the past and it could experience future systems failures and delays.

Nasdaq uses internally developed systems to operate its business, including transaction processing systems to accommodate increased capacity. However, if Nasdaq's trading volume increases unexpectedly, Nasdaq will need to expand and upgrade its technology, transaction processing systems and network infrastructure. Nasdaq does not know whether it will be able to project accurately the rate, timing, or cost of any increases, or expand and upgrade its systems and infrastructure to accommodate any increases in a timely manner.

Nasdaq's systems and operations also are vulnerable to damage or interruption from human error, natural disasters, power loss, sabotage, computer viruses, intentional acts of vandalism, and similar events. Nasdaq currently maintains multiple computer facilities to provide full service during system disruptions, and has facilities in place that are expected to

maintain service during a system disruption. Any system failure that causes an interruption in service or decreases the responsiveness of Nasdaq's service could impair its reputation, damage its brand name, and negatively impact its revenues. Nasdaq also relies on a number of third parties for systems support. Any interruption in these third-party services or a deterioration in the performance of these services could also be disruptive to Nasdaq's business and have a material adverse effect on its business, financial condition, and operating results.

Nasdaq may not be able to keep up with rapid technological and other competitive changes affecting the structure of the securities markets.

The markets in which Nasdaq competes are characterized by rapidly changing technology, evolving industry standards, frequent enhancements to existing services and products, the introduction of new services and products, and changing customer demands. These market characteristics are heightened by the emerging nature of the Internet and the trend for companies from many industries to offer Internet-based products and services. In addition, the widespread adoption of new Internet, networking, or telecommunications technologies or other technological changes could require Nasdaq to incur substantial expenditures to modify or adapt its services or infrastructure. Nasdaq's future success will depend on its ability to respond to changing technologies on a timely and cost-effective basis. Nasdaq's operating results may be adversely affected if it cannot successfully develop, introduce, or market new services and products. In addition, any failure by Nasdaq to anticipate or respond adequately to changes in technology and customer preferences, or any significant delays in other product development efforts, could have a material adverse effect on Nasdaq's business, financial condition, and operating results.

The rapid evolution of the worldwide securities markets requires Nasdaq to be proactive in addressing developments affecting the securities markets and to explore the numerous opportunities and alternatives that present themselves. Consequently, senior officers of Nasdaq have conducted exploratory discussions with a number of major U.S. and foreign securities exchanges, regarding cooperation, joint ventures, marketing affiliations, combinations, or other collaborative activities. Nasdaq anticipates that such discussions will continue but cannot predict the results of any such discussions. See "Item 1. Business-Nasdaq's Strategic Initiatives" and "-Pursuing Global Market Expansion."

Nasdaq may have difficulty managing its growth.

Over the last several years, Nasdaq has experienced significant growth in its business and the number of its employees. Nasdaq may not be able to continue to manage its growth successfully. In an attempt to stimulate future growth, Nasdaq has undertaken several initiatives to increase its business, including enhancing existing products, developing new products, and forming strategic relationships. The increased costs associated with Nasdaq's initiatives may not be offset by corresponding increases in its revenues. The growth of Nasdaq's business has required, and will continue to require, Nasdaq to increase its investment in technology, management personnel, market regulatory services, and facilities. No assurance can be made that Nasdaq has made adequate allowances for the costs and risks associated with this expansion, that its systems, procedures, or controls will be adequate to support its operations, or that its management will be able to offer and expand its services successfully. If Nasdaq is unable to manage its growth effectively, its business, financial condition, and operating results could be adversely affected.

Nasdaq may need additional funds to support its business plan.

Nasdaq depends on the availability of adequate capital to maintain and develop its business. Nasdaq believes that its current capital requirements will be met from internally generated funds and from the funds raised in connection with the Restructuring. However, based upon a variety of factors, including the rate of market acceptance of Nasdaq's new products, the cost of service and technology upgrades, and regulatory costs, Nasdaq's capital requirements may vary from those currently planned. There can be no assurance that additional capital will be available on a timely basis, or on favorable terms or at all.

Nasdaq may not be successful in executing its international strategy.

In order to take advantage of anticipated opportunities that will arise outside the United States, Nasdaq intends to invest significant resources in developing strategic partnerships with non-U.S. stock markets. In June 1999, a joint venture agreement was entered into with SOFTBANK Corp. of Japan to form a new electronic equity market in Japan. In February 2000, Nasdaq signed a joint venture agreement to form Nasdaq Europe Planning Company Limited, to create a new pan-European electronic stock exchange modeled after Nasdaq. A memorandum of understanding signed by Nasdaq, the London Stock Exchange, and the Deutsche Borse AG contemplated the merger of these two European exchanges to form a pan-European growth stock market. This proposed collaborative venture did not occur and the memorandum of understanding was cancelled. In March 2001, Nasdaq acquired a majority interest in EASDAQ, subsequently restructured as Nasdaq Europe S.A./N.V., as part of its plans to expand in Europe.

Nasdaq has had only very limited experience in developing localized versions of its services and in marketing and operating its services internationally. To date, Nasdaq's international efforts have not yet achieved profitability. There can be no assurance that Nasdaq will be able to succeed in marketing its branded services and developing localized services in international markets. Nasdaq may experience difficulty in managing its international operations because of, among other things, competitive conditions overseas, difficulties in supervising foreign operations, managing currency risk, established domestic markets, language and cultural differences, political and economic instability, and changes

in regulatory requirements or the failure to obtain requested regulatory changes and approvals. Any of the above could have an adverse effect on the success of Nasdaq's international operations and, consequently, on Nasdaq's business, financial condition, and operating results. See "Item 1. Business-Nasdaq's Strategic Initiatives" and "-Pursuing Global Market Expansion."

Strategic relationships undertaken by Nasdaq are unproven for growth.

Nasdaq has recently entered into several important strategic relationships and its prospects depend to some extent upon the development of these relationships. A number of Nasdaq's current strategic relationships are new and, consequently, unproven. For a description of these relationships, see "Item 1. Business-Nasdaq's Strategic Initiatives." Nasdaq intends to continue to seek strategic relationships actively, and believes such relationships will generate a significant portion of its growth in the medium term. Nasdaq's business, financial condition, and operating results could be adversely affected if it does not establish additional, and maintain existing, strategic relationships on commercially reasonable terms or if any of its strategic relationships do not result in a significant increase in revenues.

Extended hours trading may have a negative impact on Nasdaq's business.

Today, market participants, including some ECNs, are trading beyond traditional market hours (9:30 a.m. to 4:00 p.m., Eastern time). Extending trading hours may put additional stress on the financial services industry. Nasdaq has extended the availability of its trade reporting and quotation systems from 8:00 a.m. until 6:30 p.m. Eastern time. Specifically, the systems involved include ACT, ACES, CAES/ITS, SelectNet, the NQDS, Nasdaq Trade Dissemination Service, and Nasdaq Level 1 Service (which disseminates real-time, inside quote updates, as well as the 4:00 p.m. closing prices). Certain Nasdaq participants have been unable to modify their technology to accommodate the expansion of trading hours and attendant regulatory requirements. To date, volume in extended hours trading remains relatively low. However, to the extent that a large extended hours session develops and participants in Nasdaq are not prepared to handle the additional capacity, Nasdaq may lose trading volume to more technologically advanced competitors. In addition, insufficient interest in extended hours trading could result in decreased liquidity, increased volatility, or degeneration of price discovery, all of which could potentially undermine the public confidence in Nasdaq and adversely affect Nasdaq's business, financial condition, and operating results. In addition, the revenues generated by trading in the extended hours market may not be sufficient to cover costs associated with such trading.

Failure to protect its intellectual property rights could harm Nasdaq's brand-building efforts and ability to compete effectively.

To protect its rights to its intellectual property, Nasdaq relies on a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements, and other contractual arrangements with its employees, affiliates, clients, strategic partners, and others. The protective steps Nasdaq has taken may be inadequate to deter misappropriation of its proprietary information. Nasdaq may be unable to detect the unauthorized use of, or take appropriate steps to enforce, its intellectual property rights. Nasdaq has registered, or applied to register, its trademarks in the U.S. and in 40 foreign jurisdictions and has pending U.S. and foreign applications for other trademarks. Effective trademark, copyright, patent, and trade secret protection may not be available in every country in which Nasdaq offers or intends to offer its services. Failure to protect its intellectual property adequately could harm its brand and affect its ability to compete effectively. Further, defending its intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect Nasdaq's business, financial condition, and operating results.

Lack of operating history as a for-profit entity with private ownership interests.

While Nasdaq has an established operating history, it has only operated as a for-profit company with private ownership interests since June 28, 2000. Therefore, Nasdaq is subject to the risks and uncertainties associated with any newly independent company. Nasdaq has had access to many support functions of the NASD, including: cash management and other financial services, real estate, legal, surveillance, and other regulatory services, information services, and corporate and administrative services. Nasdaq has entered into, and intends to enter into, various intercompany arrangements with the NASD and its affiliates for the provision of these services on an on-going or transitional basis. See "-Nasdaq faces potential conflicts of interest with related parties" and "-The intercompany agreements may not be effected on terms as favorable to Nasdaq as could have been obtained from unaffiliated third parties" and "Item 7. Certain Relationships and Related Transactions." In addition, Nasdaq's initiatives designed to increase operating efficiencies may not yield the expected benefits or efficiencies and may be subject to delays, unexpected costs, and cost overruns, all of which could have an adverse effect on Nasdaq's business, financial condition, and operating results.

Failure to attract and retain key personnel may adversely affect Nasdaq's ability to conduct its business.

Nasdaq's future success depends on the continued service and performance of its senior management and certain other key personnel. For example, Nasdaq is dependent on specialized systems personnel to operate, maintain, and upgrade its systems. The inability of Nasdaq to retain key personnel or retain other qualified personnel could adversely affect Nasdaq's business, financial condition, and operating results. See "Item 5. Directors and Executive Officers."

Nasdaq is subject to risks relating to litigation and potential securities laws liability.

Many aspects of Nasdaq's business potentially involve substantial risks of liability. While Nasdaq enjoys immunity for certain self-regulatory organization activities, it could be exposed to substantial liability under federal and state securities laws, other federal and state laws and court decisions, as well as rules and regulations promulgated by the SEC and other federal and state agencies. These risks include, among others, potential liability from disputes over the terms of a trade, the claim that a system failure or delay cost a customer money, that Nasdaq entered into an unauthorized transaction or that it provided materially false or misleading statements in connection with a securities transaction. As Nasdaq intends to defend any such litigation actively, significant legal expenses could be incurred. An adverse resolution of any future lawsuit or claim against Nasdaq could have an adverse effect on its business, financial condition, and operating results.

Nasdaq's networks may be vulnerable to security risks.

As with other computer networks, it is possible that Nasdaq's networks may be vulnerable to unauthorized access, computer viruses, and other security problems. Persons who circumvent security measures could wrongfully use Nasdaq's information or cause interruptions or malfunctions in Nasdaq's operations. Nasdaq is required to continue to expend significant resources to protect against the threat of security breaches or to alleviate problems caused by any such breaches. Although Nasdaq intends to continue to implement industry-standard security measures, these measures may prove to be inadequate and result in system failures and delays that could lower trading volumes and have an adverse effect on Nasdaq's business, financial condition, and operating results.

Nasdaq faces potential conflicts of interest with related parties.

As of April 17, 2001, the NASD beneficially owns, on a fully diluted basis, approximately 41% of Nasdaq's outstanding Common Stock (approximately 74% if no Warrants are exercised). See "Item 10. Recent Sales of Unregistered Securities." Until Exchange Registration, the shares of Common Stock underlying any unexpired and unexercised tranches of arrants sold in the Restructuring by the NASD, as well as the shares of Common Stock purchased through the valid exercise of such Warrants, will be voted at the direction of the NASD. In addition, after giving effect to the increase in the size of the Nasdaq Board effective immediately after the 2001 Annual Meeting, 10 of the 18 members of the Nasdaq Board will also be members of the NASD Board. Until Exchange Registration, the NASD will be in a position to continue to control substantially all matters affecting Nasdaq, including any determination with respect to the direction and policies of Nasdaq, acquisition or disposition of assets, future issuances of securities of Nasdaq, Nasdaq's incurrence of debt, and any dividend payable on the Common Stock.

Conflicts of interest may arise between Nasdaq and the NASD, or its affiliates, in a number of areas relating to their past and ongoing relationships, including the nature, quality, and pricing of services rendered; shared marketing functions; tax and employee benefit matters; indemnity agreements; sales or distributions by the NASD of all or any portion of its ownership interest in Nasdaq; or the NASD's ability to influence certain affairs of Nasdaq prior to Exchange Registration. There can be no assurance that the NASD and Nasdaq will be able to resolve any potential conflict or that, if resolved, Nasdaq would not receive more favorable resolution if it were dealing with an unaffiliated party.

Conflicts may also arise between Nasdaq and Amex by virtue of commitments made by the NASD in connection with its acquisition of Amex.

The intercompany agreements may not be effected on terms as favorable to Nasdaq as could have been obtained from unaffiliated third parties.

For purposes of governing their ongoing relationship, Nasdaq and the NASD, or their affiliates, have entered into, or intend to enter into, various agreements involving the provision of services such as market surveillance and other regulatory functions, cash management and other financial services, legal, facilities sharing, information services, corporate, and other administrative services. However, as of the date hereof, Nasdaq has only fully negotiated a contract with the NASDR pursuant to which NASDR will regulate Nasdaq trading activity. The NASDR will continue regulating trading activity on Nasdaq under the new long-term contract that establishes the various functions NASDR will perform and the price that Nasdaq will pay for these functions. The functions covered under this contract are substantially the same type and scope as those NASDR had previously performed under the Plan of Allocation and Delegation of Functions by the NASD to Subsidiaries (the "Delegation Plan").

The terms of the other intercompany agreements have not yet been fully negotiated. Although it is the intention of the parties to negotiate agreements that provide for arm's length, fair market value pricing, there can be no assurance that these contemplated agreements, or the transactions provided in them, will be effected on terms as favorable to Nasdaq as could have been obtained from unaffiliated third parties. The cost to Nasdaq for such services could increase at a faster rate than its revenues and could adversely affect Nasdaq's business, financial condition, and operating results. See "Item 7. Certain Relationships and Related Transactions."

The SEC may challenge or not approve Nasdaq's plan to become a national securities exchange or it may require changes in the manner Nasdaq conducts its business before granting this approval.

The SEC may not approve Nasdaq's proposal to be registered as a national

securities exchange or may require changes in the manner Nasdaq conducts its business before granting this approval. Failure to be so registered could adversely effect Nasdaq's competitive position and could have a material adverse effect on Nasdaq's business conditions and business prospects.

In connection with Exchange Registration, certain changes must be made to the national market system plans. Certain participants may object to, or request modifications to amendments proposed by Nasdaq. Failure to resolve these issues in a timely manner could delay Exchange Registration.

There can be no assurance that Exchange Registration will occur or that the registration process will occur in a timely manner. Because of the nature of the regulatory process and the variety of market structure issues that would have to be resolved across all markets, the registration process could be lengthy. The failure to be approved as an exchange by the SEC may have negative implications on the ability of Nasdaq to fund its planned initiatives.

The SEC has not yet agreed and may not agree to Nasdaq's proposal to continue to operate the OTC Bulletin Board after Exchange Registration.

Nasdaq may face competition from the establishment of a "residual market" by the NASD.

In the SEC's January 2001 order approving SuperMontage, it noted that in order to address concerns that Nasdaq's position as an ESIP would compel participation in SuperMontage, the NASD has committed to provide NASD members with the ability to opt-out of SuperMontage by providing an alternative quotation and transaction reporting facility for NASD members. The SEC explained that the NASD alternative should be operational contemporaneously with SuperMontage and should provide a market-neutral electronic linkage to Nasdaq, as well as other marketplaces. The SEC stated that this quotation and trade reporting facility must satisfy the Order Handling Rules, Regulation ATS, and other regulatory requirements for ATSs, ECNs, and market makers. In a March 2001 order approving a temporary extension of the UTP Plan, the SEC stated that the revised UTP Plan must provide for either (1) a fully viable alternative ESIP for all Nasdaq securities, or (2) a fully viable alternative nonexclusive SIP in the event that the UTP Plan does not provide for an ESIP. See "-Nasdaq could lose its status as an exclusive securities information processor because of recent regulatory developments." In this order, the SEC also stated that under the revised UTP Plan, the NASD must provide direct or indirect access to the alternative SIP, whether exclusive or non-exclusive, by any of its members that qualifies, and to disseminate transaction information and individually identified quotation information for these members through the SIP. In addition, the SEC has also indicated that the approval of Exchange Registration is linked to the NASD's obligation to provide an alternative facility to allow NASD members to trade exchange listed securities. As a result, it is likely that the NASD will be required to build a residual market for Nasdaq, NYSE, and Amex listed securities. If this market becomes a viable alternative to Nasdaq, then Nasdaq faces the risk of reduced market share in transactions and market data revenues, which would adversely affect Nasdaq's business, financial condition, and operating results.

Nasdaq will not pay cash dividends for the foreseeable future.

Nasdaq anticipates that earnings, if any, will be retained for the development of its business and that no cash dividends will be declared on the Common Stock for the foreseeable future.

Provisions of Delaware law and Nasdaq's governing documents may delay or prevent its takeover.

Nasdaq is organized under the laws of the State of Delaware and was incorporated in 1979. Certain provisions of Delaware law may have the effect of delaying or preventing a transaction that would cause a change in Nasdaq's control. In addition, certain provisions of the Certificate of Incorporation and Nasdaq's By-Laws (the "By-Laws") may delay, defer, or prevent this type of transaction, even if Nasdaq's stockholders consider the transaction to be in their best interests. For example, the Certificate of Incorporation places limitations on the voting rights of persons, other than the NASD or any other person as may be approved by the Nasdaq Board prior to the time such person owns more than 5% of the then outstanding shares of Common Stock, who otherwise would be entitled to exercise voting rights in respect of more than 5% of the then outstanding shares of Common Stock. As a result, third parties are limited from exercising voting control over Nasdaq. Moreover, it is possible that the SEC might object to any action of the Nasdaq Board that would permit certain persons from being exempted from the foregoing restriction on voting power. In addition, in response to the SEC's concern about a concentration of ownership of Nasdaq, Nasdaq's Exchange Registration application includes a rule that prohibits any Nasdaq member or any person associated with a Nasdaq member from beneficially owning more than five percent of the outstanding shares of Common Stock. Other provisions make the removal of incumbent directors and the election of new directors more time consuming and difficult, which may discourage third parties from attempting to obtain control of Nasdaq, even if the change in control would be in the best interests of its stockholders. See "Item 11. Description of Registrant's Securities to be Registered."

Item 2. Financial Information.

The following table presents summary consolidated financial and operating data for Nasdaq. The data presented in this table are derived from "Selected Consolidated Financial Data of Nasdaq" and the consolidated financial statements and notes thereto which are included elsewhere in this Registration Statement. You should read those sections for a further

explanation of the financial data summarized here. You should also read the "Management's Discussion and Analysis of Financial Condition and Results of Operations of Nasdaq" section, which describes a number of factors which have affected Nasdaq's financial results.

Selected Consolidated Financial Data

	Year ended December 31,				
	1996	1997	1998	1999	2000
	(in thousands, except per share data and number of listed companies)				
Statement of Income Data:					
Revenues:					
Transaction services	$118,500	$174,741	$160,506	$283,652	$395,123
Market information services	99,446	126,436	152,665	186,543	258,251
Issuer services	111,832	113,019	137,344	163,425	184,595
Other	2,452	2,530	308	628	30,040
Total revenues	332,230	416,726	450,823	634,248	868,009
Expenses:					
Compensation and benefits	54,090	64,324	78,565	98,129	133,496
Marketing and advertising	34,356	53,817	42,483	62,790	45,908
Depreciation and amortization	24,405	31,336	34,984	43,696	65,645
Professional and contract services	17,233	22,259	35,127	35,282	61,483
Computer operations and data communications	45,757	61,438	72,111	100,493	138,228
Travel, meetings, and training	6,547	7,310	7,750	10,230	12,113
Occupancy	4,380	4,883	5,354	6,591	14,766
Publications, supplies, and postage	4,512	5,223	5,208	4,670	7,181
Other	9,121	14,560	16,704	24,809	26,505
Total direct expenses	200,401	265,150	298,286	386,690	505,325
Support cost from related parties, net	70,293	85,880	100,841	115,189	128,522
Total expenses	270,694	351,030	399,127	501,879	633,847
Net operating income	61,536	65,696	51,696	132,369	234,162
Interest	6,341	7,522	9,269	12,201	20,111
Provision for income taxes	(27,522)	(33,187)	(26,010)	(58,421)	(105,018)
Minority interest in earnings	-	-	-	-	872
Net income	40,355	40,031	34,955	86,149	150,127
Weighted average common shares outstanding(1)	100,000,000	100,000,000	100,000,000	100,000,000	112,090,493
Basic and diluted net income per share	$0.40	$0.40	$0.35	$0.86	$1.34
Other Data:					
EBITDA(3)	$ 92,418	$ 97,032	$ 86,680	$ 176,065	$ 322,049
Capital expenditures	54,361	79,887	33,605	94,193	119,040
Net cash provided by operating activities	62,469	76,755	56,723	134,625	232,696
Net cash used in investing activities	(50,726)	(123,064)	(58,150)	(130,657)	(269,385)
Net cash provided by financing activities	21	29,766	156	3,876	270,748
Number of listed companies	5,556	5,487	5,068	4,829	4,734
Shares traded	138,100,000	163,900,000	202,000,000	272,600,000	442,700,000

	As of December 31,	
	1999	2000
	(In thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$10,598	$262,257
Working capital	154,372	472,341
Total assets	578,254	1,075,317
Total stockholders' equity	352,012	764,901

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(1) Gives effect to the June 28, 2000, 49,999-for-one stock dividend of the shares of Common Stock for years ended 1996- 2000.

(2) The pro forma basic and diluted net income per share figures assume that no benefit has been derived from the net proceeds of the Restructuring offerings.

(3) EBITDA consists of earnings before net interest, income taxes, depreciation, and amortization. EBITDA is presented to clarify Nasdaq's operating results and it is not intended to represent cash flow or results of operations in accordance with generally accepted accounting principles.

Management's Discussion and Analysis of Financial Condition and Results of

Operations

The following discussion of the financial condition and results of operations of Nasdaq should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Registration Statement. This discussion contains forward-looking statements that involve risks and uncertainties. Nasdaq's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Item 1. Business--Risk Factors" and elsewhere in this Registration Statement.

Overview

As of December 31, 2000, the NASD owned approximately 60% of Nasdaq assuming all Warrants purchased in Phase I are fully exercised (approximately 81% assuming no Warrants are exercised). Phase II of the Restructuring closed in January 2001. Subsequent to the closing of Phase II, the NASD owns approximately 41% of Nasdaq assuming all Warrants purchased in Phase I and Phase II are fully exercised (approximately 74% assuming no Warrants are exercised). Transactions between Nasdaq and the NASD are on a cost basis and are allocated on a monthly basis through transfer pricing mechanisms.

Revenues

Nasdaq's revenues increased from $450.8 million for the year ended December 31, 1998 to $868.0 million for the year ended December 31, 2000, representing a compound annual growth rate of 38.8%. Nasdaq's total revenues for the year ended December 31, 2000 were $868.0 million, representing a 36.9% increase from $634.2 million for the year-ended December 31, 1999.

Nasdaq has three main revenue sources: transaction services, market information services, and issuer services. For the year ended December 31, 2000, transaction services revenues of $395.1 million increased $111.4 million or 39.3% from $283.7 million for the year ended December 31, 1999. Transaction services consist of SelectNet, the NWII, SOES, ACT, and other direct execution and comparison services. SelectNet, the high-volume automated execution service, provided revenues of $113.5 million, an increase of $30.4 million or 36.6% for the year ended December 31, 2000 from $83.1 million for the year ended December 31, 1999, primarily due to an increase in average trade volume.

SOES, a system providing for the automatic execution of small market orders, provided revenues of $32.2 million for the year ended December 31, 2000, an increase of $12.5 million or 63.2% from $19.7 million for the year ended December 31, 1999, primarily due to an increase in volume of SOES executions. The NNM Execution System will result in the migration of significant volume from SelectNet to SOES upon its implementation, which is currently scheduled for the third quarter of 2001. The integrated pricing approach envisioned for NNMS is consistent with the volume-based discount pricing introduced in 1999. It is expected that under this plan lost revenue from migrated SelectNet volume will be replaced by additional NNM Execution System revenue.

ACT, the automated service that speeds the post-execution steps of reporting price and volume comparison and clearing of pre-negotiated trades completed in Nasdaq and OTC Bulletin Board securities, provided revenues of $100.0 million for the year ended December 31, 2000, an increase of $31.9 million or 46.8% from $68.1 million for the year ended December 31, 1999, primarily due to increases in volume.

NWII is the trader's direct connection to Nasdaq. This primary trading device, along with APIs, provided over $121.6 million in revenues for the year ended December 31, 2000, an increase of $34.0 million or 38.8% from $87.6 million in revenues for the year ended December 31, 1999.

For the year ended December 31, 2000, market information revenues of $258.3 million increased $71.8 million or 38.5% from $186.5 million for the year ended December 31, 1999. The majority of revenues in market information are generated by Nasdaq's Level 1 and last sale service fees that are based on the number of terminals or access lines that a user may subscribe to receive market information or are alternatively assessed on a per-quote fee basis for non-professional users. These services allow real-time access to: (1) inside quotes (highest bid and lowest ask) for all securities listed on the NNM and The Nasdaq SmallCap Market; (2) inside quotes for OTC Bulletin Board securities; (3) trade price and volume information for Nasdaq, OTC Bulletin Board, and other over-the-counter equities; (4) intraday calculations for the major Nasdaq indexes; and (5) daily net asset values and associated information for over 8,000 money market and mutual funds. Level 1 revenues increased by approximately $24.6 million or 18.2% to $159.6 million for the year ended December 31, 2000 from $135.0 million for the year ended December 31, 1999.

Another major revenue contributor in market information is NQDS. This continuous stream of quoted trade information allows information vendors to create a display similar to the NWII. In addition to providing subscribers with the inside quotes, NQDS provides subscribers with quotes of each individual market maker and ECNs. NQDS revenues increased by approximately $42.3 million or 130.6% to $74.8 million for the year ended December 31, 2000 from $32.5 million for the year ended December 31, 1999.

The final major component of market information revenues relates to Nasdaq InterMarket tape revenues. Nasdaq InterMarket tape revenues increased by approximately $4.7 million or 27.4% to $21.9 million for the year ended December 31, 2000, from $17.2 million for the year ended December 31, 1999.

The overall growth in market information revenues is primarily due to an

increase in nonprofessional demand as measured by the increase in the number of average nonprofessional market data terminals in service of 507,000 or 268.0% to 696,000 for the year ended December 31, 2000 from 189,000 for the year ended December 31, 1999. Additionally, the growth was driven by an increase in the average number of non- professional quote inquiries of 15.4 million per day or 112.9% to 29.0 million per day for the year ended December 31, 2000 from 13.6 million per day for the year ended December 31, 1999.

Issuer services revenues of $184.6 million increased $21.2 million or 13.0% for the year ended December 31, 2000 from $163.4 million for the year ended December 31, 1999. Issuer revenues are generated through fees for initial listings, secondary offerings, and annual renewal fees for companies listed on Nasdaq.

Results of Operations

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Revenues

Total revenues were $868.0 million for the year ended December 31, 2000, representing a 36.9% increase from $634.2 million for the year ended December 31, 1999. This increase was largely driven by growth in trading volumes. Overall average daily share volume on Nasdaq increased by 62.4%, from 1.08 billion shares per day for the year ended December 31, 1999 to 1.77 billion shares per day for the year ended December 31, 2000. Market information services revenues of $258.3 million increased $71.8 million or 38.5% for the year ended December 31, 2000 from $186.5 million for the year ended December 31, 1999 primarily due an increase in nonprofessional demand partially offset by fee adjustments for nonprofessional market information users. Transaction services revenues of $395.1 million increased $111.4 million or 39.3% for the year ended December 31, 2000 from $283.7 million for the year ended December 31, 1999, primarily due to an increase in average daily share volume demand partially offset by fee adjustments. Issuer services revenues of $184.6 million increased $21.2 million or 13.0% for the year ended December 31, 2000 from $163.4 million for the year ended December 31, 1999, primarily due to a 17.1% increase in the average size of initial public offerings and secondary offerings.

Direct Expenses

Direct expenses increased $118.6 million or 30.7% to $505.3 million for the year ended December 31, 2000 from $386.7 million for the year ended December 31, 1999.

Compensation costs increased $35.4 million or 36.1% to $133.5 million for the year ended December 31, 2000 from $98.1 million for the year ended December 31, 1999 primarily due to an increase in headcount of approximately 171 employees or 16.4% to 1,214 employees as of December 31, 2000, from 1,043 employees as of December 31, 1999. The majority of new employees are technology staff needed for system enhancements and development initiatives and are performing services for Nasdaq that would have been otherwise provided by independent contractors.

Marketing and advertising costs decreased $16.9 million or 26.9% to $45.9 million for the year ended December 31, 2000 from $62.8 million for the year ended December 31, 1999, primarily due to a decrease in scale of the media advertising campaign run in the fall of 2000 as compared to the fall campaign run in 1999.

Computer operations and data communications costs increased $37.7 million or 37.5% to $138.2 million for the year ended December 31, 2000 from $100.5 million for the year ended December 31, 1999, due to significant investments in software licenses and hardware maintenance costs for the operating environment to accommodate the growth in share volume.

Professional and contract services costs, net of amounts capitalized under Statement of Position 98-1 as described in the notes to consolidated financial statements, increased $26.2 million or 74.2% to $61.5 million for the year ended December 31, 2000 from $35.3 million for the year ended December 31, 1999. The main projects included in current year professional and contract services expense are Nasdaq Global and related international initiatives, design costs related to Nasdaq.com and Nasdaq online, vendor services for the new Nasdaq MarketSite(SM)("MarketSite") and broadcast facility located in Times Square, New York, and helpdesk and desktop support costs provided by Electronic Data Systems Corporation ("EDS").

Depreciation expense increased $21.9 million or 50.1% to $65.6 million for the year ended December 31, 2000 from $43.7 million for the year ended December 31, 1999, primarily due to purchases of computer hardware necessary to handle the growth in trading volumes.

The remaining direct expenses increased $14.3 million or 30.9% to $60.6 million for the year ended December 31, 2000 from $46.3 million for the year ended December 31, 1999. This was primarily due to an increase in occupancy costs as a result of the MarketSite and broadcast facility in Times Square, New York.

Support Costs

Support costs from related parties increased by $13.3 million or 11.5% to $128.5 million for the year ended December 31, 2000 from $115.2 million for the year ended December 31, 1999. Specifically, Nasdaq incurred increased surveillance and other regulatory charges from NASDR. Surveillance and other regulatory charges are comprised primarily of the costs relating to technological investments for market surveillance as well as direct costs for enforcement and other regulation services. Surveillance and other regulatory charges from NASDR increased by $14.8 million or 22.7% to $79.9

million for the year ended December 31, 2000 from $65.1 million for the year ended December 31, 1999. Additionally, contributing to the increase is a decline in the amount of Nasdaq costs charged to Amex of $9.1 million or 65.0% to $4.9 million for the year ended December 31, 2000 from $14.0 million for the year ended December 31, 1999. These increases are partially offset by a decrease in support costs from the NASD of $10.5 million or 16.4% to $53.6 million for the year ended December 31, 2000 from $64.1 million for the year ended December 31, 1999, primarily since support of Nasdaq's computer desktop operations was outsourced to EDS effective June 1, 1999. Prior to June 1, 1999, these services were provided to Nasdaq by the NASD. Amounts charged to related parties are netted against charges from related parties in the "Support cost from related parties, net" line item on the Consolidated Statements of Income.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Revenues

Total revenues increased $183.4 million or 40.7% to $634.2 million for the year ended December 31, 1999 from $450.8 million for the year ended December 31, 1998. Results for the year ended December 31, 1999 reflect the strong U.S. equity market performance experienced as evidenced by an increase in average daily share volume on Nasdaq of approximately 35% as compared to the previous year. Transaction services revenues of $283.7 million increased $123.2 million or 76.8% for the year ended December 31, 1999 from $160.5 million for the year ended December 31, 1998, primarily due to an increase in average daily share volume of 108.5% to over 1.3 million average trades per day during the year ended December 31, 1999 as compared to over 0.6 million average trades per day during the year ended December 31, 1998. Market information services revenues of $186.5 million increased $33.4 million or 22.2% for the year ended December 31, 1999 from $152.7 million for the year ended December 31, 1998, primarily due to a 35.7% growth in the number of subscribers of market quote and trade data services. Issuer services revenues of $163.4 million increased $26.1 million or 19.0% for the year ended December 31, 1999 from $137.3 million for the year ended December 31, 1998, primarily due to an increase in the number and size of initial public offerings, spin-offs, and movement of issuers into Nasdaq from other markets.

Direct Expenses

Direct expenses increased $88.4 million or 29.6% to $386.7 million for the year ended December 31, 1999 from $298.3 million for the year ended December 31, 1998.

Compensation costs increased $19.5 million or 24.8% to $98.1 million for the year ended December 31, 1999 from $78.6 million for the year ended December 31, 1998, primarily due to an increase in headcount of approximately 228 employees to 1,042 employees as of December 31, 1999, from 814 employees as of December 31, 1998 that represents a 28.0% increase in headcount. The majority of new employees are technology staff needed for system enhancements and development initiatives and are performing services for Nasdaq that would have been otherwise provided by independent contractors.

Marketing and advertising costs increased $20.3 million or 47.8% to $62.8 million for year ended December 31, 1999 from $42.5 million for the year ended December 31, 1998, primarily due to an extensive media advertising campaign run during the fall of 1999 to promote brand-awareness.

Computer operations and data communications costs increased $28.4 million or 39.4% to $100.5 million for the year ended December 31, 1999 from $72.1 million for the year ended December 31, 1998, primarily due to the initial installation of circuits for EWNII in 1998. EWNII is the new Nasdaq network to connect Nasdaq's computerized market facilities to market participants.

Professional and contract services costs net of amounts capitalized under Statement of Position 98-1 as described in the notes to consolidated financial statements included elsewhere in this Registration Statement increased $0.2 million or 0.6% to $35.3 million for the year ended December 31, 1999, from $35.1 million for the year ended December 31, 1998. The main projects included in current year professional and contract services expense are development costs related to the New Amex Equity Book ("NAMEX") and the Integrated Quote Management System ("IQMS"). NAMEX displays to market professionals the aggregate size and price of equity orders on the book away from the best bid and offer. The costs incurred by Nasdaq in assisting Amex in the development of NAMEX are charged back to Amex as support costs provided to related parties. Amounts charged to related parties are netted against charges from related parties in the "Support cost from related parties net," line item on the Consolidated Statement of Income. For the year ended December 31, 1999, approximately $11.7 million of NAMEX development costs that would have otherwise been capitalized as an internally developed software cost were expensed in the fourth quarter of 1999 by Nasdaq after a determination not to implement the system. IQMS was intended to replace Nasdaq's current quotation environment, consolidate Nasdaq's various quotation applications and enable Nasdaq to handle decimalization, an industry-wide initiative to convert securities systems pricing figures from fractions to decimals. In May 2000, it was determined that designing the current system to handle the decimalization would present lower technological risk than would further work on IQMS.

Depreciation expense increased $8.7 million or 24.9% to $43.7 million for the year ended December 31, 1999 from $35.0 million for the year ended December 31, 1998, primarily due to purchases of computer hardware necessary to handle the growth in Nasdaq trading volume.

The remaining direct expenses increased $11.3 million or 32.3% to $46.3 million for the year ended December 31, 1999 from $35.0 million for the year ended December 31, 1998. This was primarily due to an increase in

other direct expenses that includes a $5.6 million increase in the allowance related to performance under the EWNII contract with WorldCom Inc. Nasdaq partnered with WorldCom Inc. to deploy a state of the art communications infrastructure to link Nasdaq's computerized market facilities to the market participants. WorldCom Inc. provides networking and management services to the EWNII in return for revenues generated by EWNII and a deposit fee paid by Nasdaq. Although the deposit will be refunded if Nasdaq attains certain revenue targets, the allowance is established for any unrecoverable amounts. Other direct expenses also increased due to Nasdaq's contribution to The Nasdaq Stock Market Educational Foundation, Inc. of $10.0 million for the year ended December 31, 1999 compared to $5.0 million for the year ended December 31, 1998. Contributions to The Nasdaq Stock Market Educational Foundation, Inc. were made in the fourth quarters of the years ended December 31, 1998 and December 31, 1999. The foundation is a non-profit membership organization established and operated exclusively to advance educational purposes, principally involving the study of business, economics, and finance.

Support Costs

Support costs from related parties increased by $14.4 million or 14.3% to $115.2 million for the year ended December 31, 1999 from $100.8 million for the year ended December 31, 1998, primarily due to the increase in support charges from the NASD which largely represent costs incurred by the NASD to develop and maintain technology on behalf of Nasdaq. Specifically, support costs from the NASD increased by $11.5 million or 21.9% to $64.1 million for the year ended December 31, 1999 from $52.6 million for the year ended December 31, 1998, primarily due to an increase in technology development costs as a result of Nasdaq Japan, various Year 2000 ("Y2K") initiatives, and an increase in overall network environment costs necessary to support the increase in trade volume. In addition, Nasdaq incurred surveillance and other regulatory charges from NASDR. Surveillance and other regulatory charges are comprised primarily of the costs relating to technological investments for market surveillance as well as direct costs for enforcement and other regulation services. Surveillance and other regulatory charges from NASDR increased by $7.8 million or 13.6% to $65.1 million for the year ended December 31, 1999, from $57.3 million for the year ended December 31, 1998. Nasdaq charged Amex $14.0 million as support costs provided to related parties in the year ended December 31, 1999. This amount consists of $9.2 million of non-technology services provided such as marketing services performed by Nasdaq on behalf of Amex as well as $4.8 million of technological support related to the development of new systems such as NAMEX and the enhancement of existing Amex systems. Amounts charged to related parties are netted against charges from related parties in the "Support cost from related parties, net" line item on the Consolidated Statements of Income.

Liquidity and Capital Resources

December 31, 2000 compared to December 31, 1999

Cash and cash equivalents and available for sale securities totaled $494.4 million as of December 31, 2000, an increase of $330.2 million from $164.2 million as of December 31, 1999. Working capital increased $318.3 million to $472.6 million as of December 31, 2000, from $154.3 million as of December 31, 1999.

Cash and cash equivalents increased $251.7 million to $262.3 million as of December 31, 2000, primarily due to cash provided by financing activities as a result of the net proceeds received from Phase I which equaled $253.3 million.

For the year ended December 31, 2000, operating activities provided net cash inflows of $232.7 million, primarily due to cash received from customers of $713.0 million less cash paid to suppliers, employees, and related parties of $403.4 million and income taxes paid of $101.2 million.

Net cash used in investing activities was $269.4 million for the twelve months ended December 31, 2000, due in part to capital expenditures to complete construction of the MarketSite and broadcast facility in Times Square. In addition, Nasdaq continued to make capital investments in technology to continue to support Nasdaq's system capacity needs. The remaining cash used in investing activities is attributable to purchases of investments with the proceeds of the Phase I offering that exceeded the sales and maturities of investments.

Cash provided by financing activities was $288.3 million as of December 31, 2000 primarily due to the net proceeds received from Phase I which equaled approximately $253.3 million. Nasdaq will use the proceeds to invest in new technology, implement and form strategic alliances, implement its pricing strategies, and build its brand identity through marketing programs.

Additionally, in connection with the closing of Phase II on January 18, 2001, Nasdaq yielded net proceeds of approximately $63.7 million. Nasdaq believes that the liquidity provided by existing cash and cash equivalents, investments, and cash generated from operations will provide sufficient capital to meet operating requirements.

December 31, 1999 compared to December 31, 1998

Cash and cash equivalents and available for sale securities totaled $164.2 million as of December 31, 1999, an increase of $31.6 million from $132.6 million as of December 31, 1998. Working capital increased $33.5 million to $154.3 million as of December 31, 1999, from $120.8 million as of December 31, 1998.

Cash and cash equivalents increased $7.8 million to $10.6 million as of December 31, 1999, primarily due to cash provided by operating activities of $134.6 million, partially offset by cash used in investing activities of

$130.7 million.

In the year ended December 31, 1999, operating activities provided net cash inflows of $134.6 million, primarily due to cash received from customers of $527.9 million less cash paid to suppliers, employees, and related parties of $352.9 million.

Net cash used in investing activities was $130.7 million in the year ended December 31, 1999, due in part to an increase in capital expenditures related to construction of the new MarketSite and broadcast facility in Times Square in New York City totaling approximately $31.0 million. In addition, Nasdaq made capital investments of approximately $60.0 million in technology to continue to support Nasdaq's system capacity needs. The remaining cash used in investing activities is attributable to purchases of investments that exceeded the proceeds from sales and maturities of investments.

Nasdaq had no significant financing activities during the year ended December 31, 1999, as the cash generated by operations was sufficient to fund planned growth and capital requirements.

Quantitative and Qualitative Disclosure About Market Risk

Market risk represents the risks of changes in the value of a financial instrument, derivative or non-derivative, caused by fluctuations in interest rates, foreign exchange rates, and equity prices. As of December 31, 2000, Nasdaq's investment portfolio consists primarily of floating rate securities, obligations of U.S. Government sponsored enterprises, municipal bonds, and commercial paper. Nasdaq's primary market risk is associated with fluctuations in interest rates and the effects that such fluctuations may have on its investment portfolio and outstanding debt. The weighted average maturity of the fixed income portion of the portfolio is 1.05 years as of December 31, 2000. Nasdaq's outstanding debt obligation specifies a fixed interest rate until May 2007 and a floating interest rate based on the lender's cost of funds until maturity in 2012. The investment portfolio is held primarily in short term investments with maturities averaging approximately one year, therefore management does not believe that a one percent fluctuation in market interest rates will have a material effect on Nasdaq's investment portfolio and outstanding debt.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." Statement of Financial Accounting Standards ("SFAS") No.133 provides a comprehensive and consistent standard for the recognition and measurement of derivatives and hedging activities. In June 1999, the FASB issued SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133" that defers the date of adoption of SFAS No. 133 such that it is effective for fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities-an Amendment of FASB Statement No. 133" that addresses a limited number of issues causing implementation difficulties for a large number of entities preparing to apply SFAS No. 133. Nasdaq believes that the adoption of SFAS No. 133 will not have a significant impact on its operating results or cash flows.

Item 3. Properties.

Nasdaq's principal technology services, systems engineering, and market operations are located in approximately 162,000 square feet of Nasdaq-owned space in Trumbull, Connecticut. Nasdaq also leases 44,000 and 57,000 square feet of office space in two facilities in Trumbull, Connecticut. A small back-up site for market operations is located in Norwalk, Connecticut. The NASD and Nasdaq are in the process of a real estate swap transaction, which would transfer ownership of an approximate 110,000 square feet facility housing the Nasdaq data center in Rockville, Maryland to Nasdaq in exchange for a Nasdaq- owned office building of approximately 58,000 square feet. Nasdaq also occupies approximately 8,000 square feet in one of the NASD's Rockville, Maryland locations where Market Watch is co-located with NASDR's Market Regulation. In Gaithersburg, Maryland, Nasdaq occupies an approximate 66,000 square feet space, leased by the NASD. This lease expires in 2001 and will be replaced by a Nasdaq lease of approximately 78,000 square feet in the nearby Blackwell facility in Rockville, Maryland. Nasdaq has a marketing facility of approximately 26,000 square feet in New York's Times Square, originally leased by the NASD but scheduled for assignment to Nasdaq. Nasdaq is currently in the process of relocating its headquarters in New York, New York from the NASD leased space at 33 Whitehall to One Liberty Plaza, where Nasdaq will occupy approximately 78,000 square feet of space subleased from the NASD. Nasdaq also occupies an approximate 24,000 square feet space on Rector Street in New York City, which is an assigned lease from Amex. Nasdaq occupies an approximate 3,500 square feet space in Jersey City, New Jersey, which houses Nasdaq Tools. In Washington D.C., Nasdaq occupies an approximate 40,000 square feet space within 1735 and 1801 K Street locations. In addition, Nasdaq leases administrative and sales facilities in Menlo Park, California, London, England, and Sao Paulo, Brazil. Nasdaq's Chicago operations will sublease space from the NASD.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth the beneficial ownership of Nasdaq's Common Stock by all persons who are beneficial owners of more than five percent of the Common Stock and the beneficial ownership of Nasdaq's Common Stock and Nasdaq Japan's common shares by (1) each director, (2) Nasdaq's Chief Executive Officer ("CEO") and four most highly compensated executive officers other than the CEO, who were serving as executive officers at the

end of 2000, and (3) all directors and executive officers as a group. Except as otherwise indicated, Nasdaq believes that the beneficial owners listed below, based on information furnished by such owners, will have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Unless otherwise indicated, the business address of such persons is One Liberty Plaza, New York, New York, 10006. As of April 17, 2001, approximately 128,692,543 shares of Common Stock were outstanding and approximately 14,100 common shares of Nasdaq Japan were outstanding.

Name of beneficial owner	Common Stock Beneficially Owned	Percent of Class	Common Shares of Nasdaq Japan Beneficially Owned	Percent of Class
National Association of Securities Dealers, Inc. 1735 K Street, N.W. Washington, D.C. 20006	95,454,209(1)	74		
Dr. Josef Ackermann	-(2)	-	-	-
H. Furlong Baldwin	-	-	-	-
Frank E. Baxter	-(3)	-	-	-
Alfred R. Berkeley, III	-	-	-	-
Michael W. Brown	-	-	-	-
Michael Casey	-(4)	-	-	-
Michael W. Clark	-(5)	-	-	-
William S. Cohen	-	-	-	-
F. Warren Hellman	-(6)	-	-	-
John D. Markese	-	-	-	-
E. Stanley O'Neal	-(7)	-	-	-
Vikram S. Pandit	-(8)	-	-	-
Kenneth D. Pasternak	-(9)	-	-	-
David S. Pottruck	-(10)	-	-	-
Arthur Rock	-	-	-	-
Richard C. Romano	20,000(11)	*	-	-
Hardwick Simmons	-	-	-	-
Arvind Sodhani	-(12)	-	-	-
Sir Martin Sorrell	-	-	-	-
Frank G. Zarb	60,000(13)	*	35(14)	*
Alfred R. Berkeley, III	15,900(15)	*	-	-
J. Patrick Campbell	30,000(16)	*	-	-
John L. Hilley	30,000(17)	*	475(18)	3.4
Richard G. Ketchum	40,000(19)	*	19(20)	*
All directors and executive officers as a group (33 persons)	333,100	*	548	3.9

* Less than one percent

(1) Includes approximately 43,231,976 shares of Common Stock underlying the unexercised, unexpired outstanding Warrants and includes the 18,461,538 shares of Common Stock the NASD has agreed to sell to Nasdaq.

(2) Dr. Ackermann is head of Corporate and Institutional Clients Group of Deutsche Bank AG which, together with its affiliates, owns an aggregate of 1,500,300 shares of Common Stock. Dr. Ackermann disclaims beneficial ownership of such shares.

(3) Mr. Baxter is the Chairman of the Jefferies Group, Inc. which, together with its affiliates, owns an aggregate of 115,912 shares of Common Stock. Mr. Baxter disclaims beneficial ownership of such shares.

(4) Mr. Casey is an officer of Starbucks Corporation which owns an aggregate of 10,000 shares of Common Stock. Mr. Casey disclaims beneficial ownership of such shares.

(5) Mr. Clark is an officer of Credit Suisse First Boston, Inc., which, together with its affiliates, owns 1,604,650 shares of Common Stock. Mr. Clark disclaims beneficial ownership of such shares.

(6) Mr. Hellman is co-founder and Chairman of Hellman & Friedman LLC. Upon consummation of the proposed sale by Nasdaq of the $240,000,000 aggregate principal amount of Subordinated Debentures (convertible into an aggregate of 12,000,000 shares of Common Stock, subject to adjustment), Hellman & Friedman will beneficially own the share of Common Stock underlying their Subordinated Debentures. Mr. Hellman is a voting member of the investment committee which indirectly exercises sole voting and investment power with respect to the Subordinated Debentures. Mr. Hellman disclaims beneficial ownership of the Subordinated Debentures except to the extent of his indirect pecuniary interest in the Subordinated Debentures.

(7) Mr. O'Neal is an officer of Merrill Lynch & Co. which, together with its affiliates, owns 1,875,000 shares of Common Stock. Mr. O'Neal disclaims beneficial ownership of such shares.

(8) Mr. Pandit is an officer of Morgan Stanley Dean Witter & Co. which, together with its affiliates, owns 1,126,200 shares of Common Stock. Mr. Pandit disclaims beneficial ownership of such shares.

(9) Mr. Pasternak is Chairman, CEO, and President of Knight Trading Group, Inc. which, together with its affiliates, owns an aggregate of 1,125,000 shares of Common Stock. Mr. Pasternak disclaims beneficial ownership of

such shares.

(10) Mr. Pottruck is an officer of The Charles Schwab Corporation which, together with its affiliates, owns 1,125,000 shares of Common Stock. Mr. Pottruck disclaims beneficial ownership of such shares.

(11) Represents an aggregate of 20,000 owned by Romano Brothers & Co. Mr. Romano is the President and majority stockholder of Romano Brothers & Co.

(12) Mr. Sodhani is an officer of Intel Corporation which owns 430,000 shares of Common Stock. Mr. Sodhani disclaims beneficial ownership of such shares.

(13) Represents 60,000 shares of restricted stock issued under Nasdaq's Equity Incentive Plan which have not yet vested. Under the terms of this plan, Mr. Zarb has the right to direct the voting of such shares.

(14) Represents options to purchase an aggregate of 35 Nasdaq Japan common shares.

(15) Represents 15,900 shares of restricted stock issued under Nasdaq's Equity Incentive Plan which have not yet vested. Under the terms of this plan, Mr. Berkeley has the right to direct the voting of such shares.

(16) Represents 30,000 shares of restricted stock issued under Nasdaq's Equity Incentive Plan which have not yet vested. Under the terms of this plan, Mr. Campbell has the right to direct the voting of such shares.

(17) Represents 30,000 shares of restricted stock issued under Nasdaq's Equity Incentive Plan which have not yet vested. Under the terms of this plan, Mr. Hilley has the right to direct the voting of such shares.

(18) Represents shares of restricted stock.

(19) Represents 40,000 shares of restricted stock issued under Nasdaq's Equity Incentive Plan which have not yet vested. Under the terms of this plan, Mr. Ketchum has the right to direct the voting of such shares.

(20) Represents options to purchase an aggregate of 19 shares of Nasdaq Japan common shares.

Item 5. Directors and Executive Officers.

The directors and executive officers of Nasdaq are as follows:

Name	Age	Position
Frank G. Zarb	66	Chairman of the Nasdaq Board Class 2
Hardwick Simmons	60	CEO, Director Nominee Class 1
Dr. Josef Ackermann	53	Director Nominee Class 2
H. Furlong Baldwin	69	Director Class 2
Alfred R. Berkeley, III	56	Vice Chairman and Director Class 1
Frank E. Baxter	64	Director Class 1
Michael W. Brown	55	Director Class 1
Michael Casey	55	Director Class 3
Michael W. Clark	41	Director Nominee Class 1
William S. Cohen	60	Director Nominee Class 1
F. Warren Hellman	66	Director Nominee Class 2
John D. Markese	55	Director Class 1
E. Stanley O'Neal	49	Director Class 3
Vikram S. Pandit	45	Director Class 3
Kenneth D. Pasternak	47	Director Nominee Class 1
David S. Pottruck	52	Director Class 3
Arthur Rock	74	Director Class 3
Richard C. Romano	68	Director Class 2
Arvind Sodhani	47	Director Class 1
Sir Martin Sorrell	56	Director Class 2
Richard G. Ketchum	50	President
Gregor S. Bailar	37	Executive Vice President--Operations and Technology and Chief Information Officer
J. Patrick Campbell	52	Executive Vice President, Chief Operating Officer, and President of Nasdaq U.S. Markets
Steven Dean Furbush	42	Executive Vice President--Transaction Services
John M. Hickey	64	Executive Vice President
John L. Hilley	53	Executive Vice President--Strategic Development and Chairman and Chief Executive Officer of Nasdaq International
Edward S. Knight	50	Executive Vice President and General Counsel
Gordon F. Martin	53	Executive Vice President and Chief Financial Officer
Steven Randich	38	Executive Vice President and Chief Technology Officer
Denise B. Stires	38	Executive Vice President--Marketing and Investor Services
John N. Tognino	62	Executive Vice President
John T. Wall	59	President, Nasdaq International
David P. Warren	47	Executive Vice President--Chief Administrative Officer
David Weild IV	44	Executive Vice President--Issuer Affairs

Frank G. Zarb, a Staff Director, has been Chairman of the Nasdaq Board

since January 2000 and Chairman of the NASD Board since 1997. Mr. Zarb was the CEO of Nasdaq from 1997 to February 2001 and CEO of the NASD from 1997 to November 2000. Prior to joining the NASD in 1997, Mr. Zarb was Chairman, CEO, and President of Alexander & Alexander Services, Inc., an insurance brokerage and professional services consulting firm, from June 1994 through January 1997. Mr. Zarb is a member of the Board of Trustees of the Gerald R. Ford Foundation and a former Chairman of the Board of Hofstra University, where he still serves as a Board member.

Hardwick Simmons, a Staff Director nominee, became CEO of Nasdaq in February 2001. Prior to joining Nasdaq, Mr. Simmons served from May 1991 to December 2000 as President and CEO of Prudential Securities Incorporated, the investment and brokerage firm, and Prudential Securities Group Inc., the firm's holding company. Mr. Simmons is a former member of Prudential Securities' Operating Committee, Operating Council, and the board of directors of Prudential Securities Group Inc. Prior to joining Prudential Securities in 1991, Mr. Simmons was President of the Private Client Group at Shearson Lehman Brothers, Inc.

Dr. Josef Ackermann, an Industry Director, was elected to the Nasdaq Board in April 2001 to be effective immediately following Nasdaq's 2001 annual meeting of stockholders (the "2001 Annual Meeting"). Dr. Ackermann is Chairman of Corporate and Investment Banking of Deutsche Bank AG, a global bank and financial services firm, and will become Speaker of the Board of Managing Directors at Deutsche Bank AG in 2002. Dr. Ackermann has served on the Board of Managing Directors of Deutsche Bank AG since 1996. Prior to this position, Dr. Ackermann was President of the Executive Board of Credit Suisse from 1993. Dr. Ackermann serves on the board of directors of Vodafone Group Plc and Stora Enso Oyj.

H. Furlong Baldwin, a Non-Industry Director, was elected to the Nasdaq Board in July 2000. Mr. Baldwin has been a member of the NASD Board since 1999. Mr. Baldwin is Chairman of the Mercantile Bankshares Corporation, a multibank holding company. Mr. Baldwin joined Mercantile-Safe Deposit & Trust Company in 1956 and was elected President in 1970 of Mercantile-Safe Deposit & Trust Company and Mercantile Bankshares Corporation and Chairman and CEO in 1976. Mr. Baldwin serves on the board of directors of Mercantile Safe Deposit & Trust Company, Merchantile Bankshares Corporation, Constellation Energy Group, CSX Industries, Offitbank, Wills Group, and The St. Paul Companies.

Alfred R. Berkeley III, a Staff Director, was elected to the Nasdaq Board in 1996. Mr. Berkeley has been Vice Chairman of Nasdaq since July 2000 and was President of Nasdaq from June 1996 to July 2000. Prior to joining Nasdaq, Mr. Berkeley served for five years as Managing Director and Senior Banker of the Corporate Finance Department of Alex. Brown & Sons Incorporated, a financial services firm. Mr. Berkeley is a member of the board of directors of Princeton Capital Management, Inc. Mr. Berkeley is not standing for re-election to the Nasdaq Board when his term ends in connection with the 2001 Annual Meeting.

Frank E. Baxter, an Industry Director, was elected to the Nasdaq Board in 1998. Mr. Baxter is Chairman of the Jefferies Group, Inc., a holding company whose affiliated companies offer a variety of services for institutional investors. Mr. Baxter joined Jefferies & Co. in 1974 and during his time has served as President, Chief Operating Officer ("COO") and CEO. Mr. Baxter is a Director of Investment Technology Group, Inc. and Burdett, Buckeridge, & Young, Australia.

Michael W. Brown, a Non-Industry Director, served as the Chairman of the Nasdaq Board from 1996 to January 2000 and was elected to the Nasdaq Board in 1995. Mr. Brown is the former Chief Financial Officer ("CFO") of Microsoft Corporation a software developer and manufacturer. Mr. Brown spent 18 years with the public accounting firm of Deloitte and Touche LLP. Mr. Brown currently serves on the board of directors of Administaff Inc., and FatKat Inc. Mr. Brown is a member of the Thomas Weisel Partners Advisory Board, XML Fund Advisory Board and is a Fellow at Bios, L.P. Mr. Brown is not standing for re-election to the Nasdaq Board when his term ends in connection with the 2001 Annual Meeting.

Michael Casey, a Non-Industry Director, was elected to the Nasdaq Board in January 2001. Mr. Casey has been Executive Vice President, CFO, and Chief Administrative Officer of Starbucks Corporation, a food services and retail store licensing corporation, since September 1997. Prior to his current position, Mr. Casey was Senior Vice President and CFO of Starbucks from August 1995 to September 1997.

Michael W. Clark, an Industry Director nominee, is a Managing Director and Head of Global Equity Trading at Credit Suisse First Boston, Inc. ("CSFB"), a global investment bank serving institutional, corporate, government, and individual clients, and a member of its Global Equity Management Committee. Mr. Clark also serves on the firm's Operating Committee and is a member of the Managing Director Evaluation Committee and Co-Head of the Global Recruiting Committee. Mr. Clark joined CSFB as a Vice President in 1991. Prior to assuming his present role in 1995, Mr. Clark was in charge of CSFB's global convertible trading and risk management.

William S. Cohen, a Public Director, was elected to the Nasdaq Board in April 2001 to be effective immediately following the 2001 Annual Meeting. Secretary Cohen is the Chairman and CEO of The Cohen Group, a strategic business consulting firm. He was previously the Secretary of Defense during the Clinton Administration from 1997-2001. Secretary Cohen represented Maine in the U.S. Senate for three terms and in the U.S. House of Representatives for three terms before retiring in 1996.

F. Warren Hellman, a Non-Industry Director, was elected to the Nasdaq Board in March 2001 to be effective upon the consummation of the proposed sale by Nasdaq of the Subordinated Debentures to Hellman & Friedman. Mr. Hellman co-founded Hellman & Friedman, a private equity investment firm, in 1984 and served as general partner until 1998, when the firm became Hellman &

Friedman LLC. Mr. Hellman currently serves as Chairman of the firm. Mr. Hellman has also been the general partner of FWH Associates, an investment partnership, since 1985, the general partner of the Pacific Ave. Group, an investment partnership, since 1994, and the general partner of Locust Street Group, an investment partnership, since 1997. Prior to his current positions, Mr. Hellman was a general partner of Hellman, Ferri Investment Associates, Matrix Management Company I and II, and Lehman Brothers. Mr. Hellman serves on the board of directors of WPP Group plc, Levi Strauss & Co., D.N.&E. Walter & Co., and Il Fornaio (America) Corp.

John D. Markese, a Public Director, was elected to the Nasdaq Board as a Class 3 director in April 2001 to be effective immediately following the 2001 Annual Meeting. Mr. Markese has been a member of the Nasdaq Board since 1996. Mr. Markese is President of the American Association of Individual Investors, a not-for-profit organization specializing in providing education in stock investment and mutual funds, since 1992 and an Executive Vice President from 1986 to 1992. Mr. Markese holds a Doctorate in Finance from the University of Illinois. Mr. Markese also serves on the board of directors of the Alliance for Investor Education.

E. Stanley O'Neal, an Industry Director, was elected to the Nasdaq Board in January 2001. Mr. O'Neal is Executive Vice President of Merrill Lynch & Co., Inc., a global financial services firm, and President of its U.S. Private Client Group since February 2000. Prior to his current positions, Mr. O'Neal was Executive Vice President and CFO of Merrill Lynch from March 1998 to February 2000; Executive Vice President and Co-Head of Corporate and Institutional Client Group from April 1997 to March 1998 and Managing Director and Head of Global Capital Markets Group from April 1995 to April 1997. Mr. O'Neal joined Merrill Lynch in 1987.

Vikram S. Pandit, an Industry Director, was elected to the Nasdaq Board in January 2001. Since September 2000 Mr. Pandit has been Co-President and Chief Operating Officer of the Institutional Securities Group of Morgan Stanley Dean Witter & Co. ("MSDW"), a global financial services firm. Prior to his current position, Mr. Pandit was Head of MSDW's Worldwide Institutional Equity Division from May 1997 until September 2000; Head of Morgan Stanley Group Inc.'s Equity Division from January 1997 until May 1997; and Head of Morgan Stanley Group Inc.'s Equity Derivatives business from May 1994 until December 1996. Mr. Pandit has been a Managing Director of Morgan Stanley & Co. Incorporated since January 1990.

Kenneth D. Pasternak, an Industry Director nominee, is Chairman of the Board, CEO and President of Knight Trading Group, Inc. ("Knight"), a market maker in U.S. equity securities. Mr. Pasternak was named Chairman of the Board of Knight in October 2000 and has been a member of its board of directors since July 1998. Since 1995, Mr. Pasternak has been the CEO and a trading room supervisor for Knight Securities, L.P., Knight's wholly-owned Nasdaq/OTC securities market maker, and its President from 1995 to 1999. Prior to Knight, Mr. Pasternak served as Senior Vice President, Limited Partner, and Trading Room Manager for Spear Leeds & Kellogg/Troster Singer from 1979 until 1994. Mr. Pasternak serves on the NASD Board and on the Advisory Committee of BRASS Utility, LLC (BRUT).

David S. Pottruck, an Industry Director, was elected to the Nasdaq Board in July 2000. Mr. Pottruck has been a member of the NASD Board since 2000. Mr. Pottruck is President and Co-Chief Executive Officer and a member of the board of directors of The Charles Schwab Corporation, a holding company whose subsidiaries engage in securities brokerage and financial services. Mr. Pottruck joined The Charles Schwab Corporation in 1984 and became President in 1992. Mr. Pottruck serves on the board of directors of Intel Corporation, McKesson HBOC Inc., Dovebid, and the U.S. Ski and Snowboard Team Foundation. Mr. Pottruck is also a trustee of the University of Pennsylvania.

Arthur Rock, a Non-Industry Director, was elected to the Nasdaq Board in July 2000. Mr. Rock has been a member of the NASD Board since 1998. Mr. Rock is Principal of Arthur Rock & Co., a venture capital firm in San Francisco, California he founded in 1969. Mr. Rock is currently a Director Emeritus of Intel Corporation and serves on the board of directors of Echelon Corporation.

Richard C. Romano, an Industry Director, was elected to the Nasdaq Board in July 2000. Mr. Romano has been President of Romano Brothers & Company, a securities broker dealer, since 1964. Mr. Romano is Vice Chairman of the NASD Small Firm Advisory Board.

Arvind Sodhani, a Non-Industry Director, was elected to the Nasdaq Board in 1997. From July 2000 to December 2000, Mr. Sodhani served as a non-voting member of the Nasdaq Board. Mr. Sodhani is Vice President and Treasurer of Intel Corporation, a semiconductor manufacturer of chips and computer networking products. Mr. Sodhani joined Intel in 1981 and became a Vice President in 1990.

Sir Martin Sorrell, a Non-Industry Director, was elected to the Nasdaq Board in January 2001. Sir Martin is a founder and, since 1986, has been Group Chief Officer of WPP Group plc, a global communication services organization. Prior to this position, Sir Martin was the Group Finance Director of Saatchi & Saatchi Company, PLC.

Richard G. Ketchum became President of Nasdaq in July 2000. Mr. Ketchum is responsible for all aspects of Nasdaq's operations, including the development and formulation of legal, regulatory, and market policies, as well as international initiatives. Prior to his current position, Mr. Ketchum served as President of the NASD since 1998, COO of the NASD since 1993 and Executive Vice President of the NASD since 1991. Mr. Ketchum serves as a director of the Depository Trust and Clearing Corporation.

Gregor S. Bailar became Executive Vice President and Chief Information Officer ("CIO") of Nasdaq in October 2000. As CIO, Mr. Bailar oversees all

aspects of information technology at Nasdaq and works closely with the organization's executive management. Prior to his current position, Mr. Bailar served as an Executive Vice President and CIO of the NASD since December 1997. Mr. Bailar joined the NASD from Citicorp N.A., a financial services company, where he served as Managing Director and Vice President of Advanced Development for Global Corporate Banking from 1994 to 1997.

J. Patrick Campbell became Executive Vice President, President U.S. Markets and COO of Nasdaq in October 2000. Mr. Campbell is responsible for the day-to-day operation of Nasdaq. Prior to his current position, Mr. Campbell served as an Executive Vice President, Market Services of the NASD since 1997. Prior to joining the NASD, Mr. Campbell was Senior Executive Vice President of The Ohio Company, a regional brokerage firm, where he was also a member of that firm's Board of Directors and Executive Committee. Mr. Campbell was at The Ohio Company since 1973. While a senior executive for The Ohio Company, Mr. Campbell was a member of the Board of Directors from 1990 to 1993.

Steven Dean Furbush became an Executive Vice President of Nasdaq Transaction Services in January 2001. Prior to his current position, Mr. Furbush was Senior Vice President of Nasdaq Transaction Services from October 2000 to January 2000, Managing Director of Nasdaq InterMarket from October 1999 to October 2000, and Chief Economist from June 1995 to October 1999.

John M. Hickey became an Executive Vice President and Senior Technology Advisor in November 2000. Prior to his current position, Mr. Hickey was Executive Vice President and Chief Technology Officer of the NASD from January 1995 to November 2000. Prior to joining the NASD in January 1984, Mr. Hickey was Vice President in charge of Corporate Systems Development at Chemical Bank, a bank and financial services firm, from 1974 to 1984.

John L. Hilley became an Executive Vice President of Strategic Development in January 2001 and has been Chairman and CEO of Nasdaq International since July 1999. Mr. Hilley joined the NASD as Executive Vice President for Strategic Development in February 1998. Prior to joining the NASD, Mr. Hilley served in the White House as senior advisor to President Clinton since February 1996. Mr. Hilley has also held a number of senior staff positions in the U.S. Senate.

Edward S. Knight became an Executive Vice President and General Counsel in October 2000. Prior to his current position, Mr. Knight served as Executive Vice President and Chief Legal Officer of the NASD since July 1999. Prior to joining the NASD, Mr. Knight served as General Counsel of the U.S. Department of the Treasury from September 1994 to June 1999.

Gordon F. Martin became an Executive Vice President and CFO of Nasdaq in October 2000. Mr. Martin oversees the operation and maintenance of all corporate financial systems. From February 2000 to October 2000, Mr. Martin was Executive Vice President and CFO of the NASD. Prior to joining the NASD, Mr. Martin was a Managing Director for CIBC World Markets Corp. in New York, a global investment banking firm from 1996 to 2000. Prior to that, Mr. Martin was Vice President at Westpac Banking Corporation, a financial services provider, from 1993 to 1996, and a Senior Vice President of Marine Midland Bank, a financial services firm, from 1976 to 1993.

Steven Randich became Executive Vice President and Chief Technology Officer of Nasdaq in October 2000. Prior to his current position, Mr. Randich was Executive Vice President and CIO for the Chicago Stock Exchange from November 1996 to October 2000. Prior to that, Mr. Randich held management positions with International Business Machines Corporation, the software and hardware manufacturer, from October 1990 to November 1996.

Denise B. Stires became Executive Vice President of Marketing and Investor Services in March 2001. Ms. Stires was Chief Marketing Officer of BuyandHold Inc., an online financial services company providing dollar-based brokerage services to individuals and corporations, from 2000 to 2001. Prior to that, Ms. Stires was Senior Vice President, Marketing Director of DLJdirect, the online discount brokerage service of CSFB from 1997 to 2000, and Vice President, Marketing of SWATCH, a division of SMH, Incorporated based in Switzerland, a manufacturer of watches from 1995 to 1996.

John N. Tognino became Executive Vice President of Nasdaq Global Sales and Member Affairs in January 1999. Prior to his current position, Mr. Tognino was President and CEO of the Security Traders Association ("STA") and the STA Foundation. Mr. Tognino has been in the securities industry for 42 years and spent more than 35 of those years with Merrill Lynch & Co., Inc. At the time of his retirement from Merrill Lynch & Co., Inc. in 1993, Mr. Tognino was a Managing Director for Global Equities. Mr. Tognino also served as a member of the Board of Directors from 1984 to 1987, and again in 1995.

John T. Wall became an Executive Vice President of Nasdaq in February 1994 and President of Nasdaq International in October 1997. Mr. Wall is responsible for the strategic development and international marketing of Nasdaq's products and services. Mr. Wall is also responsible for non-U.S. company listings, as well as promoting and directing the overall globalization of the marketplace. Mr. Wall established Nasdaq's operations in London and negotiates the sale of Nasdaq's computerized systems to other world markets. Mr. Wall joined the NASD in 1965 and during his tenure has been head of Regulation, Membership, and Qualifications Testing. Mr. Wall currently sits on Hong Kong's International Committee for Listing New Enterprises.

David P. Warren became Executive Vice President and Chief Administrative Officer of Nasdaq in April 2001. Mr. Warren oversees human resources and all administrative services including real estate, property management and purchasing. Prior to his current position, Mr. Warren was CFO of the Long

Island Power Authority from 1998 to 2000, Deputy Treasurer of the State of Connecticut from 1995 to 1997, and a Vice President at CSFB from 1987 to 1995.

David Weild IV became Executive Vice President of Issuer Affairs of Nasdaq in March 2001. Prior to his current position, Mr. Weild held various positions with Prudential Securities Incorporated, the investment and brokerage firm, including President of Prudential Securities.Com from 2000 to 2001, Managing Director and Head of High Technology from 1997 to 2000, Managing Director of Investment Banking and Head of Corporate Finance from 1995 to 1997, and Managing Director and Head of Global Equity Transactions from 1990 to 1995.

Item 6. Executive Compensation.

SUMMARY COMPENSATION TABLE

The following table sets forth compensation awarded to, earned by, or paid to the individuals who were, as of December 31, 2000, the CEO and the four most highly compensated employees other than the CEO, for all services rendered to Nasdaq and its subsidiaries for the fiscal year ended December 31, 2000.

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus(2) ($)	Other Annual Compensation Awards ($)	Restricted Stock Award(s) ($)	Securities Underlying Options/ SARs (#)	LTIP Payouts ($)	All Other Compensation ($)(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Frank G. Zarb, Chairman,(3) Nasdaq	2000	1,333,333	6,000,000	441,0554(4)	--	--	--	17,892
Alfred R. Berkeley, III, Vice Chairman, Nasdaq	2000	522,500	650,000	--	--	--	--	13,405
Richard G. Ketchum, President, Nasdaq	2000	522,500	1,750,000	--	--	--	--	13,405
John L. Hilley, Executive Vice President, Nasdaq and Chairman and Chief Executive Officer,Nasdaq International	2000	450,000	950,000	408,720	--	--	--	13,085
J. Patrick Campbell, Executive Vice President, Chief Operation Officer, and Nasdaq U.S. Markets	2000	409,000	750,000	--	--	--	--	12,764

1 Includes $800,000, $130,000, $950,000, $390,000 and $270,000 with respect to Messrs. Zarb, Berkeley, Ketchum, Hilley and Campbell, respectively, which amounts will be paid only if the individuals remain employed by Nasdaq on December 31, 2002 or in the event of their prior retirement, permanent disability, death or involuntary termination without cause.

2 Represents Nasdaq contributions to 401(k) plan and payment in respect of a forgiveness of loan in the amount of $7,692 for Mr. Zarb; $3,205 for each Messrs. Berkeley and Ketchum; $2,885 for Mr. Hilley; and $2,564 for Mr. Campbell.

3 Mr. Zarb served as the CEO during the fiscal year ended December 31, 2000 and until February 1, 2001.

4 Includes $221,735 in respect of the purchase of Mr. Zarb's residence.

Employment Agreements

The NASD and Nasdaq are parties to an employment agreement with Frank Zarb (the "Zarb Agreement"). The Zarb Agreement had an initial term of three years commencing on February 24, 1997 (the "Initial Term") and continues for an additional period of two years immediately following the Initial Term (the "Additional Term," the Initial Term and the Additional Term collectively, referred to as the "Term"). The Zarb Agreement provides for (i) an annual base salary of $1,200,000 from the commencement of the Initial Term through October 31, 2000 and $2,000,000 during the period commencing on November 1, 2000 through the remainder of the Term and (ii) incentive compensation as the Management Compensation Committee of the NASD may award in its discretion, provided that the amount of such compensation for each full year of service during the Term may not be not less than 50% of Mr. Zarb's base salary for such year, and provided further that such compensation for the second year of the Additional Term may not be less than $4,000,000. Under the Zarb Agreement, during the first year of the Additional Term, the aggregate annual base salary and incentive compensation paid to Mr. Zarb by the NASD may not be less than the aggregate annual amount paid to Mr. Zarb for the second or third year of the Initial Term, whichever was greater and, during the second year of the Additional Term, the aggregate annual base salary and incentive compensation paid to Mr. Zarb by the NASD may not be less than the aggregate annual amount paid to Mr. Zarb for the third year of the Initial Term or the first year of the Additional Term, whichever was greater. Under the terms of the Zarb Agreement, Nasdaq will (1) fully vest all stock options granted to Mr. Zarb upon the earlier of (x) the termination of the Term or (y) Zarb's relinquishment of his position and duties under the circumstances set forth in the Zarb Agreement, and shall permit the exercise of the options during the three month period thereafter for incentive stock options and during the five year period thereafter for all other stock options and (2) cause all restrictions on any restricted stock awarded to Mr. Zarb by Nasdaq to lapse upon the earlier of (i) the termination of the Term or (ii) Zarb's relinquishment of his position and duties under the circumstances set forth in the Zarb Agreement.

Under the terms of the Zarb Agreement, Mr. Zarb became fully vested in his benefits under the NASD Supplemental Executive Retirement Plan upon the completion of the Initial Term. Under the Zarb Agreement, on February 24, 2002 and for a period of five years thereafter, unless Mr. Zarb terminates his employment earlier (other than for relinquishment of his position under the circumstances set forth in the Zarb Agreement), Mr. Zarb will be entitled to an annual consulting fee of $100,000 and certain fringe benefits and perquisites, provided that Mr. Zarb makes himself available to provide consulting services to the CEO of the NASD during such period and does not commence employment with another employer or recommence employment with the NASD during such period.

Mr. Zarb's employment may be terminated due to (i) death or disability (ii) by the NASD for "cause" or (iii) by Mr. Zarb for "good reason" upon thirty-days written notice. If Mr. Zarb terminates his employment for "good reason" or if the NASD terminates Mr. Zarb's employment other than for cause, Mr. Zarb is entitled to (1) a cash payment equal to the product of (x) the sum of the minimum incentive compensation and base salary described above multiplied by (y) the remaining number of full and partial months in the Term, (2) the retirement benefits Mr. Zarb would have been entitled to had he completed the Term and (3) continuation of certain other benefits.

Nasdaq has entered into an employment agreement (the "Employment Agreements") with each of Richard G. Ketchum, J. Patrick Campbell and John L. Hilley (each an "Executive" collectively, the "Executives"). The term of the Employment Agreements commenced as of December 29, 2000 and will continue until December 31, 2003 with automatic one-year renewals, unless either party, at least six months prior to the expiration of the term, gives a notice of its intent not to renew the term.

The Employment Agreements with Messrs. Ketchum and Campbell provide for an annual salary at a rate not less than the rate of annual salary in effect as of the effective date. Mr. Hilley's Employment Agreement provides for an annual salary at a rate not less than the rate of annual salary in effect for 1999. The Employment Agreements with Messrs. Ketchum and Campbell provide for guaranteed incentive compensation for each year during the term in an amount equal to 100% of base salary as in effect on December 31 of the preceding year.

Under the terms of the Employment Agreements, the Executives will be fully vested in their supplemental retirement benefits (the "SERP Benefit") under Nasdaq's Supplemental Retirement Plan, upon the attainment of age 55 (53 in the case of Mr. Ketchum) while employed and completion of five years of service or if the Executives' employment with Nasdaq terminates (i) due to death or disability (ii) by Nasdaq without "cause" or (iii) by the Executive for "good reason." With respect to Mr. Hilley, the final average compensation for purposes of determining SERP benefits will be deemed to be the sum of (a) one-half of his annual salary and (b) one-third of one-half of his annual salary. The Executives are also entitled to receive equity awards under Nasdaq's equity plans and other fringe benefits. Under the terms of the Employment Agreement, each Executive is entitled to receive a payment in an amount equal to two times the Executive's then effective base salary (the "Stay Bonus") if the Executive is (i) employed by Nasdaq as of August 9, 2003, (ii) if the Executive's employment is terminated due to death or disability or (iii) if the Executive terminates employment for "good reason" or Nasdaq terminates the Executive's employment without "cause."

If the Executive's employment is terminated without "cause" or if the Executive terminates employment for "good reason," Nasdaq is obligated to pay to the Executive (i) the Stay Bonus if not previously paid; (ii) a pro rata portion of the incentive compensation for the year of termination; and (iii) continuation of base salary and incentive compensation until the

later of (x) the end of the term of the Employment Agreement or (y) 24 months from the date of such termination of employment. If the Executive becomes subject to any "golden parachute" excise tax, Nasdaq is obligated to make additional payments to the Executive to offset the effect of such tax, provided that the Executive agrees to be subject to certain restrictive covenants relating to non-competition, non-solicitation, non-disparagement and confidentiality.

PENSION PLAN TABLE

Nasdaq's executive officers participate in Nasdaq's qualified and supplemental defined benefit pensions plans. Under these plans executive officers earn a benefit expressed as an annual annuity equal to 6% of their final average compensation for each year of service. Average annual compensation is the average annual salary plus one-third of the annual bonus for the highest five-year period of service. The estimated credited years of service for Mr. Zarb is 3.85 years, Mr. Berkeley is 4.58 years, Mr. Ketchum is 9.67 years, Mr. Hilley is 2.85 years, and Mr. Campbell is 3.97 years. The following table sets forth the benefit payable under the plan for various levels of remuneration and years of service. Such benefits are not reduced by benefits received under social security or other offsets.

	Years of Service					
Remuneration	5	10	15	20	25	30
500,000	150,000	300,000	300,000	300,000	300,000	300,000
600,000	180,000	360,000	360,000	360,000	360,000	360,000
700,000	210,000	420,000	420,000	420,000	420,000	420,000
800,000	240,000	480,000	480,000	480,000	480,000	480,000
900,000	270,000	540,000	540,000	540,000	540,000	540,000
1,000,000	300.000	600,000	600,000	600,000	600,000	600,000
1,500,000	450,000	900,000	900,000	900,000	900,000	900,000
2,000,000	600,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
3,000,000	900,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000

Item 7. Certain Relationships and Related Transactions.

The NASD

Nasdaq's legal authority to operate as a stock market is delegated to it by the NASD under the Delegation Plan. Although Nasdaq has initiated the process with the SEC for Exchange Registration, Exchange Registration is not expected to occur until later this year at the earliest. As a result, prior to Exchange Registration, Nasdaq will continue to operate under the Delegation Plan, under which the NASD has delegated responsibility for market operation functions to Nasdaq. Though Nasdaq exercises primary responsibility for market-related functions, including market-related rulemaking and interpretations, all actions taken pursuant to delegated authority by the NASD are subject to review, ratification, or rejection by the NASD Board. As long as the Delegation Plan remains in effect, the NASD Board will continue to have authority over Nasdaq. The current structure will continue until Nasdaq is reconstituted as a self-regulatory organization, which will become effective upon Exchange Registration.

Currently, Mr. Zarb is Chairman of the NASD Board and Messrs. Baldwin, Baxter, Berkeley, Brown, Markese, Pottruck, Rock, Romano, and Sodhani are members of the NASD Board as well as members of the Nasdaq Board.

In June 2000, in connection with the Restructuring, the NASD separated Amex from Market Group, a holding company of the NASD which also held Nasdaq, and then merged Market Group with and into Nasdaq. Following this merger, Nasdaq effected a 49,999-for-one stock dividend creating 100 million shares of Common Stock, all of which were initially owned by the NASD.

On June 28, 2000, the NASD and Nasdaq entered into a Separation and Common Services Agreement pursuant to which the NASD continues to provide Nasdaq certain administrative, corporate, and infrastructure services that were provided by the NASD to Nasdaq prior to June 28, 2000. Nasdaq pays to the NASD the cost of any services provided, including the incidental expenses associated with such services. Nasdaq expects the cost of the services provided by the NASD to be approximately $9 million per year under this agreement. Under the Separation and Common Services Agreement, Nasdaq has also agreed to provide the NASD the access to Nasdaq technology that the NASD requires to satisfy its obligations to Amex under the transaction agreement the NASD entered into in connection with the 1998 acquisition of

the assets of Amex, for so long as such obligations may continue. Additionally, Nasdaq has agreed to continue to provide all services it provided to Amex as of June 28, 2000, for so long as such obligations may continue. The NASD reimburses Nasdaq for the cost of rendering such services and access to Amex. The Separation and Common Services Agreement continues until December 31, 2001 and will automatically renew until December 31, 2002 in the event it is not superceded by another separation and services agreement between the NASD and Nasdaq.

On June 28, 2000 Nasdaq and NASDR, a wholly-owned subsidiary of the NASD entered into the Regulatory Services Agreement pursuant to which NASDR or its subsidiaries will provide regulatory services to Nasdaq and its subsidiaries of the same type and scope as were provided by NASDR to Nasdaq prior to June 28, 2000. Each of the services is provided on a function-by-function basis for a specified number of years, subject to Nasdaq being able to terminate its receipt of specific services prior to the expiration of this time under certain conditions. Nasdaq will pay to NASDR the cost of any services provided plus a fair market mark-up. Nasdaq expects the cost of these services provided by the NASDR to be approximately $90 million per year. The Regulatory Services Agreement also provides for Nasdaq's access to certain NASDR software that has been or will be developed for Nasdaq.

Nasdaq pays the NASD and certain of its subsidiaries for the use of approximately 298,000 square feet of office space. Nasdaq pays approximately $14.3 million in the aggregate per year to the NASD for the use of this space.

On March 23, 2001, Nasdaq entered into an agreement with the NASD whereby Nasdaq would repurchase 18,461,538 shares of Common Stock from the NASD for $13 per share or an aggregate purchase price of $239,999,994. This price was determined following discussions between members of management of Nasdaq and members of management of the NASD and is the same price at which shares of Common Stock were sold in January 2001 in the second phase of the Restructuring. The transaction is expected to close in the second quarter 2001. In connection with the transaction, Nasdaq and the NASD have agreed to enter into an Investor Rights Agreement pursuant to which Nasdaq will grant the NASD certain demand and piggyback registration rights with respect to the shares of Common Stock owned by it.

Hellman & Friedman Capital Partners IV, L.P.

On March 23, 2001, Nasdaq entered into an agreement to issue and sell $240,000,000 in aggregate principal amount of the Subordinated Debentures to Hellman & Friedman. The Subordinated Debentures are convertible into an aggregate of 12,000,000 shares of Common Stock, subject to adjustment. The transaction is expected to close in the second quarter 2001. Upon consummation of the transaction, Hellman & Friedman will own approximately 9.8 percent of Nasdaq on an as-converted basis. In connection with the transaction, Nasdaq has agreed to use its best efforts to seek stockholder approval of a charter amendment that would provide for voting debt in order to permit Hellman & Friedman to vote on an as-converted basis on all matters on which common stockholders have the right to vote, subject to the five percent voting limitation in the Certificate of Incorporation. In addition, Nasdaq has also agreed that in the event that the Nasdaq Board approves an exemption from the foregoing five percent limitation for any person pursuant to the Certificate of Incorporation (other than an exemption granted in connection with a strategic market alliance) and seeks the concurrence of the SEC with respect thereto, Nasdaq will grant Hellman & Friedman a comparable exemption from such limitation and use its best efforts to obtain SEC concurrence of such exemption. In connection with the transaction, Nasdaq agreed to grant Hellman & Friedman certain registration rights with respect to the shares of Common Stock underlying the Subordinated Debentures. Additionally, Hellman & Friedman will be permitted to designate one person reasonably acceptable to Nasdaq for nomination as a director of Nasdaq for so long as Hellman & Friedman owns Subordinated Debentures and/or shares of Common Stock issued upon conversion representing at least 50% of the shares of Common Stock issuable upon conversion of the Subordinated Debentures initially purchased. Nasdaq has elected F. Warren Hellman as a director of Nasdaq pursuant to the foregoing provision effective immediately upon the consummation of the sale of Subordinated Debentures to Hellman & Friedman. Arthur Rock, a member of the Nasdaq Board of Directors, is affiliated with the Hellman & Friedman entities purchasing the Subordinated Debentures.

Directors and Officers

Mr. Romano, a member of the Nasdaq Board, is the President and majority stockholder of Romano Brothers & Co., a securities firm registered with the NASD. As a member of the NASD, Romano Brothers & Co. participated in the Restructuring through the purchase of 20,000 shares of Common Stock and 300 Warrants to purchase an aggregate of 1,200 shares of Common Stock for an aggregate purchase price of $263,300.

In July 2000, certain officers of Nasdaq were awarded an aggregate of 475 restricted Nasdaq Japan common shares as well as options to purchase an aggregate of 92 Nasdaq Japan common shares. See "Item 4. Security Ownership of Certain Beneficial Owners and Management" and "Item 1. Business - Nasdaq's Strategic Initiatives - Pursuing Global Market Expansion - Nasdaq Japan, Inc."

In connection with Nasdaq's Equity Incentive Plan, officers of Nasdaq received awards of options to purchase shares of Common Stock and/or restricted shares of Common Stock. See "Item 9. Market Price of and Dividends on Registrants' Common Equity and Related Stockholder Matters." Directors and officers may receive equity-based awards in the future. In connection with Nasdaq's Employee Stock Purchase Plan, employees (including employees who are directors) have the opportunity to purchase shares of Common Stock.

Item 8. Legal Proceedings.

Nasdaq is not currently a party to any litigation that it believes could have a material adverse effect on its business, financial condition, or operating results. However, from time to time, Nasdaq has been threatened with, or named as a defendant, in lawsuits.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

No established public trading market exists for the Common Stock.

As of April 25, 2001 there were outstanding options to purchase an aggregate of 9,659,290 shares of Common Stock that were granted to officers and employees of Nasdaq and its subsidiaries. In the first quarter of 2001, Nasdaq awarded an aggregate of 534,850 shares of restricted Common Stock to officers and employees of Nasdaq and its subsidiaries. In addition, there are currently outstanding Warrants to purchase 43,231,976 shares of Common Stock that were issued in the Restructuring. The shares underlying the Warrants are all issued and outstanding and held by the NASD. When issued, the Subordinated Debentures will be convertible at any time prior to their maturity for an aggregate of 12,000,000 shares of Common Stock, subject to adjustment.

All the 95,454,209 shares of Common Stock beneficially owned by the NASD as of April 17, 2001 are subject to sale pursuant to Rule 144 under the Securities Act, subject to the limitations set forth therein and other contractual limitations.

As of April 17, 2001, Nasdaq had approximately 1,803 holders of record of its Common Stock.

Nasdaq does not pay, and does not anticipate paying in the foreseeable future, any cash dividends on its common equity.

Item 10. Recent Sales of Unregistered Securities.

In Phase I, on June 28, 2000, Nasdaq sold an aggregate of 23,663,746 shares of Common Stock for an aggregate consideration of $260,301,206 to investors consisting of NASD members, Nasdaq market participants, issuers with securities quoted on Nasdaq, and other strategic partners. In Phase II , on January 18, 2001, Nasdaq sold an aggregate of 5,028,797 shares of Common Stock for an aggregate consideration of $65,374,361 to investors consisting of NASD members, Nasdaq market participants, issuers with securities quoted on Nasdaq, and other strategic partners. The shares of Common Stock sold by Nasdaq in Phase I and Phase II were issued in private transactions exempt under Regulation D of the Securities Act.

On March 23, 2001, Nasdaq agreed to issue and sell $240,000,000 in aggregate principal amount of its Subordinated Debentures to Hellman & Friedman. The Subordinated Debentures will be convertible into an aggregate of 12,000,000 shares of Common Stock, subject to adjustment. The transaction is expected to close in the second quarter of 2001. Upon consummation of the transaction, Hellman & Friedman will own approximately 9.8 percent of Nasdaq on an as-converted basis. In connection with the transaction, Nasdaq has granted Hellman & Friedman certain registration rights with respect to the shares of Common Stock underlying the Subordinated Debentures. The Subordinated Debentures will be sold in a private transaction pursuant to Section 4(2) of the Securities Act, which exempts sales of securities that do not involve a public offering.

As of April 25, 2001, Nasdaq granted options to purchase an aggregate of 9,659,290 shares of Common Stock to officers and employees of Nasdaq and its subsidiaries pursuant to its Equity Incentive Plan. In addition, in 2001, Nasdaq has awarded an aggregate of 534,850 shares of restricted Common Stock to officers and employees of Nasdaq and its subsidiaries pursuant to its Equity Incentive Plan. A maximum of 500,000 shares of Common Stock have been approved by Nasdaq for sale pursuant to its Employee Stock Purchase Plan for the first offering period ending June 29, 2001. All the foregoing grants of options and restricted Common Stock and sales of shares of Common Stock were made, or will be made, pursuant to Rule 701 under the Securities Act, which exempts issuances of securities under certain written compensatory employee benefit plans.

Item 11. Description of Registrant's Securities to be Registered.

General

The authorized capital stock of Nasdaq consists of 300,000,000 shares of Common Stock, par value $.01 per share, and 30,000,000 shares of preferred stock, par value $.01 per share. As of April 17, 2001, there were 128,692,543 shares of Common Stock outstanding and no shares of preferred stock outstanding.

Common Stock

The holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the stockholders except that any person, other than the NASD or any other person as may be approved for such exemption by the Nasdaq Board prior to the time such person owns more than 5% of the then outstanding shares of Common Stock, who otherwise would be entitled to exercise voting rights in respect of more than 5% of the then outstanding shares of Common Stock will be unable to exercise voting rights in respect of any shares in excess of 5% of the then outstanding shares of Common Stock. At any meeting of the stockholders of Nasdaq, a majority of the shares of Common Stock in respect of which voting rights can be exercised will constitute a quorum for such meeting. In response to the SEC's concern about a concentration of ownership of Nasdaq, Nasdaq's Exchange Registration application includes a rule that prohibits any member of

Nasdaq or a person associated with such member from beneficially owning more than 5% of the outstanding shares of Common Stock.

Nasdaq has agreed to use its best efforts to seek stockholder approval of a charter amendment that would provide for voting debt in order to permit holders of the Subordinated Debentures to vote on an as-converted basis on all matters on which common stockholders have the right to vote, subject to the five percent voting limitation. Under the Certificate of Incorporation, Nasdaq's Board may waive the application of the 5% voting limitation to persons other than brokers, dealers, their affiliates, and persons subject to statutory disqualification under Section 3(a)(39) of the Exchange Act. In the event that the Nasdaq Board approves an exemption from the five percent voting limitation (other than an exemption granted in connection with a strategic market alliance) and seeks the concurrence of the SEC with respect thereto, Nasdaq has agreed to grant Hellman & Friedman a comparable exemption from such limitation and use its best efforts to obtain SEC concurrence of such exemption.

Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Nasdaq Board out of funds legally available for them. In the event of liquidation, dissolution, or winding up of Nasdaq, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The Common Stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable, and the shares of Common Stock to be issued upon completion of this offering will be fully paid and non-assessable.

Preferred Stock

The Nasdaq Board may provide by resolution for the issuance of preferred stock, in one or more series, and to fix the powers, preferences, and rights, and the qualifications, limitations, and restrictions thereof, of this preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund provisions, if any, and the number of shares constituting any series or the designation of such series. The issuance of preferred stock could have the effect of decreasing the market price of the Common Stock and could adversely affect the voting and other rights of the holders of Common Stock.

Certain Provisions of the Certificate of Incorporation and By-Laws

Some provisions of the Certificate of Incorporation and By-Laws, which provisions are summarized above and in the following paragraphs, may be deemed to have an anti-takeover effect and may delay, defer, or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Classified Board of Directors

The Nasdaq Board is divided into three classes, with one class to be elected each year to serve a three-year term. As a result, approximately one-third of the Nasdaq Board will be elected each year. These provisions, when coupled with the provision limiting the voting rights of certain persons, other than the NASD, and the provision authorizing the Nasdaq Board to fill vacant directorships or increase the size of the Nasdaq Board, may prevent a stockholder from removing incumbent directors and simultaneously gaining control of the Nasdaq Board by filling the vacancies created by such removal with its own nominees. In addition, stockholders of Nasdaq can only remove directors for cause with an affirmative vote of the holders of not less than 66 2/3 % of the outstanding shares of capital stock of Nasdaq eligible to vote for directors.

The Nasdaq Board has resolved that Frank E. Baxter, Alfred R. Berkeley III, Michael W. Brown, John D. Markese, and Arvind Sodhani will serve as Class 1 directors whose terms expire at the 2001 Annual Meeting; that H. Furlong Baldwin, Richard C. Romano, Sir Martin S. Sorrell, and Frank G. Zarb will serve as Class 2 directors whose terms expire at the 2002 annual meeting of stockholders and; that Michael Casey, E. Stanley O'Neal, Vikram S. Pandit, David S. Pottruck, and Arthur Rock will serve as Class 3 directors whose terms expire at the 2003 annual meeting of stockholders. There currently is one vacancy in the Class 2 directors. The Nasdaq Board has elected F. Warren Hellman to fill such vacancy as a Class 2 director effective upon the consummation of the issuance and sale of the Subordinated Debentures to Hellman & Friedman.

Pursuant to the Certificate of Incorporation and the By-Laws, the Nasdaq Board, at its discretion, is authorized to fix the number of directors constituting the Nasdaq Board. The number of voting directors on the Nasdaq Board is currently fixed at 15, consisting of five Class I directors, five Class 2 directors, and five Class 3 directors. On April 25, 2001 the Nasdaq Board resolved to increase the number of voting members from 15 to 18, increasing the size of each class by one, effective immediately following the 2001 Annual Meeting. The Nasdaq Board has elected William S. Cohen, a Class 1 director, Dr. Josef Ackermann, a Class 2 director, and John D. Markese, a Class 3 director to fill these new vacancies effective upon such increase in the size of the Nasdaq Board. At the 2001 Annual Meeting, Nasdaq has nominated Frank E. Baxter, Michael W. Clark, Kenneth D. Pasternak, Hardwick Simmons, and Arvind Sodhani for election to the Nasdaq Board. Alfred R. Berkeley, III, Michael W. Brown, and John D. Markese will not stand for re-election as Class 1 directors at the 2001 Annual Meeting, although Mr. Markese will be elected as a Class 3 director effective immediately after the 2001 Annual Meeting.

Pursuant to the By-Laws, the number of Non-Industry Directors (as defined

below), including at least one Public Director (as defined below) and at least two representatives of Nasdaq- listed companies (an "Issuer Representative"), is required to equal or exceed the number of Industry Directors (as defined below), unless the Nasdaq Board consists of 9 or fewer directors. In such case only one director is required to be an Issuer Representative.

If a director position becomes vacant, whether because of death, disability, disqualification, removal, or resignation, Nasdaq's Nominating Committee will nominate, and the Nasdaq Board will elect by majority vote, a person satisfying the classification (Industry, Non- Industry, or Public Director), if applicable, for the directorship to fill such vacancy, except that if the remaining term is not more than six months, no replacement is required.

The following is a general description of Nasdaq's director classifications:

- Industry Director means a Director (excluding any two officers of Nasdaq, selected at the sole discretion of the Nasdaq Board, amongst those officers who may be serving as directors (the "Staff Directors")) who (i) has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (ii) is an officer, director (excluding an outside director), or employee of an entity that owns more than 10 percent of the equity of a broker or dealer, and the broker or dealer accounts for more than five percent of the gross revenues received by the consolidated entity; (iii) owns more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed 10 percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of the broker or dealer; (iv) provides professional services to brokers or dealers, and such services constitute 20 percent or more of the professional revenues received by the director or member or 20 percent or more of the gross revenues received by the director's or member's firm or partnership; (v) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by the director or 20 percent or more of the gross revenues received by the director's or member's firm or partnership; or (vi) has a consulting or employment relationship with or provides professional services to the NASD, NASDR, Nasdaq, or Amex or has had any such relationship or provided such services at any time within the prior three years.

- Non-Industry Director means a Director (excluding the Staff Directors) who is (i) a Public Director; (ii) an officer or employee of an issuer of securities listed on The Nasdaq Stock Market, or traded in the over-the-counter market; or (iii) any other individual who would not be an Industry Director.

- Public Director means a Director who has no material business relationship with a broker or dealer, the NASD, NASDR, or Nasdaq.

Advance Notice Requirements for Stockholder Proposals and Directors Nominations

The By-Laws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice in writing. To be timely, a stockholder's notice must be delivered to or mailed and received at Nasdaq's principal executive offices not less than 90 nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, that in the event that the annual meeting is called for a date that is not within 30 days before or 70 days after such anniversary date, notice by the stockholder in order to be timely must be received not earlier than 120 days prior to the meeting and not later than the later of 90 days prior to the meeting and the close of business on the 10th day following the date on which notice of the date of the annual meeting was first made public. In the case of a special meeting of stockholders called for the purpose of electing directors, notice by the stockholder in order to be timely must be received not earlier than 120 days prior to the meeting and later than the later of 90 days prior to the meeting and the close of business on the 10th day following the day on which public disclosure of the date of the special meeting and Nasdaq's nominees was first made. In addition, the By-Laws specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual or special meeting of stockholders.

Stockholder Action; Special Meeting of Stockholders

The Certificate of Incorporation provides that stockholders are not entitled to act by written consent in lieu of a meeting. Delaware law vests the board of directors of a Delaware corporation with the authority to call special meetings of stockholders and permits the corporation to authorize in its certificate of incorporation or by-laws other persons to also have

such authority. The Certificate of Incorporation and By-Laws do not vest any other persons with such authority.

Amendments; Supermajority Vote Requirements

The General Corporation Law of the State of Delaware provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation, unless a corporation's certificate of incorporation requires a greater percentage. The Certificate of Incorporation imposes supermajority stockholder vote (66%) requirements in connection with stockholder amendments to the By- Laws and in connection with the amendment of certain provisions of the Certificate of Incorporation, including those provisions of the Certificate of Incorporation relating to the limitations on voting rights of certain persons, the classified board of directors, removal of directors, and prohibitions on stockholder action by written consent.

Authorized But Unissued Shares

The authorized but unissued shares of Common Stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public or private offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued shares of Common Stock and preferred stock could render more difficult, or discourage an attempt to obtain control of Nasdaq by means of a proxy contest, tender offer, merger or otherwise.

Transfer Restrictions on Common Stock

The shares of Common Stock cannot be, directly or indirectly, offered, sold, gifted, pledged, assigned, transferred, or otherwise disposed of (each, for the purposes hereof, a "Transfer") except subject to all applicable laws and:

(1) with the prior written consent of Nasdaq; or

(2) until the earlier of (i) the date on which a registration statement filed with the SEC in connection with an initial public offering of shares of Common Stock is declared effective (the "Effective Date"), or (ii) the expiration of two years following June 28, 2000 if a registration statement has not been filed with the SEC in connection with an initial public offering of shares of Common Stock during such two-year period; provided, however, that Nasdaq may elect, in its sole discretion, to further restrict the Transferability of any shares of Common Stock including, without limitation, the shares of Common Stock purchased upon exercise of any Warrants, for a period of 180 days following the Effective Date by giving written notice of such election to holders of Common Stock at least 10 days prior to the Effective Date; or

(3) to a Majority Affiliate. Any Transfer to a Majority Affiliate for consideration will require that the transferor deliver to Nasdaq, an opinion of the transferor's counsel to the effect that the Transfer of securities by the transferor to a Majority Affiliate (A) complies with the transfer restriction provisions set forth herein and (B) does not require registration under the Securities Act or registration or qualification under any applicable state securities laws. Any Transfer to a Majority Affiliate without consideration will require the transferor to make a written representation to Nasdaq that the Transfer complies with the provisions set forth in this section and was made without consideration.

The following terms are defined as set forth below:

"Affiliate" means, with respect to any specified Person, any other Person who, directly or indirectly, owns or controls, is under common ownership or control with, or is owned or controlled by, such specified Person.

"Majority Affiliate" of any Person means an Affiliate of such Person: (a) a majority of the voting stock or beneficial ownership of which is owned by such Person, or by any Person who, directly or indirectly, owns a majority of the voting stock or beneficial ownership of such Person; (b) who, directly or indirectly, owns a majority of the voting stock or beneficial ownership of such Person; and (c) any Majority Affiliate of any Affiliate described in clause (a) or clause (b) above.

"Person" means any individual, company, limited liability company, corporation, trust, estate, association, nominee, or other entity.

Delaware Business Combination Statute

Nasdaq is organized under Delaware law.

Delaware law generally prohibits a publicly-held or widely-held corporation from engaging in a "business combination" with an "interested stockholder" for three years after the stockholder becomes an interested stockholder. An "interested stockholder" is a person who directly or indirectly owns 15% or more of the corporation's outstanding voting stock. A "business combination" includes a merger, asset sale or other transaction that results in a financial benefit to the interested stockholder. However, Delaware law does not prohibit these business combinations if:

(1) before the stockholder becomes an interested stockholder the corporation's board approved either the business combination or the transaction that resulted in the stockholder becoming an

interested stockholder;

(2) after the transaction that results in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the corporation's outstanding voting stock (excluding certain shares); or

(3) the corporation's board approves the business combination and the holders of at least two-thirds of the corporation's outstanding voting stock that the interested stockholder does not own authorize the business combination at a meeting of stockholders.

Item 12. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law allows for the indemnification of officers, directors, and any corporate agents in terms sufficiently broad to indemnify such person under certain circumstances for liabilities, including reimbursement for expenses, incurred arising under the Securities Act. The Certificate of Incorporation and By-Laws provide that Nasdaq shall indemnify its directors, officers, employees, and members of the Nasdaq Listing and Hearing Review Council to the fullest extent permitted by Delaware law. Nasdaq, in its discretion, may indemnify its agents to the fullest extent and under the circumstances permitted by the Delaware General Corporation Law. The directors and officers of Nasdaq are covered by insurance policies indemnifying them against certain liabilities, including certain liabilities arising under the Securities Act, which might be incurred by them in such capacities and against which they may not be indemnified by Nasdaq.

Item 13. Financial Statements and Supplementary Data.

The following table presents selected quarterly financial data for Nasdaq. The data presented in this table are derived from "Selected Consolidated Financial Data of Nasdaq" and the consolidated financial statements and notes thereto which are included elsewhere in this Registration Statement. You should read those sections for a further explanation of the financial data summarized here. You should also read the "Management's Discussion and Analysis of Financial Condition and Results of Operations of Nasdaq" section, which describes a number of factors which have affected Nasdaq's financial results. The consolidated financial statements are as set forth in the "Index to Consolidated Financial Statements" on page F-1.

Selected Quarterly Financial Data
(in thousands, except EPS information)

	1st Qtr 1999	2nd Qtr 1999	3rd Qtr 1999	4th Qtr 1999	Total 1999
Revenues	$133,860	$152,833	$169,136	$178,419	$634,248
Total expenses	93,552	108,610	122,751	176,966	501,879
Net operating income	40,308	44,223	46,385	1,453	132,369
Interest	2,497	3,314	3,425	2,964	12,201
Taxes	(16,456)	(20,483)	(19,332)	(2,150)	(58,421)
Net income	26,350	27,054	30,478	2,267	86,149
Basic and diluted EPS	$0.26	$0.27	$0.30	$0.02	$0.86

	1st Qtr 2000	2nd Qtr 2000	3rd Qtr 2000	4th Qtr 2000	Total 2000
Revenues	$219,312	$226,421	$213,321	$208,954	$868,009
Total expenses	131,708	140,228	162,127	199,783	633,847
Net operating income	87,604	86,193	51,194	9,171	234,162
Interest	2,225	3,240	5,727	8,919	20,111
Taxes	(36,114)	(35,070)	(28,170)	(5,663)	(105,018)
Net income	53,715	54,362	28,751	13,299	150,127
Basic and Diluted EPS	$0.54	$0.54	$0.23	$0.11	$1.34

Item 14. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 15. Financial Statements and Exhibits.

(a) List separately all financial statements filed.

See "Index to Consolidated Financial Statements."

(b) Exhibits.

Exhibit Number

3.1 Restated Certificate of Incorporation of The Nasdaq Stock Market, Inc.

3.2 By-Laws of The Nasdaq Stock Market, Inc.

4.1 Form of Common Stock certificate.

7A Qualitative Disclosure about market risk (incorporated herein by reference to "Item 2 - Financial Information" of this Form 10).

9.1 Voting Trust Agreement dated June 28, 2000, among The Nasdaq Stock Market, Inc., the National Association of Securities Dealers, Inc. and The Bank of New York.

9.2 First Amendment to the Voting Trust Agreement, dated as of January 18, 2001, among The Nasdaq Stock Market, Inc., the National Association of Securities Dealers, Inc. and The Bank of New York.

10.1 Network Service Agreement, dated November 19, 1997, between MCI Telecommunications Corporation and The Nasdaq Stock Market, Inc.*

10.2 Consolidated Agreement, between Unisys Corporation and The Nasdaq Stock Market, Inc.*

10.3 Network User License Agreement, dated November 30, 1993, between Oracle Corporation and The Nasdaq Stock Market, Inc.*

10.4 Software License and Services Agreement, dated November 30, 1993, between Oracle Corporation and The Nasdaq Stock Market, Inc.*

10.5 Regulatory Services Agreement, dated June 28, 2000, between NASD Regulation, Inc. and The Nasdaq Stock Market, Inc.*

10.6 Separation and Common Services Agreement, dated as of June 28, 2000, between the National Association of Securities Dealers, Inc. and The Nasdaq Stock Market, Inc.

10.7 The Nasdaq Stock Market, Inc. Employee Stock Purchase Plan.

10.8 The Nasdaq Stock Market, Inc. Equity Incentive Plan.

10.9 Securities Purchase Agreement, dated as of March 23, 2001, among The Nasdaq Stock Market, Inc., Hellman & Friedman Capital Partners IV, L.P. and the other purchasers listed in the signature pages thereto.

10.10 Purchase and Sale Agreement, dated March 23, 2001, by and between the National Association of Securities Dealers, Inc. and The Nasdaq Stock Market, Inc.

10.11 Employment Agreement between the National Association of Securities Dealers, Inc. and Frank G. Zarb effective on February 24, 1997.

10.12 Instrument of Amendment, dated March 18, 1998, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997.

10.13 Instrument of Amendment, dated as of August 20, 1999, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998.

10.14 Instrument of Amendment, dated March 30, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999.

10.15 Instrument of Amendment, effective as of July 27, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999, and subsequently amended on March 30, 2000.

10.16 Instrument of Amendment, effective as of November 1, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999, and subsequently amended on March 30, 2000, and as of July 27, 2000.

10.17 Instrument of Amendment, effective as of April 25, 2001, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as subsequently amended effective March 18, 1998, August 20, 1999, March 30, 2000, July 27, 2000 and November 1, 2000.

10.18 Employment Agreement by and between The Nasdaq Stock Market, Inc. and J. Patrick Campbell, effective as of December 29, 2000.

10.19 Employment Agreement by The Nasdaq Stock Market, Inc. and John L. Hilley, effective as of December 29, 2000.

10.20 Employment Agreement by and between The Nasdaq Stock Market, Inc. and Richard G. Ketchum, effective as of December 29, 2000.

10.21 Employment Agreement by and between The Nasdaq Stock Market, Inc. and Hardwick Simmons, dated as of January 31, 2001.

11 Statement regarding computation of per share earnings (incorporated herein by reference to "Item 2. Financial Information" of this Form 10).

12 Computations of Ratios (not applicable).

21.1 List of all subsidiaries.

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* Confidential treatment has been requested from the Securities and Exchange Commission for certain portions of this exhibit.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

THE NASDAQ STOCK MARKET, INC.

By:/s/ Hardwick Simmons

Name: Hardwick Simmons
Title: Chief Executive Officer

Date: April 30, 2001

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following audited, and consolidated financial statements of The Nasdaq Stock Market, Inc. and its subsidiaries are presented herein on the page indicated:

2 Report of Independent Auditors

Board of Directors
The Nasdaq Stock Market, Inc.

We have audited the accompanying consolidated balance sheets of The Nasdaq Stock Market, Inc. ("Nasdaq") (a majority owned subsidiary of the National Association of Securities Dealers, Inc.) as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These consolidated financial statements are the responsibility of Nasdaq's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Nasdaq Stock Market, Inc. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

As discussed in Note 3 to the consolidated financial statements, effective January 1, 1999, Nasdaq adopted Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."

Ernst & Young LLP

Washington, D.C.
January 26, 2001

The Nasdaq Stock Market, Inc.

Consolidated Balance Sheets
(In thousands, except share amounts)

December 31,

	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	$ 262,257	$ 10,598
Investments:		
Available-for-sale, at fair value	232,090	153,566
Held-to-maturity, at amortized cost	21,967	10,697
Receivables, net	172,660	112,403
Receivables from related parties	8,250	7,168
Deferred tax asset	5,763	5,213
Other current assets	14,869	12,701
Total current assets	717,856	312,346
Investments:		
Held-to-maturity, at amortized cost	6,612	17,720
Property and equipment:		
Land, buildings and improvements	80,727	56,173
Data processing equipment and software	370,066	246,999
Furniture, equipment and leasehold improvements	134,638	101,658
	585,431	404,830
Less accumulated depreciation and amortization	(252,380)	(192,719)
Total property and equipment, net	333,051	212,111
Investment in warrants, at cost	-	33,480
Other assets	17,798	2,597
Total assets	$ 1,075,317	$ 578,254

See accompanying notes to consolidated financial statements.

The Nasdaq Stock Market, Inc.

Consolidated Balance Sheets
(In thousands, except share amounts)

	December 31,	
	2000	1999
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 117,867	$ 68,585
Accrued personnel costs	37,273	30,505
Deferred revenue	6,068	9,787
Other accrued liabilities	29,306	17,839
Due to banks	13,876	8,819
Payables to related parties	19,158	11,742
Total current liabilities	223,548	147,277
Long-term debt	25,000	25,000
Accrued pension costs	10,390	7,073
Non-current deferred tax liability, net	26,782	10,928
Deferred revenue, investment in warrants, at cost	-	33,480
Other liabilities	9,153	2,484
Total long-term liabilities	71,325	78,965
Total liabilities	294,873	226,242
Minority interests	15,543	-
Stockholders' Equity		
Common stock, $.01 par value, 300,000,000 authorized, 123,663,746 issued and outstanding	1,237	1,000
Additional paid-in capital	265,603	149
Unrealized gains on available-for-sale investments, net of tax	321	1,742
Foreign currency translation, net of minority interests of ($1,185) in 2000	(1,508)	-
Retained earnings	499,248	349,121
Total stockholders' equity	764,901	352,012
Total liabilities, minority interest and stockholders' equity	$ 1,075,317	$ 578,254

See accompanying notes to consolidated financial statements.

The Nasdaq Stock Market, Inc.

Consolidated Statements of Income
(In thousands, except share amounts)

	Years ended December 31,		
	2000	1999	1998
Revenue			
Transaction services	$ 395,123	$ 283,652	$ 160,506
Market information services	258,251	186,543	152,665
Issuer services	184,595	163,425	137,344
Other	30,040	628	308
Total revenue	868,009	634,248	450,823
Expenses			
Compensation and benefits	133,496	98,129	78,565
Marketing and advertising	45,908	62,790	42,483
Depreciation and amortization	65,645	43,696	34,984
Professional and contract services	61,483	35,282	35,127
Computer operations and data communications	138,228	100,493	72,111
Travel, meetings and training	12,113	10,230	7,750
Occupancy	14,766	6,591	5,354
Publications, supplies and postage	7,181	4,670	5,208
Other	26,505	24,809	16,704
Total direct expenses	505,325	386,690	298,286
Support cost from related parties, net	128,522	115,189	100,841
Total expenses	633,847	501,879	399,127
Net operating income	234,162	132,369	51,696
Interest	20,111	12,201	9,269
Provision for income taxes	(105,018)	(58,421)	(26,010)
Minority interests in earnings	872	-	-
Net income	$ 150,127	$ 86,149	$ 34,955
Basic earnings per common share	$ 1.34	$ 0.86	$ 0.35

See accompanying notes to consolidated financial statements.

The Nasdaq Stock Market, Inc.

Consolidated Statements of Changes in Stockholders' Equity
(In thousands, except share amounts)

	Number of Common Shares Outstanding(1)	Common Stock (1)	Additional Paid in Capital(1)	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 1998	100,000,000	1,000	$ 149	$ 228,017	-	$229,166
Net income	-	-	-	34,955	-	34,955
Unrealized gains on available-for-sale investments, net of tax of $1,088	-	-	-	-	$ 2,020	2,020
Comprehensive income	-	-	-	-	-	36,975
Balance, December 31, 1998	100,000,000	1,000	149	262,972	2,020	266,141
Net income	-	-	-	86,149	-	86,149
Unrealized losses on available-for-sale investments, net of tax of $(149)	-	-	-	-	(278)	(278)

Comprehensive income	-	-	-	-	-	85,871
Balance, December 31, 1999	100,000,000	1,000	149	349,121	1,742	352,012
Net income	-	-	-	150,127	-	150,127
Unrealized losses on available-for-sale investments, net of tax of $(765)	-	-	-	-	(1,421)	(1,421)
Foreign currency translation, net of Minority interests of $(1,185)	-	-	-	-	(1,508)	(1,508)
Comprehensive income	-	-	-	-	-	147,198
Capital contribution	-	-	30,000	-	-	30,000
Minority interest resulting from original share of equity in Nasdaq Europe	-	-	(17,600)	-	-	(17,600)
Net proceeds from Phase I offering	23,663,746	$ 237	253,054	-	-	253,291
Balance, December 31, 2000	123,663,746	$ 1,237	$ 265,603	$ 499,248	$ (1,187)	$ 764,901

See accompanying notes to consolidated financial statements.

(1) Gives effect to the June 28, 2000 49,999-for-one stock dividend of the shares of Common Stock for years December 31, 1998 and 1999.

The Nasdaq Stock Market, Inc.

Consolidated Statement of Cash Flows
(In thousands)

	Years ended December 31, 2000	1999	1998
Cash flow from operating activities			
Cash received from customers	$ 713,036	$ 527,946	$ 400,918
Cash paid to suppliers and employees	(281,387)	(248,173)	(212,006)
Cash paid to related parties, net	(122,188)	(104,761)	(109,563)
Income taxes paid	(101,171)	(49,992)	(24,131)
Interest received, net	19,624	10,320	7,699
Other	4,782	(715)	(6,194)
Cash provided by operating activities	232,696	134,625	56,723
Cash flow from investing activities			
Proceeds from redemptions of available-for-sale investments	154,931	107,328	-
Purchases of available-for-sale investments	(237,569)	(131,291)	-
Proceeds from maturities of held-to-maturity investments	10,811	30,743	100,845
Purchases of held-to-maturity investments	(10,973)	(30,990)	(129,624)
Purchases of property and equipment, net	(186,585)	(106,447)	(29,371)
Cash used in investing activities	(269,385)	(130,657)	(58,150)
Cash flow from financing activities			
Increase in due to banks	5,057	3,876	156
Proceeds from Phase I private placement offering	253,291	-	-
Contributions from minority shareholders	30,000	-	-
Cash provided by financing activities	288,348	3,876	156
Increase (decrease) in cash and cash equivalents	251,659	7,844	(1,271)
Cash and cash equivalents at beginning of period	10,598	2,754	4,025
Cash and cash equivalents at end of period	$ 262,257	$ 10,598	$ 2,754
Reconciliation of net income to cash provided by operating activities			
Net income	$ 150,127	$ 86,149	$ 34,955
Depreciation and amortization	65,645	43,696	34,984
Minority interests in earnings	(872)	-	-
Increase in receivables, net	(60,257)	(39,897)	(18,762)
(Increase) decrease in receivables from related parties	(1,082)	2,497	(6,670)
Increase in other current assets	(2,168)	(6,521)	(380)
Increase in deferred tax asset	(550)	(1,316)	-
Decrease (increase) in other assets	(15,201)	4,866	(4,688)
Increase in accounts payable and accrued expenses	49,282	18,815	7,607
Increase in accrued personnel costs	6,768	9,660	3,966
(Decrease) increase in deferred revenue	(3,719)	1,413	2,758
Increase in other accrued liabilities	11,467	2,569	9,545
Increase (decrease) in payables to related parties	7,416	7,931	(2,052)
Increase (decrease) in accrued pension costs	3,317	2,507	(3,414)
Increase in non-current deferred tax	15,854	2,770	-

liability, net			
Increase (decrease) in other liabilities	6,669	(514)	(1,126)
Cash provided by operating activities	$ 232,696	$ 134,625	$ 56,723

See accompanying notes to consolidated financial statements.

The Nasdaq Stock Market, Inc.

Notes to Consolidated Financial Statements
(In thousands)

1. Organization and Nature of Operations

The Nasdaq Stock Market, Inc. ("Nasdaq") is the parent company of Nasdaq Global Holdings ("Nasdaq Global"); Quadsan Enterprises, Inc. ("Quadsan"); Nasdaq Tools, Inc. ("Nasdaq Tools"); Nasdaq Investment Product Services, Inc. ("NIPS"); and Nasdaq International Market Initiatives, Inc. ("NIMI"); collectively referred to as Nasdaq. Nasdaq is a majority owned subsidiary of the National Association of Securities Dealers, Inc. (the "NASD").

At a special meeting of the NASD members held on April 14, 2000, more than a majority of NASD members approved a plan to broaden the ownership in Nasdaq through a two-phase private placement of (1) newly-issued shares of Common Stock, and (2) Common Stock and Warrants to purchase shares of Common Stock owned by the NASD (the "Restructuring"), to NASD members, Nasdaq market participants, Nasdaq issuers, institutional investors and other strategic partners. The Restructuring is intended, among other things, to strategically realign the ownership of Nasdaq, minimize potential conflicts of interest between Nasdaq and NASD Regulation, Inc. ("NASDR") and allow Nasdaq to respond to current and future competitive challenges caused by technological advances and the increasing globalization of financial markets.

In connection with the first phase ("Phase I") of the Restructuring, (1) the NASD separated The American Stock Exchange LLC ("Amex") from The Nasdaq-Amex Market Group, Inc. ("Market Group"), a holding company which was a subsidiary of the NASD; (2) Market Group was then merged with and into Nasdaq; (3) Nasdaq then effected a 49,999-for-one stock dividend creating 100 million shares of Common Stock outstanding (all of which were initially owned by the NASD); and (4) Nasdaq authorized the issuance of an additional 30.9 million in new shares to be offered for sale by Nasdaq. All share and per share amounts have been retroactively adjusted to reflect the June 28, 2000 49,999-for-one stock dividend.

Phase I of the Restructuring closed on June 28, 2000 with Nasdaq selling 23.7 million of its newly issued shares, yielding net proceeds of approximately $253.3 million. As of December 31, 2000, the NASD owned approximately 81% of Nasdaq. During Phase I of the Restructuring, the NASD sold Warrants to purchase shares of Nasdaq Common Stock, that if fully exercised, would decrease the NASD's ownership to approximately 60%. The second phase ("Phase II") of the Restructuring closed on January 18, 2001 (see note 14).

Nasdaq uses a multiple market maker system to operate an electronic, screen-based equity market. Nasdaq's principal business products are price discovery and trading services, listing of issues, and the sale of related data and information. The majority of this business is transacted with listed companies, market data vendors and firms in the broker/dealer industry within the United States.

Nasdaq Global, which is incorporated in Switzerland, is the holding company for Nasdaq's investments in Nasdaq Europe Planning Company Limited, Nasdaq Europe S.A./N.V. and Nasdaq Japan, Inc. ("Nasdaq Japan"). Quadsan Enterprises, Inc. ("Quadsan") is a Delaware Investment Holding Company which provides investment management services for Nasdaq. Nasdaq Investment Product Services, Inc. ("NIPS") is the sponsor of the Nasdaq-100 Trust, Series I. Nasdaq International Market Initiatives, Inc. ("NIMI") offers a variety of consulting services to assist emerging and established securities markets around the world with both technology applications and regulation. Nasdaq Tools, Inc. ("Nasdaq Tools") provides software products and services related to the broker/dealer industry to be used in conjunction with the Nasdaq Workstation II ("NWII") software.

2. Significant Transactions

In February 2000, the NASD signed a joint venture agreement to form Nasdaq Europe Planning Company Limited. To establish Nasdaq Europe Planning Company Limited, the NASD contributed capital of $10.0 million and three other investors contributed $10.0 million each. In exchange for the capital contribution, the NASD received an ownership interest of 56%. As a part of the Restructuring, the NASD's ownership interest in Nasdaq Europe was transferred to Nasdaq Global.

On March 7, 2000, Nasdaq acquired Financial Systemware, Inc. ("FSI", now known as Nasdaq Tools), a company which develops and markets a set of software utilities which can be loaded on a NWII terminal to enhance the features and functionalities of the NWII software. This acquisition has been accounted for using the purchase method of accounting, and accordingly, assets acquired and liabilities assumed have been recorded at their estimated fair values at the date of acquisition. The results of operations of Nasdaq Tools are included in the consolidated statements of

income and stockholders' equity from the acquisition date. Periods prior to the acquisition date are not included in the consolidated statements of income and stockholders' equity.

Upon closing of the transaction, Nasdaq acquired 100% of FSI's issued and outstanding stock for $7.3 million. Goodwill recorded as a result of the acquisition is being recognized as expense on a straight-line basis over five years. Additionally, the Nasdaq Tools principals, the sellers, will collectively be paid $25.0 million. Of this amount, $10.0 million was paid upon closing and is being recognized as expense on a straight-line basis over five years. Five cash payments of $3.0 million each will be paid over the five years following closing, contingent upon the continued employment and development efforts of the Nasdaq Tools principals. The unamortized goodwill and other intangible assets related to the acquisition of Nasdaq Tools are $5.4 million and $8.3 million, respectively, as of December 31, 2000 and are included in other assets in the consolidated balance sheets.

In October 2000, Nasdaq Japan sold an approximately 15 percent stake for approximately $48 million to a group of 13 major Japanese, U.S. and European brokerages, thereby reducing Nasdaq Global's interest to approximately 39.1 percent. Nasdaq Japan will use the proceeds primarily for working capital and the development of a hybrid market model with quote and order functionality.

3. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Nasdaq and its majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include demand cash and all non-restricted investments purchased with a remaining maturity of three months or less at the time of purchase. Such investments included in cash and cash equivalents in the consolidated balance sheets were $218.5 million and $7.1 million at December 31, 2000 and 1999, respectively.

Investments

Under Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities," management determines the appropriate classification of investments at the time of purchase. Investments for which Nasdaq does not have the intent or ability to hold to maturity are classified as "available-for-sale" and are carried at fair market value, with the unrealized gains and losses, net of tax, reported as a separate component of stockholders' equity. Investments for which Nasdaq has the intent and ability to hold to maturity are classified as "held-to-maturity" and are carried at amortized cost. The amortized cost of debt securities classified as held-to-maturity or available-for-sale is adjusted for amortization of premiums and accretion of discounts and is included in interest income and interest expense as appropriate. Realized gains and losses on sales of securities are included in earnings using the specific identification method.

A decline in the market value of any available-for-sale or held-to-maturity security below cost, that is deemed to be other than temporary, results in a reduction in carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established.

Receivables, Net

Nasdaq's receivables are concentrated with NASD member firms, market data vendors and Nasdaq issuers. Receivables are shown net of reserves for uncollectable accounts. Reserves are calculated based on the age and source of the underlying receivable and are tied to past collections experience. Total reserves netted against receivables in the consolidated balance sheets were $5.4 million and $3.0 million at December 31, 2000 and 1999, respectively.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Equipment acquired under capital leases is recorded at the lower of fair market value or the present value of future lease payments. Depreciation and amortization are provided on the straight-line method. Estimated useful lives generally range from 10 years to 40 years for buildings and improvements, 2 years to 5 years for data processing equipment and software, and 5 years to 10 years for furniture and equipment. Leasehold improvements are amortized using the straight-line method over the lesser of the useful life of the improvement or the term of the applicable lease.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that long-lived assets or other assets may be impaired, such as obsolesence, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down is required. If a write-down is required, Nasdaq would prepare a discounted

cash flow analysis to determine the amount of the write-down.

Deferred Revenue

Deferred revenues represent cash received and billed receivables which are unearned, until services are provided.

Revenue Recognition

Market information services revenues are based on the number of presentation devices in service and quotes delivered through those devices. Market information services revenues are recognized in the month that information is provided. Transaction services revenues are variable based on service volumes and are recognized as transactions occur. Issuer annual listing services revenues are recognized ratably over the following 12 month period. Issuer initial listing fees are recognized in the month listing occurs. Issuer additional share fees are recognized in the period the incremental shares are issued.

Advertising Costs

Nasdaq expenses advertising costs, which included media advertising and production cost, in the periods in which the costs are incurred. Media advertising and production costs included as marketing and advertising in the consolidated statements of income totaled $35.3 million, $45.3 million and $36.2 million for 2000, 1999, and 1998, respectively.

Software Costs

Significant purchased application software, and operational software that is an integral part of computer hardware, are capitalized and amortized on the straight-line method over their estimated useful lives. All other purchased software is charged to expense as incurred.

Nasdaq adopted Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" effective January 1, 1999. The provisions of this SOP require certain costs incurred in connection with developing or obtaining internal use software to be capitalized. Unamortized capitalized software development costs of $37.8 million and $14.7 million as of December 31, 2000 and 1999, respectively, are carried in data processing equipment and software in the consolidated balance sheets. Amortization of costs capitalized under SOP 98-1 totaled $2.3 million and $0.5 million for 2000 and 1999 and is included in depreciation and amortization in the consolidated statements of income.

Income Taxes

Nasdaq and its subsidiaries are taxable entities. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities (i.e., temporary differences) and are measured at the enacted rates that will be in effect when these differences reverse.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment are translated to U.S. dollars at exchange rates in effect at the balance sheet date. Translation adjustments resulting from this process are charged or credited to other comprehensive income. Revenue and expenses are translated at average exchange rates during the year. Gains and losses on foreign currency translations are included in other expenses.

Minority Interests

Minority interests in the consolidated balance sheets represents the minority owners' share of equity as of the balance sheet date. Minority interests in the consolidated statements of income represents the minority owners' share of the income or loss of certain consolidated subsidiaries.

Classifications

Certain amounts for the prior year have been reclassified to conform with the 2000 presentation.

4. Investments

Investments consist of U.S. Treasury securities, obligations of U.S. Government sponsored enterprises, municipal bonds, equity securities and other financial instruments. Following is a summary of investments classified as available-for-sale which are carried at fair value as of December 31, 2000:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Due in one year or less	$ 89,094	$ 204	$ (1)	$ 89,297
Due after one year through five years	123,433	665	(1,615)	122,483
Equity securities	19,069	3,584	(2,343)	20,310
	$ 231,596	$ 4,453	$ (3,959)	$ 232,090

Following is a summary of investments classified as held-to-maturity which are carried at amortized cost as of December 31, 2000:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Due in one year or less	$ 21,967	$ 19	$ (32)	$ 21,954
Due after one year through five years	6,612	26	-	6,638
	$ 28,579	$ 45	$ (32)	$ 28,592

Following is a summary of investments classified as available-for-sale which are carried at fair value as of December 31, 1999:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Due in one year or less	$ 17,472	$ 43	$ -	$ 17,515
Due after one year through five years	114,288	94	(2,100)	112,282
Equity securities	19,125	5,642	(998)	23,769
	$ 150,885	$ 5,779	$ (3,098)	$ 153,566

Following is a summary of investments classified as held-to-maturity which are carried at amortized cost as of December 31, 1999:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Due in one year or less	$ 10,697	$ 7	$ (178)	$ 10,526
Due after one year through five years	17,720	-	(439)	17,281
	$ 28,417	$ 7	$ (617)	$ 27,807

At December 31, 2000 and 1999, investments with a carrying amount of approximately $28.0 million were pledged as collateral under Nasdaq's $25.0 million note payable.

5. Fair Value of Financial Instruments

Nasdaq considers cash and cash equivalents, accounts receivable, investments, investments in subsidiaries, accounts payable and accrued expenses, due to banks, and long-term debt to be its financial instruments. The carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable, investments, accounts payable and accrued expenses, and due to banks closely approximate their fair values. The approximate fair value of Nasdaq's long-term debt was estimated using a discounted cash flow analysis, based on Nasdaq's assumed incremental borrowing rates for similar types of borrowing arrangements. This analysis indicates that the fair value of Nasdaq's long-term debt at December 31, 2000 and 1999 approximates its carrying amount. The fair value of its investments in subsidiaries is not determinable since these investments do not have quoted market prices.

6. Long-Term Debt

In May 1997, Nasdaq entered into a $25.0 million note payable with a financial institution (the "Lender"). Principal payments are scheduled to begin in 2007 and continue in equal monthly installments until maturity in 2012. The note requires monthly interest payments through May 2007 at an annual rate of 7.41%. After May 2007, Nasdaq will incur interest equal to the Lender's cost of funds rate, as defined in the agreement, plus .5%. Interest expensed and paid under the agreement totaled approximately $1.9 million for each of the years ended December 31, 2000, 1999 and 1998.

7. Income Taxes

The income tax provision includes the following amounts:

	Years Ended December 31,

	2000	1999	1998
Current income taxes:			
Federal	$ 75,727	$ 46,482	$ 22,930
State	14,208	11,599	5,196
Total current income taxes	89,935	58,081	28,126
Deferred income taxes:			
Federal	12,081	273	(1,695)
State	3,002	67	(421)
Total deferred income taxes	15,083	340	(2,116)
Total provision for income taxes	$ 105,018	$ 58,421	$ 26,010
Income taxes paid during the periods	$ 101,171	$ 49,992	$ 24,131

7. Income Taxes

Reconciliations of the statutory United States federal income tax rates to the effective tax rates are as follows:

	Years Ended December 31,		
	2000	1999	1998
Federal	35.0%	35.0%	35.0%
State	3.8	5.2	5.1
Foreign losses without US benefit	1.8	-	-
Other, net	0.6	0.2	2.6
Effective rate	41.2%	40.4%	42.7%

Components of Nasdaq's deferred tax assets and liabilities consisted of the following:

	December 31,	
	2000	1999
Deferred tax assets:		
Deferred fees	$ 453	$ 2,233
Compensation and benefits	171	179
Bad debts	5,139	2,801
Total deferred tax assets	5,763	5,213
Deferred tax liabilities:		
Depreciation	(12,492)	(9,966)
Software development costs	(19,624)	(5,184)
Other	5,334	4,222
Total deferred tax liabilities, net	$ (26,782)	$ (10,928)

Due to the Nasdaq's foreign operations, it has approximately $3.9 million of foreign deferred tax assets, primarily Net Operating Losses and Start-Up costs. These in-country deferred tax assets have been fully reserved by an offsetting Valuation Allowance as it is not "more likely than not" that these deferred tax assets will be realized.

8. Employee Benefits

Nasdaq is a participating employer in a noncontributory, defined-benefit pension plan, along with other arrangements, that the NASD maintains for the benefit of eligible employees of its subsidiaries. The benefits are primarily based on years of service and the employees' average salary during the highest 60 consecutive months of employment. The plan assets consist primarily of fixed income and equity securities.

The following table sets forth the plans' funded status and amounts recognized in the Nasdaq balance sheets of December 31:

	Pension Benefits	
	2000	1999
Change in benefit obligation		
Benefit obligation at beginning of year	$ 39,773	$ 33,184

Service cost	4,543	3,304
Interest cost	3,246	2,448
Actuarial losses	5,488	7,363
Benefits paid	(1,988)	(2,246)
(Gain) loss due to change in discount rate	2,605	(4,280)
Benefit obligation at end of year	$ 53,667	$ 39,773
Change in plan assets		
Fair value of plan assets at beginning of year	$ 28,312	$ 22,801
Actual return on plan assets	2,058	5,276
Company contributions	3,082	2,480
Benefits paid	(1,988)	(2,245)
Fair value of plan assets at end of year	$ 31,464	$ 28,312
Funded status of the plan (underfunded)	$ (22,203)	(11,461)
Unrecognized net actuarial gain	8,393	1,444
Unrecognized prior service cost	906	976
Unrecognized transition obligation/(asset)	(390)	(447)
Accrued benefit cost	$ (13,294)	$ (9,488)

As of December 31, 2000 and 1999, $2.9 million and $2.4, respectively, of the accrued pension liability is carried as current in the accounts payable and accrued expenses line of the consolidated balance sheets.

	Pension Benefits	
	2000	1999
Weighted-average assumptions as of December 31		
Discount rate	7.5%	8.0%
Expected return on plan assets	9.0	9.0
Rate of compensation increase	5.2	5.3

	Pension Benefits		
	2000	1999	1998
Components of net periodic benefit cost			
Service cost	$ 4,543	$ 3,304	$ 2,817
Interest cost	3,246	2,448	2,039
Expected return on plan assets	(2,533)	(2,261)	(1,693)
Amortization of unrecognized transition asset	(57)	(57)	(57)
Recognized net actuarial loss	145	101	65
Prior service cost recognized	131	133	131
Curtailment/settlement loss recognized	1,296	-	-
Benefit cost	$ 6,771	$ 3,668	$ 3,302

Nasdaq also participates in a voluntary savings plan for eligible employees of the NASD and its subsidiaries. Employees are immediately eligible to make contributions to the plan and are also eligible for an employer contribution match at an amount equal to 100% of the first 4% of eligible employee contributions. Eligible plan participants may also receive an additional discretionary match from Nasdaq. Savings plan expense for the years ended December 31, 2000, 1999, 1998 was $3.7 million, $2.9 million, and $2.0 million, respectively. The expense included a discretionary match authorized by the NASD Board of Governors totaling $1.3 million for the year ended December 31, 2000, $1.3 million for the year ended December 31, 1999, and $1.0 million for the year ended December 31, 1998.

In October 2000, the Nasdaq Board of Directors (the "Nasdaq Board") approved the implementation of an equity incentive plan and an employee stock purchase plan. The plans will be submitted to Nasdaq stockholders for their approval. As of December 31, 2000, no grants have been made under the plans.

9. Leases

Nasdaq leases certain office space and equipment in connection with its operations. The majority of these leases contain escalation clauses based on increases in property taxes and building operating costs. Certain of these leases also contain renewal options. Rent expense for operating leases was $9.9 million for the year ended December 31, 2000, $4.0 million for the year ended December 31, 1999 and $1.4 million for the year ended December 31, 1998.

Future minimum lease payments under noncancellable operating leases with initial or remaining terms of one year or more consisted of the following at December 31, 2000:

Year ending December 31:	
2001	$ 13,455
2002	16,034
2003	16,047
2004	16,376
2005	16,234
Remaining years	126,259
Total minimum lease payments	$ 204,405

Future minimum lease payments under noncancellable capital leases with initial or remaining terms of one year or more consisted of the following at December 31, 2000:

Year ending December 31:	
2001	$ 6,462
2002	6,462
2003	3,231
2004	-
2005	-
Remaining years	-
Total minimum lease payments	$ 16,155

10. Warrants

In connection with the OptiMark, Inc. ("OptiMark") partnership, OptiMark agreed to issue to Nasdaq warrants to purchase up to an aggregate of 11.25 million shares of its common stock, $0.01 par value per share. The warrants are exercisable in several tranches upon the achievement of certain milestones, which are based primarily upon the average daily share volume of Nasdaq securities traded through the OptiMark Trading System. The first milestone was the warrant commencement date, which occurred on October 11, 1999. On that date, Nasdaq received two fully exercisable warrants from OptiMark to purchase 4.5 million shares. The first 2.25 million shares may be purchased at an exercise price of $5.00 per share. All remaining warrants provide that shares may be purchased at an exercise price of $7.00 per share. The warrants are exercisable through the earlier of (i) the last day that the OptiMark System continues to be available on all NWII workstations and (ii) the fifth anniversary of the warrant commencement date, or October 11, 2004. As of October 11, 1999, these warrants had a combined value of $33.5 million which is considered to be the cost of these warrants. The deferred revenue associated with these warrants was to be amortized into income based on share volume traded through the OptiMark System.

In September 2000, OptiMark announced a strategic change in its business that will allow it to focus on providing technology solutions to electronic marketplaces. As part of the change, OptiMark decided to suspend trading operations on the OptiMark System. As a result, Nasdaq management has concluded that its investment in warrants in OptiMark as well as the realization of the deferred revenue related to these warrants is impaired. Therefore, in September 2000, Nasdaq reduced its investment in warrants and related deferred revenue to zero. Nasdaq will monitor OptiMark's implementation of its new business model and assess the value of the warrants at each balance sheet date.

11. Commitments and Contingencies

In November 1997, Nasdaq entered into an agreement with WorldCom Inc. to replace the existing data network that connects the Nasdaq market facilities to market participants. The contract contains a minimum guarantee of $300 million to be incurred through November 2003. Billings under the contract are $143.3 million as of December 31, 2000. Management anticipates that the minimum guarantee under the contract will be achieved.

In October 2000, Nasdaq entered into a contract with OptiMark under which OptiMark was engaged to provide software development services in connection with the development of the SuperMontage system. Nasdaq will pay OptiMark for the SuperMontage development for a period not to exceed twelve months. Additionally, OptiMark will be entitled to receive incentive payments if it meets certain delivery milestones agreed to in the contract. If Nasdaq uses OptiMark's services for the full twelve months of expected development effort and OptiMark meets all of its deliverables, then Nasdaq will be required to pay up to $14.2 million.

Nasdaq may be subject to claims arising out of the conduct of its business. Currently, there are certain legal proceedings pending against Nasdaq. Management believes, based upon the opinion of counsel, that any liabilities or settlements arising from these proceedings will not have a material effect on the financial position or results of operations of Nasdaq. Management is not aware of any unasserted claims or assessments that would have a material adverse effect on the financial position and the results of operations of Nasdaq.

12. Related Party Transactions

Related party receivables and payables are the result of various transactions between Nasdaq and its affiliates. Payables to related parties are comprised primarily of the regulation charge from NASDR, a wholly owned subsidiary of the NASD. NASDR charges Nasdaq for costs incurred related to Nasdaq market

regulation and enforcement. Support charges from the NASD to Nasdaq represent another significant component of payables to related parties. The support charge includes an allocation of a portion of the NASD's administrative expenses as well as its costs incurred to develop and maintain technology on behalf of Nasdaq. The remaining component of payables to related parties is cash disbursements funded by the NASD on behalf of Nasdaq.

Receivables from related parties are primarily attributable to costs incurred by Amex and funded by Nasdaq related to various Amex technology projects. The remaining portion of the receivable from related parties balance is related to cash disbursements funded by Nasdaq on behalf of its affiliates. Disbursements made by Nasdaq on behalf of affiliates relate mainly to office supply and utility charges where Nasdaq represents the largest portion.

Surveillance Charge from NASDR

NASDR incurs costs associated with surveillance monitoring, legal and enforcement activities related to the regulation of Nasdaq. These costs are charged to Nasdaq based upon the NASD management's estimated percentage of costs incurred by each NASDR department that are attributable directly to Nasdaq market surveillance. The following table represents Nasdaq management's estimate of the costs charged by NASDR to Nasdaq:

	December 31,		
	2000	1999	1998
Compensation	$ 32,018	$ 32,529	$ 29,894
Professional and contract services	27,110	20,000	16,193
Occupancy	399	1,687	1,945
Publications, supplies and postage	2,924	1,661	1,744
Computer ops. and data comm.	5,010	3,430	2,503
Depreciation	8,435	3,831	3,205
Travel, meetings and training	2,848	1,841	1,670
Other	1,106	150	192
Total	$ 79,850	$ 65,129	$ 57,346

12. Related Party Transactions (continued)

On June 28, 2000 Nasdaq entered into a Regulatory Services Agreement with NASDR (the "Regulatory Services Agreement"). Under the terms of this agreement, NASDR will provide Nasdaq regulatory services and related administrative functions necessary for NASDR's performance of such services. Through December 31, 2000, NASDR's fees charged to Nasdaq will reflect NASDR's cost of furnishing the services. After December 31, 2000, pricing will be determined on a "cost-plus basis" for each service. The initial term of the Regulatory Services Agreement expires on June 28, 2010. Nasdaq is subject to termination fees, payable to NASDR, if it terminates its receipt of services under the agreement for convenience.

Support Charge from the NASD

The NASD provides various administrative services to Nasdaq including legal assistance, accounting and managerial services. It is the NASD's policy to charge these expenses and other operating costs to Nasdaq based upon usage percentages determined by management of the NASD and Nasdaq. Additionally, the NASD incurs certain costs related to the development and maintenance of technology for Nasdaq. Technology development costs are allocated directly to Nasdaq based upon specific projects requested by Nasdaq. Technology maintenance costs are allocated based upon Nasdaq's share of computer usage. The following table represents Nasdaq management's estimate of the composition of costs charged by the NASD to Nasdaq:

	December 31,		
	2000	1999	1998
Compensation	$ 25,899	$ 25,956	$ 25,942
Professional and contract services	9,986	16,671	7,784
Occupancy	9,576	4,637	5,212
Publications, supplies and postage	1,544	2,295	2,368
Computer ops. and data comm.	1,500	5,243	4,145
Depreciation	2,894	6,514	5,335
Travel, meetings and training	1,504	2,020	1,551
Other	701	759	267
Total	$ 53,604	$ 64,095	$ 52,604

On June 28, 2000 Nasdaq entered into a Separation and Common Services Agreement with the NASD (the "NASD Separation Agreement"). Under the terms of this agreement, NASD will provide Nasdaq the same administrative, corporate and infrastructure services it currently provides. The rates and methodology to be used in determining the cost of such services will be consistent with past practices. Nasdaq intends to develop its internal capabilities in the future in order to reduce its reliance on the NASD for

such services. In addition, Nasdaq will provide the NASD continued access to such Nasdaq technology as NASD requires to satisfy its obligation to Amex under the transaction agreement between NASD and Amex in connection with the NASD's 1998 acquisition of Amex. Nasdaq will also continue to provide all services it currently provides to Amex. Nasdaq's costs for rendering such access and services will be recoverable from the NASD. Nasdaq and the NASD are negotiating a more detailed "Master Agreement" to supersede the NASD Separation Agreement that expires December 31, 2001. If such a Master Agreement is not executed prior to January 1, 2002, the NASD Separation Agreement automatically renews for an additional twelve months.

Nasdaq Charge to the American Stock Exchange LLC ("Amex")

Nasdaq incurs technology costs on behalf of Amex related to development of new Amex systems and enhancement of existing Amex systems. Additionally, Nasdaq incurs certain operating costs such as marketing on behalf of Amex. Amounts are charged based upon specific projects requested by Amex. Amounts charged from Nasdaq to Amex are included in support costs from related parties and are summarized as follows:

	December 31,		
	2000	1999	1998
Compensation	$ 345	$ 600	$ 1,128
Professional and contract services	4,389	13,090	7,334
Publications, supplies and postage	11	19	35
Other	187	326	612
Total	$ 4,932	$ 14,035	$ 9,109

In the opinion of management, all methods of cost allocation described above are reasonable for the services rendered.

13. Capital Stock and Earnings Per Share

Each share of Common Stock has one vote, except that any person, other than the NASD or any other person as may be approved for such exemption by the Nasdaq Board prior to the time such person owns more than 5% of the then-outstanding shares of Common Stock, who would otherwise be entitled to exercise voting rights in respect of more than 5% of the then-outstanding shares of Common Stock will be unable to exercise voting rights for any shares in excess of 5% of the then-outstanding shares of Common Stock. The voting rights associated with the shares of Common Stock underlying the Warrants, as well as the shares of Common Stock purchased through the valid exercise of Warrants, will be governed by the voting trust agreement (the "Voting Trust Agreement") entered into by the NASD, Nasdaq and The Bank of New York, as voting trustee (the "Voting Trustee"). Initially, the holders of the Warrants (each, a "Warrant Holder" and, collectively, the "Warrant Holders") will not have any voting rights with respect to the shares of Common Stock underlying such Warrants. Until Nasdaq becomes registered with the Securities and Exchange Commission as a national securities exchange ("Exchange Registration"), the shares of Common Stock underlying unexercised and unexpired Warrant tranches, as well as the shares of Common Stock purchased through the exercise of Warrants, will be voted by the Voting Trustee at the direction of the NASD. The voting rights associated with the shares of Common Stock underlying unexercised and expired Warrant tranches will revert to the NASD. However, the NASD has determined, commencing upon Exchange Registration, to vote its shares of Common Stock (other than shares underlying then outstanding Warrants) in the same proportion as the other stockholders of Nasdaq. Upon Exchange Registration, the Warrant Holders will have the right to direct the Voting Trustee as to the voting of the shares of Common Stock underlying unexercised and unexpired Warrant tranches until the earlier of the exercise or the expiration of such Warrant tranches. The shares of Common Stock purchased upon a valid exercise of a Warrant tranche prior to Exchange Registration will be released from the Voting Trust Agreement upon Exchange Registration. The shares of Common Stock purchased upon a valid exercise of a Warrant tranche after Exchange Registration will not be subject to the Voting Trust Agreement.

There are 30,000,000 shares of preferred stock authorized, and none issued and outstanding.

The following table sets forth the computation of basic earnings per share.

	December 31,		
	2000	1999	1998
Numerator for basic earnings per share	$ 150,127	$ 86,149	$ 34,955
Denominator for basic weighted average shares	112,090,493	100,000,000	100,000,000
Basic earnings per share	$ 1.34	$ 0.86	$ 0.35

14. Subsequent Events (Unaudited)

Phase II Private Placement
- --------------------------

Phase II closed on January 18, 2001 with Nasdaq selling approximately 5.0 million shares, yielding net proceeds of approximately $63.7 million. Subsequent to the closing of Phase II, the NASD owns approximately 74% of Nasdaq. In the Phase I and Phase II offerings, the NASD sold Warrants to purchase shares of the common stock of Nasdaq, and if fully exercised, the NASD's ownership would be decreased to approximately 41%.

Nasdaq Europe S.A./N.V.
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On March 27, 2001, Nasdaq acquired a majority ownership interest in the European Association of Securities Dealers Automated Quotation S.A./N.V. ("EASDAQ"), a Belgium-based, pan-European stock exchange for $12.5 million. Nasdaq plans to restructure the company into a globally linked, pan-European market and rename it Nasdaq Europe S.A./N.V.

Nasdaq's acquisition has been accounted for using the purchase method of accounting.

Hellman & Friedman
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In March 2001, Nasdaq entered into an agreement to issue and sell $240.0 million in aggregate principal amount of its 4% convertible subordinated debentures due 2006 (the "Subordinated Debentures") to Hellman & Friedman Capital Partners IV, L.P. and its affiliates (collectively, "Hellman & Friedman"). The annual 4% coupon will be payable in arrears in cash and the Subordinated Debentures will be convertible at any time into shares of Common Stock at $20.00 per share. The transaction is scheduled to close in the second quarter of 2001.

On a fully diluted basis, Hellman & Freidman will have an approximate 9.8% equity ownership position in Nasdaq. Nasdaq has agreed to use its best efforts to seek stockholder approval of a charter amendment that would provide for voting debt in order to permit Hellman & Friedman to vote on an as-converted basis on all matters on which common stockholders have the right to vote, subject to the current five percent voting limitation in Nasdaq's Restated Certificate of Incorporation (the "Certificate of Incorporation"). Nasdaq has agreed to grant Hellman & Friedman certain registration rights with respect to the shares of Common Stock underlying the Subordinated Debentures. Additionally, Hellman & Friedman will be permitted to designate one person reasonably acceptable to Nasdaq for nomination as a director of Nasdaq for so long as Hellman & Friedman owns Subordinated Debentures and/or shares of Common Stock issued upon conversion representing at least 50% of the shares of Common Stock issuable upon conversion of the Subordinated Debentures initially purchased.

On March 23, 2001, Nasdaq entered into an agrement with the NASD whereby Nasdaq would use the net proceeds from the sale of the Subordinated Debentures to purchase 18,461,538 shares of Common Stock from the NASD for $13 per share or an aggregate purchase price of $239,999,994.

LIFFE
- -----

In March 2001, Nasdaq entered into a non-binding letter of intent with the London International Financial Futures and Options Exchange ("LIFFE") to create a new U.S. joint venture company which will list single stock futures The products of this joint venture are expected to be traded through the LIFFE CONNECT(TM) electronic system. Nasdaq has committed up to $15 million plus the rights to use certain trademarks in this venture.

Nasdaq Europe Planning Company Limited
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In February and March 2001, Nasdaq repurchased the ownership interests of certain minority shareholders in Nasdaq Europe Planning Company Limited for a total of $20 million.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of The Nasdaq Stock Market, Inc.
3.2	By-Laws of The Nasdaq Stock Market, Inc.
4.1	Form of Common Stock certificate.
7A	Qualitative Disclosure about market risk (incorporated herein by reference to "Item 2. Financial Information" of this Form 10).
9.1	Voting Trust Agreement dated June 28, 2000, among The Nasdaq Stock Market, Inc., the National Association of Securities Dealers, Inc. and The Bank of New York.
9.2	First Amendment to the Voting Trust Agreement, dated as of January 18, 2001, among The Nasdaq Stock Market, Inc., the National Association of Securities Dealers, Inc. and The Bank of New York.
10.1	Network Service Agreement, dated November 19, 1997, between MCI Telecommunications Corporation and The Nasdaq Stock Market, Inc.*

10.2 Consolidated Agreement, between Unisys Corporation and The Nasdaq Stock Market, Inc.*

10.3 Network User License Agreement, dated November 30, 1993, between Oracle Corporation and The Nasdaq Stock Market, Inc.*

10.4 Software License and Services Agreement, dated November 30, 1993, between Oracle Corporation and The Nasdaq Stock Market, Inc.*

10.5 Regulatory Services Agreement, dated June 28, 2000, between NASD Regulation, Inc. and The Nasdaq Stock Market, Inc.*

10.6 Separation and Common Services Agreement, dated as of June 28, 2000, between the National Association of Securities Dealers, Inc. and The Nasdaq Stock Market, Inc.

10.7 The Nasdaq Stock Market, Inc. Employee Stock Purchase Plan.

10.8 The Nasdaq Stock Market, Inc. Equity Incentive Plan.

10.9 Securities Purchase Agreement, dated as of March 23, 2001, among The Nasdaq Stock Market, Inc., Hellman & Friedman Capital Partners IV, L.P. and the other purchasers listed in the signature pages thereto.

10.10 Purchase and Sale Agreement, dated March 23, 2001, by and between the National Association of Securities Dealers, Inc. and The Nasdaq Stock Market, Inc.

10.11 Employment Agreement between the National Association of Securities Dealers, Inc. and Frank G. Zarb effective on February 24, 1997.

10.12 Instrument of Amendment, dated March 18, 1998, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997.

10.13 Instrument of Amendment, dated as of August 20, 1999, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998.

10.14 Instrument of Amendment, dated March 30, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999.

10.15 Instrument of Amendment, effective as of July 27, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999, and subsequently amended on March 30, 2000.

10.16 Instrument of Amendment, effective as of November 1, 2000, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999, and subsequently amended on March 30, 2000, and as of July 27, 2000.

10.17 Instrument of Amendment, effective as of April 25, 2001, to Employment Agreement between National Association of Securities Dealers, Inc. and Frank G. Zarb, effective on February 24, 1997, as subsequently amended effective March 18, 1998, August 20, 1999, March 30, 2000, July 27, 2000 and November 1, 2000.

10.18 Employment Agreement by and between The Nasdaq Stock Market, Inc. and J. Patrick Campbell, affective as of December 29, 2000.

10.19 Employment Agreement by The Nasdaq Stock Market, Inc. and John L. Hilley, effective as of December 29, 2000.

10.20 Employment Agreement by and between The Nasdaq Stock Market, Inc. and Richard G. Ketchum, effective as of December 29, 2000.

10.21 Employment Agreement by and between The Nasdaq Stock Market, Inc. and Hardwick Simmons, dated as of January 31, 2001.

11 Statement regarding computation of per share earnings (incorporated herein by reference to "Item 2. Financial Information" of this Form 10).

12 Computations of ratios (not applicable).

21.1 List of all subsidiaries.

RESTATED CERTIFICATE OF INCORPORATION
OF
THE NASDAQ STOCK MARKET, INC.

The undersigned, Joan C. Conley, Corporate Secretary of The Nasdaq Stock Market, Inc. ("Nasdaq"), a Delaware corporation, does hereby certify:

FIRST: That the name of the corporation is The Nasdaq Stock Market, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was November 13, 1979. The name under which Nasdaq was originally incorporated was "NASD Market Services, Inc."

SECOND: That the Certificate of Incorporation of Nasdaq is hereby amended and restated to read in its entirety as follows:

ARTICLE FIRST

The name of the corporation is The Nasdaq Stock Market, Inc.

ARTICLE SECOND

The address of Nasdaq's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of Nasdaq's registered agent at such address is The Corporation Trust Company.

ARTICLE THIRD

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, and, without limiting the generality of the foregoing business or purposes to be conducted or promoted, shall include, to the extent applicable to Nasdaq, the responsibilities and functions set forth in the "Plan of Allocation and Delegation of Functions by NASD to Subsidiaries," as approved by the Securities and Exchange Commission, as amended from time to time.

ARTICLE FOURTH

A. The total number of shares of stock which Nasdaq shall have the authority to issue is Three Hundred Thirty Million (330,000,000), consisting of Thirty Million (30,000,000) shares of Preferred Stock, par value $.01 per share (hereinafter referred to as "Preferred Stock"), and Three Hundred Million (300,000,000) shares of Common Stock, par value $.01 per share (hereinafter referred to as "Common Stock").

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of Nasdaq (the "Board") is hereby authorized to provide for the issuance of shares of Preferred Stock in one or more series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter referred to as "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board with respect to each series shall include, but not limited to, determination of the following:

(1) The designation of the series, which may be by distinguishing number, letter or title.

(2) The number of shares of the series, which number the Board may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).

(3) The amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative.

(4) Dates at which dividends, if any, shall be payable.

(5) The redemption rights and price or prices, if any, for shares of the series.

(6) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(7) The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Nasdaq.

(8) Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of Nasdaq or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made.

(9) Restrictions on the issuance of shares of the same series or of any other class or series.

(10) The voting rights, if any, of the holders of shares of the series.

C. 1. Except as may otherwise be provided in this Restated Certificate of Incorporation (including any Preferred Stock Designation) or by applicable law, each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote, and no holder of any series of Preferred Stock, as such, shall be entitled to any voting powers in respect thereof.

2. Notwithstanding any other provision of this Restated Certificate of Incorporation, but subject to subparagraph 6 of this paragraph C. of this Article Fourth, in no event shall any record owner of any outstanding Common Stock which is beneficially owned, directly or indirectly, as of any record date for the determination of stockholders entitled to vote on any matter, by a person (other than an Exempt Person) who beneficially owns shares of Common Stock ("Excess Shares") in excess of five percent (5%) of the then-outstanding shares of Common Stock, be entitled or permitted to vote any Excess Shares. For all purposes hereof, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of which any person is the beneficial owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as in effect on the date of filing this Restated Certificate of Incorporation.

3. The following definitions shall apply to this paragraph C. of this Article Fourth:

(a) "Affiliate" shall have the meaning ascribed to that term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect on the date of filing this Restated Certificate of Incorporation.

(b) A person shall be deemed the "beneficial owner" of, shall be deemed to have "beneficial ownership" of and shall be deemed to "beneficially own" any securities:

(i) which such person or any of such person's Affiliates is deemed to beneficially own, directly or indirectly, within the meaning of Rule l3d-3 of the General Rules and Regulations under the Exchange Act as in effect on the date of the filing of this Restated Certificate of Incorporation;

(ii) which such person or any of such person's Affiliates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the beneficial owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's Affiliates until such tendered securities are accepted for purchase; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the beneficial owner of, or to beneficially own, any security by reason of such agreement, arrangement or understanding if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other person and with respect to which such person or any of such person's Affiliates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to (b)(ii)(B) above) or disposing of such securities;

provided, however, that (A) no person who is an officer, director or employee of an Exempt Person shall be deemed, solely by reason of such person's status or authority as such, to be the "beneficial owner" of, to have "beneficial ownership" of or to "beneficially own" any securities that are "beneficially owned" (as defined herein), including, without limitation, in a fiduciary capacity, by an Exempt Person or by any other such officer, director or employee of an Exempt Person, and (B) the Voting Trustee, as defined in the Voting Trust Agreement by and among Nasdaq, the National Association of Securities Dealers, Inc., a Delaware corporation (the "NASD"), and The Bank of New York, a New York banking corporation, as such may be amended from time to time

(the "Voting Trust Agreement"), shall not be deemed, solely by reason of such person's status or authority as such, to be the "beneficial owner" of, to have "beneficial ownership" of or to "beneficially own" any securities that are governed by and held in accordance with the Voting Trust Agreement.

(c) A "person" shall mean any individual, firm, corporation, partnership, limited liability company or other entity.

(d) "Exempt Person" shall mean Nasdaq or any Subsidiary of Nasdaq, in each case including, without limitation, in its fiduciary capacity, or any employee benefit plan of Nasdaq or of any Subsidiary of Nasdaq, or any entity or trustee holding Common Stock for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of Nasdaq or of any Subsidiary of Nasdaq.

(e) "Subsidiary" of any person shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power sufficient to elect a majority of the board of directors or other persons performing similar functions are beneficially owned, directly or indirectly, by such person, and any corporation or other entity that is otherwise controlled by such person.

(f) The Board shall have the power to construe and apply the provisions of this paragraph C. of this Article Fourth and to make all determinations necessary or desirable to implement such provisions, including, but not limited to, matters with respect to (1) the number of shares of Common Stock beneficially owned by any person, (2) whether a person is an Affiliate of another, (3) whether a person has an agreement, arrangement or understanding with another as to the matters referred to in the definition of beneficial ownership, (4) the application of any other definition or operative provision hereof to the given facts, or (5) any other matter relating to the applicability or effect of this paragraph C. of this Article Fourth.

4. The Board shall have the right to demand that any person who is reasonably believed to hold of record or beneficially own Excess Shares supply Nasdaq with complete information as to (a) the record owner(s) of all shares beneficially owned by such person who is reasonably believed to own Excess Shares, and (b) any other factual matter relating to the applicability or effect of this paragraph C. of this Article Fourth as may reasonably be requested of such person.

5. Any constructions, applications, or determinations made by the Board, pursuant to this paragraph C. of this Article Fourth, in good faith and on the basis of such information and assistance as was then reasonably available for such purpose, shall be conclusive and binding upon Nasdaq and its stockholders.

6. Notwithstanding anything herein to the contrary, subparagraph 2 of this paragraph C. of this Article Fourth shall not be applicable to any Excess Shares beneficially owned by (a) the NASD or its Affiliates until such time as the NASD beneficially owns five percent (5%) or less of the outstanding shares of Common Stock or (b) any other person as may be approved for such exemption by the Board prior to the time such person beneficially owns more than five percent (5%) of the outstanding shares of Common Stock. The Board, however, may not approve an exemption under this Section 6(b): (i) for a registered broker or dealer or an Affiliate thereof (provided that, for these purposes, an Affiliate shall not be deemed to include an entity that either owns ten percent or less of the equity of a broker or dealer, or the broker or dealer accounts for one percent or less of the gross revenues received by the consolidated entity); or (ii) an individual or entity that is subject to a statutory disqualification under Section 3(a)(39) of the Exchange Act. The Board may approve an exemption for any other stockholder if the Board determines that granting such exemption would (A) not reasonably be expected to diminish the quality of, or public confidence in, The Nasdaq Stock Market or the other operations of Nasdaq, on the ability to prevent fraudulent and manipulative acts and practices and on investors and the public, and (B) promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities or assist in the removal of impediments to or perfection of the mechanisms for a free and open market and a national market system.

7. In the event any provision (or portion thereof) of this paragraph C. of this Article Fourth shall be found to be invalid, prohibited or unenforceable for any reason, the remaining provisions (or portions thereof) of this paragraph C. of this Article Fourth shall remain in full force and effect, and shall be construed as if such invalid, prohibited or unenforceable provision (or portion hereof) had been stricken herefrom or otherwise rendered inapplicable, it being the intent of Nasdaq and its stockholders that each such remaining provision (or portion thereof) of this paragraph C. of this Article Fourth remains, to the fullest extent permitted by law, applicable and enforceable as to all stockholders, including stockholders that beneficially own Excess Shares, notwithstanding any such finding.

ARTICLE FIFTH

A. The business and affairs of Nasdaq shall be managed by, or under the direction of, the Board. The total number of directors constituting the entire Board shall be fixed from time to time by the Board.

B. The Board (other than those directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of Article Fourth hereof, (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation; Class II directors shall initially serve until the second annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation; and Class III directors shall initially serve until the third annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation. Commencing with the first annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of directors (other than Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal as possible.

C. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall only be filled by the Board. Any director so chosen shall hold office until the next election of the class for which such directors shall have been chosen and until his successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

D. Except for Preferred Stock Directors, any director, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66 2/3% of the total voting power of the outstanding shares of capital stock of Nasdaq entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class.

E. During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article Fourth hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of Nasdaq shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of Nasdaq shall automatically be reduced accordingly.

ARTICLE SIXTH

A. A director of Nasdaq shall not be liable to Nasdaq or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.

B. Any repeal or modification of paragraph A. shall not adversely affect any right or protection of a director of Nasdaq existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

ARTICLE SEVENTH

No action that is required or permitted to be taken by the stockholders of Nasdaq at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders.

ARTICLE EIGHTH

In furtherance of, and not in limitation of, the powers conferred by law, the Board is expressly authorized and empowered to adopt, amend or repeal the By-Laws of Nasdaq; provided, however, that the By-Laws adopted by the Board under the powers hereby conferred may be amended or repealed by the Board or by the stockholders having voting power with respect thereto, provided further that, notwithstanding any other provision of this Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the stock required by law or this Restated Certificate of Incorporation, the affirmative vote of the holders of at least 66 2/3% percent of the total voting power of the outstanding Voting Stock, voting together as a single

class, shall be required in order for the stockholders to adopt, alter, amend or repeal any By-Law.

ARTICLE NINTH

Nasdaq reserves the right to amend, alter, change, or repeal any provisions contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred herein are granted subject to this reservation; provided, however, that the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with paragraph C. of Article Fourth, Article Fifth, Article Seventh, Article Eighth or this Article Ninth.

ARTICLE TENTH

Nasdaq shall have perpetual existence.

ARTICLE ELEVENTH

In light of the unique nature of Nasdaq and its operations and in light of Nasdaq's status as a self-regulatory organization, the Board of Directors, when evaluating (A) any tender or exchange offer or invitation for tenders or exchanges, or proposal to make a tender or exchange offer or request or invitation for tenders or exchanges, by another party, for any equity security of Nasdaq, (B) any proposal or offer by another party to (1) merge or consolidate Nasdaq or any subsidiary with another corporation or other entity, (2) purchase or otherwise acquire all or a substantial portion of the properties or assets of Nasdaq or any subsidiary, or sell or otherwise dispose of to Nasdaq or any subsidiary all or a substantial portion of the properties or assets of such other party, or (3) liquidate, dissolve, reclassify the securities of, declare an extraordinary dividend of, recapitalize or reorganize Nasdaq, (C) any action, or any failure to act, with respect to any holder or potential holder of Excess Shares subject to the limitations set forth in subparagraph 2 of paragraph C. of Article Fourth, (D) any demand or proposal, precatory or otherwise, on behalf of or by a holder or potential holder of Excess Shares subject to the limitations set forth in subparagraph 2 of paragraph C. of Article Fourth or (E) any other issue, shall, to the fullest extent permitted by applicable law, take into account all factors that the Board of Directors deems relevant, including, without limitation, to the extent deemed relevant, (i) the potential impact thereof on the integrity, continuity and stability of The Nasdaq Stock Market and the other operations of Nasdaq, on the ability to prevent fraudulent and manipulative acts and practices and on investors and the public, and (ii) whether such would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities or assist in the removal of impediments to or perfection of the mechanisms for a free and open market and a national market system.

THIRD: That such Restated Certificate of Incorporation has been duly adopted by Nasdaq in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and in accordance with Section 228 of the General Corporation Law of the State of Delaware (by the written consent of its sole stockholder).

IN WITNESS WHEREOF, the undersigned has executed this certificate this 27th day of June, 2000.

THE NASDAQ STOCK MARKET, INC.

By:/s/Joan C. Conley

(signature)

Joan C. Conley

(printed name)

Senior Vice President and Corporate Secretary

(title)

BY-LAWS OF THE NASDAQ STOCK MARKET, INC.

ARTICLE I

DEFINITIONS

When used in these By-Laws, unless the context otherwise requires, the term:

(a) "Act" means the Securities Exchange Act of 1934, as amended;

(b) "Board" means the Board of Directors of Nasdaq;

(c) "broker" means any individual, corporation, partnership, association, joint stock company, business trust, unincorporated organization, or other legal entity engaged in the business of effecting transactions in securities for the account of others, but does not include a bank;

(d) "Commission" means the Securities and Exchange Commission;

(e) "day" means calendar day;

(f) "dealer" means any individual, corporation, partnership, association, joint stock company, business trust, unincorporated organization, or other legal entity engaged in the business of buying and selling securities for such individual's or entity's own account, through a broker or otherwise, but does not include a bank, or any person insofar as such person buys or sells securities for such person's own account, either individually or in some fiduciary capacity, but not as part of a regular business;

(g) "Delaware law" means the General Corporation Law of the State of Delaware;

(h) "Delegation Plan" means the "Plan of Allocation and Delegation of Functions by NASD to Subsidiaries" as approved by the Commission, and as amended from time to time;

(i) "Director" means a member of the Board;

(j) "Industry Director" or "Industry member" means a Director (excluding any two officers of Nasdaq, selected at the sole discretion of the Board, amongst those officers who may be serving as Directors (the "Staff Directors") or Nasdaq Listing and Hearing Review Council or committee member who (1) is or has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (2) is an officer, director (excluding an outside director), or employee of an entity that owns more than ten percent of the equity of a broker or dealer, and the broker or dealer accounts for more than five percent of the gross revenues received by the consolidated entity; (3) owns more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed ten percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of a broker or dealer; (4) provides professional services to brokers or dealers, and such services constitute 20 percent or more of the professional revenues received by the Director or member or 20 percent or more of the gross revenues received by the Director's or member's firm or partnership; (5) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by the Director or member or 20 percent or more of the gross revenues received by the Director's or member's firm or partnership; or (6) has a consulting or employment relationship with or provides professional services to the NASD, NASD Regulation, Nasdaq, or Amex (and any predecessor) or has had any such relationship or provided any such services at any time within the prior three years;

(k) "NASD" means the National Association of Securities Dealers, Inc.;

(l) "Nasdaq" means The Nasdaq Stock Market, Inc.;

(m) "Nasdaq Listing and Hearing Review Council" means a body appointed by the Board pursuant to Article V of these By-Laws;

(n) "NASD Board" means the NASD Board of Governors;

(o) "NASD Regulation" means NASD Regulation, Inc.;

(p) "Nominating Committee" means the Nominating Committee appointed pursuant to these By-Laws;

(q) "Non-Industry Director" or "Non-Industry member" means a Director (excluding the Staff Directors) or Nasdaq Listing and Hearing Review Council or committee member who is (1) a Public Director or Public member; (2) an officer or employee of an issuer of securities listed on Nasdaq, or traded in the over-the-counter market; or (3) any other individual who would not be an Industry Director or Industry member;

(r) "person associated with a member" or "associated person of a member" means: (1) a natural person who is registered or has applied for registration under the Rules of the Association; or (2) a sole proprietor, partner, officer, director, or branch manager of a member, or other natural

person occupying a similar status or performing similar functions, or a natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a member, whether or not any such person is registered or exempt from registration with the NASD under these By-Laws or the Rules of the Association; and (3) for purposes of Rule 8210, any other person listed in Schedule A of Form BD of a member.

(s) "Public Director" or "Public member" means a Director or Nasdaq Listing and Hearing Review Council or committee member who has no material business relationship with a broker or dealer or the NASD, NASD Regulation, or Nasdaq;

(t) "Rules of the Association" or "Rules" means the numbered rules set forth in the NASD Manual beginning with the Rule 0100 Series, as adopted by the NASD Board pursuant to the NASD By-Laws, as hereafter amended or supplemented;

(u) "Amex" means American Stock Exchange LLC.

ARTICLE II

OFFICES

Location

Sec. 2.1 The address of the registered office of Nasdaq in the State of Delaware and the name of the registered agent at such address shall be: The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. Nasdaq also may have offices at such other places both within and without the State of Delaware as the Board may from time to time designate or the business of Nasdaq may require.

Change of Location

Sec. 2.2 In the manner permitted by law, the Board or the registered agent may change the address of Nasdaq's registered office in the State of Delaware and the Board may make, revoke, or change the designation of the registered agent.

ARTICLE III

MEETINGS OF STOCKHOLDERS

Annual Meetings of Stockholders

Sec. 3.1 (a) Nominations of persons for election to the Board and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (i) pursuant to Nasdaq's notice of meeting (or any supplement thereto), (ii) by or at the direction of the Board or the Nominating Committee or (iii) by any stockholder of Nasdaq who was a stockholder of record of Nasdaq at the time the notice provided for in this Section 3.1 is delivered to the Secretary of Nasdaq, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 3.1.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 3.1(a)(iii), the stockholder must have given timely notice thereof in writing to the Secretary of Nasdaq and any such proposed business other than the nominations of persons for election to the Board must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of Nasdaq not later than the close of business on the ninetieth day nor earlier than the close of business on the one hundred twentieth day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty days before or more than seventy days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by Nasdaq). For purposes of the first annual meeting of stockholders of Nasdaq held after 2000, the first anniversary of the 2000 annual meeting of stockholders shall be deemed to be May 15, 2001. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (i) as to each person whom the stockholder proposes to nominate for election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Act and Rule 14a-11 thereunder (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws of Nasdaq, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on Nasdaq's books, and of such beneficial owner, (B) the class and number of shares of capital stock of Nasdaq which are owned beneficially and of record by such stockholder and such beneficial owner, (C) a representation that the stockholder is a holder of

record of stock of Nasdaq entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (D) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of Nasdaq's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise to solicit proxies from stockholders in support of such proposal or nomination. Nasdaq may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of Nasdaq.

(c) Notwithstanding anything in the second sentence of Section 3.1(b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by Nasdaq naming the nominees for the additional directorships at least one hundred days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 3.1 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of Nasdaq not later than the close of business on the tenth day following the day on which such public announcement is first made by Nasdaq.

Special Meetings of Stockholders

Sec. 3.2 Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to Nasdaq's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to Nasdaq's notice of meeting (a) by or at the direction of the Board or the Nominating Committee or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of Nasdaq who is a stockholder of record at the time the notice provided for in this Section 3.2 is delivered to the Secretary of Nasdaq, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 3.2. In the event Nasdaq calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election may nominate a person or persons (as the case may be) for election to such position(s) as specified in Nasdaq's notice of meeting, if the stockholder's notice required by Section 3.1(b) shall be delivered to the Secretary at the principal executive offices of Nasdaq not earlier than the close of business on the one hundred twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

General

Sec. 3.3 (a) Only such persons who are nominated in accordance with the procedures set forth in this Article III shall be eligible to be elected at an annual or special meeting of stockholders of Nasdaq to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Article III. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (i) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Article III (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by Section 3.1(b)(iii)(D)) and (ii) if any proposed nomination or business was not made or proposed in compliance with this Article III, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Article III, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of Nasdaq to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by Nasdaq.

(b) For purposes of this Article III, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by Nasdaq with the Commission pursuant to Section 13, 14, or 15(d) of the Act.

(c) Notwithstanding the foregoing provisions of this Article III, a stockholder shall also comply with all applicable requirements of the Act and the rules and regulations thereunder with respect to the matters set forth in this Article III. Nothing in Article III shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in Nasdaq's proxy statement pursuant to Rule 14a-8 under the Act or (ii) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Restated Certificate of Incorporation.

Conduct of Meetings

Sec. 3.4 The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting

shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of Nasdaq, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE IV

BOARD OF DIRECTORS

General Powers

Sec. 4.1 The property, business, and affairs of Nasdaq shall be managed by or under the direction of the Board. The Board may exercise all such powers of Nasdaq and have the authority to perform all such lawful acts as are permitted by law, the Restated Certificate of Incorporation, these By-Laws, or the Delegation Plan for the organization, development, and operation of electronic data processing and communications facilities, including computer hardware and software, for the purposes of: (a) supporting the operation, regulation, and surveillance of The Nasdaq Stock Market and other organized securities markets established for trading equity securities, debt securities, derivative instruments, or other financial products that may be developed; (b) supporting the efficient clearance and settlement of securities transactions; (c) supporting various elements of the national market system pursuant to Section 11A of the Act and the rules thereunder; (d) assisting the NASD in fulfilling its self-regulatory responsibilities as set forth in Section 15A of the Act; and (e) supporting such other initiatives as the Board may deem appropriate. To the fullest extent permitted by applicable law, the Restated Certificate of Incorporation, and these By-Laws, the Board may delegate any of its powers to a committee appointed pursuant to Section 4.13 or to Nasdaq staff in a manner not inconsistent with the Delegation Plan.

Number of Directors

Sec. 4.2 The exact number of members of the Board shall be determined by resolution adopted by the Board from time to time. Any new Director position created as a result of an increase in the size of the Board shall be filled in accordance with the Restated Certificate of Incorporation.

Qualifications

Sec. 4.3 Directors need not be stockholders of Nasdaq. The number of Non-Industry Directors, including at least one Public Director and at least one issuer representative, shall equal or exceed the number of Industry Directors, unless the Board consists of ten or more Directors. In such case at least two Directors shall be issuer representatives.

Election

Sec. 4.4 Except as otherwise provided by law, these By-Laws, or the Delegation Plan, after the first meeting of Nasdaq at which Directors are elected, a class of Directors of Nasdaq shall be elected each year at the annual meeting of the stockholders, or at a special meeting called for such purpose in lieu of the annual meeting. If the annual election of Directors is not held on the date designated therefor, the Directors shall cause such election to be held as soon thereafter as convenient.

Resignation

Sec. 4.5 Any Director may resign at any time either upon notice of resignation to the Chair of the Board, the Chief Executive Officer, the President, or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Removal

Sec. 4.6 Any or all of the Directors may be removed from office at any time, but only for cause, by the affirmative vote at least 66 2/3 percent of the total voting power of the outstanding shares of capital stock of Nasdaq entitled to vote generally in the election of directors, voting together as a single class.

Disqualification

Sec. 4.7 The term of office of a Director shall terminate immediately upon a determination by the Board, by a majority vote of the remaining Directors, that: (a) the Director no longer satisfies the classification for which the Director was elected; and (b) the Director's

continued service as such would violate the compositional requirements of the Board set forth in Section 4.3. If the term of office of a Director terminates under this Section, and the remaining term of office of such Director at the time of termination is not more than six months, during the period of vacancy the Board shall not be deemed to be in violation of Section 4.3 by virtue of such vacancy.

Filling of Vacancies

Sec. 4.8 If a Director position becomes vacant, whether because of death, disability, disqualification, removal, or resignation, the Nominating Committee shall nominate, and the Board shall elect by majority vote, a person satisfying the classification (Industry, Non-Industry, or Public Director), if applicable, for the directorship as provided in Section 4.3 to fill such vacancy, except that if the remaining term of office for the vacant Director position is not more than six months, no replacement shall be required.

Quorum and Voting

Sec. 4.9 (a) At all meetings of the Board, unless otherwise set forth in these By-Laws or required by law, a quorum for the transaction of business shall consist of a majority of the Board. In the absence of a quorum, a majority of the Directors present may adjourn the meeting until a quorum be present.

(b) Except as provided herein or by applicable law, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

Regulation

Sec. 4.10 The Board may adopt such rules, regulations, and requirements for the conduct of the business and management of Nasdaq, not inconsistent with law, the Restated Certificate of Incorporation, these By-Laws, the Rules of the Association, or the By-Laws of the NASD, as the Board may deem proper. A Director shall, in the performance of such Director's duties, be fully protected in relying in good faith upon the books of account or reports made to Nasdaq by any of its officers, by an independent certified public accountant, by an appraiser selected with reasonable care by the Board or any committee of the Board or by any agent of Nasdaq, or in relying in good faith upon other records of Nasdaq.

Meetings

Sec. 4.11 (a) An annual meeting of the Board shall be held for the purpose of organization, election of officers, and transaction of any other business. If such meeting is held promptly after and at the place specified for the annual meeting of the stockholders, no notice of the annual meeting of the Board need be given. Otherwise, such annual meeting shall be held at such time and place as may be specified in a notice given in accordance with Section 4.12.

(b) Regular meetings of the Board may be held at such time and place, within or without the State of Delaware, as determined from time to time by the Board. After such determination has been made, notice shall be given in accordance with Section 4.12.

(c) Special meetings of the Board may be called by the Chair of the Board, by the Chief Executive Officer, by the President, or by at least one-third of the Directors then in office. Notice of any special meeting of the Board shall be given to each Director in accordance with Section 4.12.

(d) Directors or members of any committee appointed by the Board may participate in a meeting of the Board or of such committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting may hear one another, and such participation in a meeting shall constitute presence in person at such meeting for all purposes.

Notice of Meetings; Waiver of Notice

Sec. 4.12 (a) Notice of any meeting of the Board shall be deemed to be duly given to a Director if: (i) mailed to the address last made known in writing to Nasdaq by such Director as the address to which such notices are to be sent, at least seven days before the day on which such meeting is to be held; (ii) sent to the Director at such address by telegraph, telefax, cable, radio, or wireless, not later than the day before the day on which such meeting is to be held; or (iii) delivered to the Director personally or orally, by telephone or otherwise, not later than the day before the day on which such meeting is to be held. Each notice shall state the time and place of the meeting and the purpose(s) thereof.

(b) Notice of any meeting of the Board need not be given to any Director if waived by that Director in writing or by electronic transmission (or by telegram, telefax, cable, radio, or wireless and subsequently confirmed in writing or by electronic transmission) whether before or after the holding of such meeting, or if such Director is present at such meeting, subject to Article X, Section 10.3(b).

(c) Any meeting of the Board shall be a legal meeting without any prior notice if all Directors then in office shall be present thereat, except when a Director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Committees

Sec. 4.13 (a) The Board may, by resolution or resolutions adopted by the Board, appoint one or more committees. Except as herein provided, vacancies in membership of any committee shall be filled by the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Members of a committee shall hold office for such period as may be fixed by a resolution adopted by the Board. Any member of a committee may be removed from such committee only by the Board, after appropriate notice.

(b) The Board may, by resolution or resolutions adopted by a majority of the whole Board, delegate to one or more committees the power and authority to act on behalf of the Board in carrying out the functions and authority delegated to Nasdaq by the NASD under the Delegation Plan. Such delegations shall be in conformance with applicable law, the Restated Certificate of Incorporation, these By-Laws, and the Delegation Plan. Action taken by a committee pursuant to such delegated authority shall be subject to review, ratification, or rejection by the Board. In all other matters, the Board may, by resolution or resolutions adopted by the Board, delegate to one or more committees that consist solely of one or more Directors the power and authority to act on behalf of the Board in the management of the business and affairs of Nasdaq to the extent permitted by law and not inconsistent with the Delegation Plan. A committee, to the extent permitted by law and provided in the resolution or resolutions creating such committee, may authorize the seal of Nasdaq to be affixed to all papers that may require it.

(c) Except as otherwise provided by applicable law, no committee shall have the power or authority of the Board with regard to: amending the Restated Certificate of Incorporation or the By-Laws of Nasdaq; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease, or exchange of all or substantially all Nasdaq's property and assets; or recommending to the stockholders a dissolution of Nasdaq or a revocation of a dissolution. Unless the resolution of the Board expressly so provides, no committee shall have the power or authority to authorize the issuance of stock.

(d) The Board may appoint an Executive Committee, which shall, to the fullest extent permitted by Delaware Law and other applicable law, have and be permitted to exercise all the powers and authority of the Board in the management of the business and affairs of Nasdaq between meetings of the Board, and which may authorize the seal of Nasdaq to be affixed to all papers that may require it. The number of Non-Industry Directors on the Executive Committee shall equal or exceed the number of Industry Directors on the Executive Committee. The percentage of Public Directors on the Executive Committee shall be at least as great as the percentage of Public Directors on the whole Board. An Executive Committee member shall hold office for a term of one year.

(e) The Board may appoint a Finance Committee. The Finance Committee shall advise the Board with respect to the oversight of the financial operations and conditions of Nasdaq, including recommendations for Nasdaq's annual operating and capital budgets and proposed changes to the rates and fees charged by Nasdaq. A Finance Committee member shall hold office for a term of one year.

(f) The Board shall appoint a Management Compensation Committee. The Management Compensation Committee shall consider and recommend compensation policies, programs, and practices for employees of Nasdaq. A majority of Management Compensation Committee members shall be Non-Industry Directors. The Chief Executive Officer shall be an ex-officio, non-voting member of the Management Compensation Committee. A Management Compensation Committee member shall hold office for a term of one year.

(g) The Board shall appoint an Audit Committee.

(i) The Audit Committee shall consist of four or five Directors, none of whom shall be officers or employees of Nasdaq. A majority of the Audit Committee members shall be Non-Industry Directors. The Audit Committee shall include two Public Directors. A Public Director shall serve as Chair of the Committee. An Audit Committee member shall hold office for a term of one year.

(ii) No member of the Audit Committee shall participate in the consideration or decision of any matter relating to a particular Nasdaq member, company, or individual if such Audit Committee member has a material interest in, or a professional, business, or personal relationship with, that member, company, or individual, or if such participation shall create an appearance of impropriety. An Audit Committee member shall consult with the General Counsel of Nasdaq to determine if recusal is necessary. If a member of the Audit Committee is recused from consideration of a matter, any decision on the matter shall be by a vote of a majority of the remaining members of the Audit Committee.

(h) The Board may appoint a Nominating Committee. The Nominating Committee shall nominate Directors for each vacant or new Director position on the Board and members for each vacant or new position on the Nasdaq Listing and Hearing Review Council for appointment by the Board.

(i) The Nominating Committee shall consist of no fewer than six and no more than nine members. The number of Non-Industry members on the Nominating Committee shall equal or exceed the number of Industry members on the Nominating Committee. If the Nominating Committee consists of six members, at least two shall be Public committee members. If the Nominating Committee consists of seven or more members, at least three

shall be Public committee members. No officer or employee of Nasdaq shall serve as a member of the Nominating Committee in any voting or non-voting capacity. No more than three of the Nominating Committee members and no more than two of the Industry committee members shall be current members of the Nasdaq Board.

(ii) A Nominating Committee member may not simultaneously serve on the Nominating Committee and the Board, unless such member is in his or her final year of service on the Board, and following that year, that member may not stand for election to the Board until such time as he or she is no longer a member of the Nominating Committee.

(iii) Members of the Nominating Committee shall be appointed annually by the Board and may be removed by majority vote of the Board.

(iv) The Secretary shall collect from each nominee for Director such information as is reasonably necessary to serve as the basis for a determination of the nominee's classification as an Industry, Non-Industry, or Public Director, if applicable, and the Secretary shall certify to the Nominating Committee each nominee's classification, if applicable. Directors shall update the information submitted under this subsection at least annually and upon request of the Secretary, and shall report immediately to the Secretary any change in such information.

(i) Each committee may adopt its own rules of procedure and may meet at stated times or on notice as such committee may determine. Each committee shall deep regular minutes of its proceedings and report the same to the Board when required.

(j) Unless otherwise provided by these By-Laws, a majority of a committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of such committee present at a meeting at which a quorum is present shall be an act of such committee.

(k) Upon request of the Secretary of Nasdaq, each prospective committee member who is not a Director shall provide to the Secretary such information as is reasonably necessary to serve as the basis for a determination of the prospective committee member's classification as an Industry, Non-Industry, or Public committee member. The Secretary of Nasdaq shall certify to the Board each prospective committee member's classification. Such committee members shall update the information submitted under this subsection at least annually and upon request of the Secretary of Nasdaq, and shall report immediately to the Secretary any change in such information.

Conflicts of Interest; Contracts and Transactions Involving Directors

Sec. 4.14 (a) A Director or a member of the Nasdaq Listing and Hearing Review Council or a committee shall not directly or indirectly participate in any adjudication of the interests of any party if that Director or Nasdaq Listing and Hearing Review Council or committee member has a conflict of interest or bias, or if circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case, the Director or Nasdaq Listing and Hearing Review Council or committee member shall recuse himself or herself or shall be disqualified.

(b) No contract or transaction between Nasdaq and one or more of its Directors or officers, or between Nasdaq and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason if: (i) the material facts pertaining to such Director's or officer's relationship or interest and the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; (ii) the material facts are disclosed or become known to the Board or committee after the contract or transaction is entered into, and the Board or committee in good faith ratifies the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or (iii) the material facts pertaining to the Director's or officer's relationship or interest and the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders.

Communication of Views Regarding NASD or NASD Regulation Election or Nomination

Sec. 4.15 Nasdaq, the Board, any committee, the Nasdaq Listing and Hearing Review Council, and Nasdaq staff shall not take any position publicly or with an NASD member or person associated with or employed by a member with respect to any candidate in a contested election or nomination held pursuant to the NASD By-Laws or the NASD Regulation By-Laws. A Director, committee member, or Nasdaq Listing and Hearing Review Council member may communicate his or her views with respect to a candidate if such individual acts solely in his or her individual capacity and disclaims any intention to communicate in any official capacity on behalf of Nasdaq, the Board, the Nasdaq Listing and Hearing Review Council, or any committee. Nasdaq, the Board, the Nasdaq Listing and Hearing Review Council, any committee, and the Nasdaq staff shall not provide any administrative support to any candidate in a contested election or nomination conducted pursuant to the NASD By-Laws or the NASD Regulation By-Laws.

Action Without Meeting

Sec. 4.16 Any action required or permitted to be taken at a meeting of the Board or of a committee may be taken without a meeting if all Directors or all members of such committee, as the case may be, consent

thereto in accordance with applicable law.

ARTICLE V

NASDAQ LISTING AND HEARING REVIEW COUNCIL

Appointment And Authority

Sec. 5.1 The Board shall appoint a Nasdaq Listing and Hearing Review Council. The Nasdaq Listing and Hearing Review Council may be authorized to act for the Board in a manner consistent with these By-Laws, the Rules of the Association, and the Delegation Plan with respect to listing decisions. The Nasdaq Listing and Hearing Review Council also shall consider and make recommendations to the Board on policy and rule changes relating to issuer listings. The Board may delegate such other powers and duties to the Nasdaq Listing and Hearing Review Council as the Board deems appropriate in a manner not inconsistent with the Delegation Plan.

Number of Members and Qualifications

Sec. 5.2 (a) The Nasdaq Listing and Hearing Review Council shall consist of no fewer than eight and no more than 18 members, of which not more than 50 percent may be engaged in market-making activity or employed by a member whose revenues from market-making activity exceed ten percent of its total revenues. The Nasdaq Listing and Hearing Review Council shall include at least five Non-Industry members.

(b) As soon as practicable following the appointment of members, the Nasdaq Listing and Hearing Review Council shall elect a Chair from among its members. The Chair shall have such powers and duties as may be determined from time to time by the Nasdaq Listing and Hearing Review Council. The Board, by resolution adopted by a majority of Directors then in office and after notice to the NASD Board, may remove the Chair from such position at any time for refusal, failure, neglect, or inability to discharge the duties of Chair.

Nomination Process

Sec. 5.3 The Secretary of Nasdaq shall collect from each nominee for the office of member of the Nasdaq Listing and Hearing Review Council such information as is reasonably necessary to serve as the basis for a determination of the nominee's qualifications and classification as an Industry or Non-Industry member, and the Secretary shall certify to the Nominating Committee each nominee's qualifications and classification. After appointment to the Nasdaq Listing and Hearing Review Council, each member shall update such information at least annually and upon request of the Secretary, and shall report immediately to the Secretary any change in such information.

Term of Office

Sec. 5.4 (a) Except as otherwise provided in this Article, each Nasdaq Listing and Hearing Review Council member shall hold office for a term of two years or until a successor is duly appointed and qualified, except in the event of earlier termination from office by reason of death, resignation, removal, disqualification, or other reason.

(b) The Nasdaq Listing and Hearing Review Council shall be divided into two classes. The term of office of those of the first class shall expire in January 1999, and the term of office of those of the second class shall expire one year thereafter. Beginning in January 1999, members shall be appointed for a term of two years to replace those whose terms expire.

(c) Beginning in 1999, no member may serve more than two consecutive terms, except that if a member is appointed to fill a term of less than one year, such member may serve up to two consecutive terms following the expiration of such member's initial term.

Resignation

Sec. 5.5 A member of the Nasdaq Listing and Hearing Review Council may resign at any time upon written notice to the Board. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Removal

Sec. 5.6 Any or all of the members of the Nasdaq Listing and Hearing Review Council may be removed from office at any time for refusal, failure, neglect, or inability to discharge the duties of such office by majority vote of the Board.

Disqualification

Sec. 5.7 Notwithstanding Section 5.4, the term of office of a Nasdaq Listing and Hearing Review Council member shall terminate immediately upon a determination by the Board, by a majority vote, that: (a) The member no longer satisfies the classification (Industry or Non-Industry) for which the member was elected; and (b) the member's continued service as such would violate the compositional requirements of the Nasdaq Listing and Hearing Review Council set forth in Section 5.2. If the term of office of a Nasdaq Listing and Hearing Review Council member terminates under this Section, and the remaining term of office of such member at the time of termination is not more than six months, during the period of vacancy the Nasdaq Listing and Hearing Review Council shall not be deemed to be in violation of Section 5.2 by virtue of such vacancy.

Filling of Vacancies

Sec. 5.8 If a position on the Nasdaq Listing and Hearing Review Council becomes vacant, whether because of death, disability, disqualification, removal, or resignation, the Nominating Committee shall nominate, and the Board shall appoint a person satisfying the qualifications for the position as provided in Section 5.2(a) to fill such vacancy, except that if the remaining term of office for the vacant position is not more than six months, no replacement shall be required.

Quorum and Voting

Sec. 5.9 At all meetings of the Nasdaq Listing and Hearing Review Council, unless otherwise set forth in these By-Laws, a quorum for the transaction of business shall consist of a majority of the Nasdaq Listing and Hearing Review Council, including one Non-Industry member. In the absence of a quorum, a majority of the members present may adjourn the meeting until a quorum is present.

Meetings

Sec. 5.10 The members of the Nasdaq Listing and Hearing Review Council may participate in a meeting through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting may hear one another, and such participation in a meeting shall constitute presence in person at such meeting for all purposes.

ARTICLE VI

COMPENSATION

Compensation of Board, Council, and Committee Members

Sec. 6.1 The Board may provide for reasonable compensation of the Chair of the Board, the Directors, Nasdaq Listing and Hearing Review Council members, and the members of any committee. The Board may also provide for reimbursement of reasonable expenses incurred by such persons in connection with the business of Nasdaq.

ARTICLE VII

OFFICERS, AGENTS, AND EMPLOYEES

Principal Officers

Sec. 7.1 The principal officers of Nasdaq shall be elected by the Board and shall include a Chair, a Chief Executive Officer, a President, a Secretary, a Treasurer, and such other officers as may be designated by the Board. One person may hold the offices and perform the duties of any two or more of said principal offices, except the offices and duties of President and Vice President or of President and Secretary. None of the principal officers, except the Chair of the Board, need be Directors of Nasdaq.

Election of Principal Officers; Term of Office

Sec. 7.2 (a) The principal officers of Nasdaq shall be elected annually by the Board at the annual meeting of the Board convened pursuant to Section 4.11(a). Failure to elect any principal officer annually shall not dissolve Nasdaq.

(b) If the Board shall fail to fill any principal office at an annual meeting, or if any vacancy in any principal office shall occur, or if any principal office shall be newly created, such principal office may be filled at any regular or special meeting of the Board.

(c) Each principal officer shall hold office until a successor is duly elected and qualified, or until death, resignation, or removal.

Subordinate Officers, Agents, or Employees

Sec. 7.3 In addition to the principal officers, Nasdaq may have one or more subordinate officers, agents, and employees as the Board may deem necessary, each of whom shall hold office for such period and exercise such authority and perform such duties as the Board, the Chief Executive Officer, the President, or any officer designated by the Board, may from time to time determine. Agents and employees of Nasdaq shall be under the supervision and control of the officers of Nasdaq, unless the Board, by resolution, provides that an agent or employee shall be under the supervision and control of the Board.

Delegation of Duties of Officers

Sec. 7.4 The Board may delegate the duties and powers of any officer of Nasdaq to any other officer or to any Director for a specified period of time and for any reason that the Board may deem sufficient.

Resignation and Removal of Officers

Sec. 7.5 (a) Any officer may resign at any time upon notice of resignation to the Board, the Chief Executive Officer, the President, or the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. The acceptance of a resignation shall not be necessary to make the resignation effective.

(b) Any officer of Nasdaq may be removed, with or without cause, by resolution adopted by a majority of the Directors then in office at any regular or special meeting of the Board or by a written consent signed by all of the Directors then in office. Such removal shall be without

prejudice to the contractual rights of the affected officer, if any, with Nasdaq.

Bond

Sec. 7.6 Nasdaq may secure the fidelity of any or all of its officers, agents, or employees by bond or otherwise.

Chair of the Board

Sec. 7.7 The Chair of the Board shall preside at all meetings of the Board and stockholders at which the Chair is present. The Chair shall exercise such other powers and perform such other duties as may be assigned to the Chair from time to time by the Board.

Chief Executive Officer

Sec. 7.8 The Chief Executive Officer shall, in the absence of the Chair of the Board, preside at all meetings of the Board and stockholders at which the Chief Executive Officer is present. The Chief Executive Officer shall be the chief executive officer of Nasdaq and shall have general supervision over the business and affairs of Nasdaq. The Chief Executive Officer shall have all powers and duties usually incident to the office of the Chief Executive Officer, except as specifically limited by a resolution of the Board. The Chief Executive Officer shall exercise such other powers and perform such other duties as may be assigned to the Chief Executive Officer from time to time by the Board.

President

Sec. 7.9 The President shall, in the absence of the Chair of the Board and the Chief Executive Officer, preside at all meetings of the Board and stockholders at which the President is present. The President shall have general supervision over the business and affairs of Nasdaq. The President shall have all powers and duties usually incident to the office of the President, except as specifically limited by a resolution of the Board. The President shall exercise such other powers and perform such other duties as may be assigned to the President from time to time by the Board.

Vice President

Sec. 7.10 The Board shall elect one or more Vice Presidents. In the absence or disability of the President or if the office of President becomes vacant, the Vice Presidents in the order determined by the Board, or if no such determination has been made, in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board at any time to extend or restrict such powers and duties or to assign them to others. Any Vice President may have such additional designations in such Vice President's title as the Board may determine. The Vice Presidents shall generally assist the President in such manner as the President shall direct. Each Vice President shall exercise such other powers and perform such other duties as may be assigned to such Vice President from time to time by the Board, the Chief Executive Officer or the President. The term "Vice President" used in this Section shall include the positions of Executive Vice President, Senior Vice President, and Vice President.

Secretary

Sec. 7.11 The Secretary shall act as Secretary of all meetings of the stockholders and of the Board at which the Secretary is present, shall record all the proceedings of all such meetings in a book to be kept for that purpose, shall have supervision over the giving and service of notices of Nasdaq, and shall have supervision over the care and custody of the corporate records and the corporate seal of Nasdaq. The Secretary shall be empowered to affix the corporate seal to documents, the execution of which on behalf of Nasdaq under its seal, is duly authorized, and when so affixed, may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary, except as specifically limited by a resolution of the Board. The Secretary shall exercise such other powers and perform such other duties as may be assigned to the Secretary from time to time by the Board, the Chief Executive Officer or the President.

Assistant Secretary

Sec. 7.12 In the absence of the Secretary or in the event of the Secretary's inability or refusal to act, any Assistant Secretary, approved by the Board, shall exercise all powers and perform all duties of the Secretary. An Assistant Secretary shall also exercise such other powers and perform such other duties as may be assigned to such Assistant Secretary from time to time by the Board or the Secretary.

Treasurer

Sec. 7.13 The Treasurer shall have general supervision over the care and custody of the funds and over the receipts and disbursements of Nasdaq and shall cause the funds of Nasdaq to be deposited in the name of Nasdaq in such banks or other depositories as the Board may designate. The Treasurer shall have supervision over the care and safekeeping of the securities of Nasdaq. The Treasurer shall have all powers and duties usually incident to the office of Treasurer except as specifically limited by a resolution of the Board. The Treasurer shall exercise such other powers and perform such other duties as may be assigned to the Treasurer from time to time by the Board, the Chief Executive Officer or the President.

Assistant Treasurer

Sec. 7.14 In the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, any Assistant Treasurer, approved by the Board, shall exercise all powers and perform all duties of the Treasurer. An Assistant Treasurer shall also exercise such other powers and perform such other duties as may be assigned to such Assistant Treasurer from time to time by the Board or the Treasurer.

ARTICLE VIII

INDEMNIFICATION

Indemnification of Directors, Officers, Employees, Agents, Nasdaq Listing and Hearing Review Council and Committee Members

Sec. 8.1 (a) Nasdaq shall indemnify, and hold harmless, to the fullest extent permitted by Delaware law as it presently exists or may thereafter be amended, any person (and the heirs, executors, and administrators of such person) who, by reason of the fact that he or she is or was a Director, officer, or employee of Nasdaq or a Nasdaq Listing and Hearing Review Council or committee member, or is or was a Director, officer, or employee of Nasdaq who is or was serving at the request of Nasdaq as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, enterprise, or non-profit entity, including service with respect to employee benefit plans, is or was a party, or is threatened to be made a party to:

(i) any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of Nasdaq) against expenses (including attorneys' fees and disbursements), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with any such action, suit, or proceeding; or

(ii) any threatened, pending, or completed action or suit by or in the right of Nasdaq to procure a judgment in its favor against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit.

(b) Nasdaq shall advance expenses (including attorneys' fees and disbursements) reasonably and actually incurred in defending any action, suit, or proceeding in advance of its final disposition to persons described in subsection (a); provided, however, that the payment of expenses incurred by such person in advance of the final disposition of the matter shall be conditioned upon receipt of a written undertaking by that person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Section or otherwise.

(c) Nasdaq may, in its discretion, indemnify and hold harmless, to the fullest extent permitted by Delaware law as it presently exists or may thereafter be amended, any person (and the heirs, executors, and administrators of such persons) who, by reason of the fact that he or she is or was an agent of Nasdaq or is or was an agent of Nasdaq who is or was serving at the request of Nasdaq as a director, officer, employee, or agent of another corporation, partnership, trust, enterprise, or non-profit entity, including service with respect to employee benefit plans, was or is a party, or is threatened to be made a party to any action or proceeding described in subsection (a).

(d) Nasdaq may, in its discretion, pay the expenses (including attorneys' fees and disbursements) reasonably and actually incurred by an agent in defending any action, suit, or proceeding in advance of its final disposition; provided, however, that the payment of expenses incurred by such person in advance of the final disposition of the matter shall be conditioned upon receipt of a written undertaking by that person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Section or otherwise.

(e) Notwithstanding the foregoing or any other provision of these By-Laws, no advance shall be made by Nasdaq to an agent or non-officer employee if a determination is reasonably and promptly made by the Board by a majority vote of those Directors who have not been named parties to the action, even though less than a quorum, or, if there are no such Directors or if such Directors so direct, by independent legal counsel, that, based upon the facts known to the Board or such counsel at the time such determination is made: (1) The person seeking advancement of expenses (i) acted in bad faith, or (ii) did not act in a manner that he or she reasonably believed to be in or not opposed to the best interests of Nasdaq; (2) with respect to any criminal proceeding, such person believed or had reasonable cause to believe that his or her conduct was unlawful; or (3) such person deliberately breached his or her duty to Nasdaq.

(f) The indemnification provided by this Section in a specific case shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, Nasdaq Listing and Hearing Review Council or committee member, employee, or agent and shall inure to the benefit of such person's heirs, executors, and administrators.

(g) Notwithstanding the foregoing, but subject to subsection (j), Nasdaq shall be required to indemnify any person identified in subsection (a) in connection with a proceeding (or part thereof) initiated by such person only if the initiation of such proceeding (or part thereof) by such person was authorized by the Board.

(h) Nasdaq's obligation, if any, to indemnify or advance expenses to any person who is or was serving at its request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, enterprise, or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement from such other corporation, partnership, joint venture, trust, enterprise, or non-profit entity.

(i) Any repeal or modification of the foregoing provisions of this Section shall not adversely affect any right or protection hereunder of any person respecting any act or omission occurring prior to the time of such repeal or modification.

(j) If a claim for indemnification or advancement of expenses under this Article is not paid in full within 60 days after a written claim therefor by an indemnified person has been received by Nasdaq, the indemnified person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action, Nasdaq shall have the burden of proving that the indemnified person is not entitled to the requested indemnification or advancement of expenses under Delaware law.

Indemnification Insurance

Sec. 8.2 Nasdaq shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, Nasdaq Listing and Hearing Review Council or committee member, employee, or agent of Nasdaq, or is or was serving at the request of Nasdaq as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, enterprise, or non-profit entity against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not Nasdaq would have the power to indemnify such person against such liability hereunder.

ARTICLE IX

CAPITAL STOCK

Certificates

Sec. 9.1 Each stockholder shall be entitled to a certificate or certificates in such form as shall be approved by the Board, certifying the number of shares of capital stock in Nasdaq owned by such stockholder.

Signatures

Sec. 9.2 (a) Certificates for shares of capital stock of Nasdaq shall be signed in the name of Nasdaq by two officers with one being the Chair of the Board, the Chief Executive Officer, the President, or a Vice President, and the other being the Secretary, the Treasurer, or such other officer that may be authorized by the Board. Such certificates may be sealed with the corporate seal of Nasdaq or a facsimile thereof.

(b) If any such certificates are countersigned by a transfer agent other than Nasdaq or its employee, or by a registrar other than Nasdaq or its employee, any other signature on the certificate may be a facsimile. In the event that any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer, transfer agent, or registrar before such certificate is issued, such certificate may be issued by Nasdaq with the same effect as if such person were such officer, transfer agent, or registrar at the date of issue.

Stock Ledger

Sec. 9.3 (a) A record of all certificates for capital stock issued by Nasdaq shall be kept by the Secretary or any other officer, employee, or agent designated by the Board. Such record shall show the name and address of the person, firm, or corporation in which certificates for capital stock are registered, the number of shares represented by each such certificate, the date of each such certificate, and in the case of certificates which have been canceled, the date of cancellation thereof.

(b) Nasdaq shall be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to vote such shares and to receive notice of meetings, and for all other purposes. Nasdaq shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person, whether or not Nasdaq shall have express or other notice thereof.

Transfers of Stock

Sec. 9.4 (a) The Board may make such rules and regulations as it may deem expedient, not inconsistent with law, the Restated Certificate of Incorporation, or these By-Laws, concerning the issuance, transfer, and registration of certificates for shares of capital stock of Nasdaq. The Board may appoint, or authorize any principal officer to appoint, one or more transfer agents or one or more transfer clerks and one or more registrars and may require all certificates for capital stock to bear the signature or signatures of any of them.

(b) Transfers of capital stock shall be made on the books of Nasdaq only upon delivery to Nasdaq or its transfer agent of: (i) a written direction of the registered holder named in the certificate or such holder's attorney lawfully constituted in writing; (ii) the certificate for the shares of capital stock being transferred; and (iii) a written assignment of the shares of capital stock evidenced thereby.

Cancellation

Sec. 9.5 Each certificate for capital stock surrendered to Nasdaq for exchange or transfer shall be canceled and no new certificate or certificates shall be issued in exchange for any existing certificate other than pursuant to Section 9.6 until such existing certificate shall have been canceled.

Lost, Stolen, Destroyed, and Mutilated Certificates

Sec. 9.6 In the event that any certificate for shares of capital stock of Nasdaq shall be mutilated, Nasdaq shall issue a new certificate in place of such mutilated certificate. In the event that any such certificate shall be lost, stolen, or destroyed, Nasdaq may, in the discretion of the Board or a committee appointed thereby with power so to act, issue a new certificate for capital stock in the place of any such lost, stolen, or destroyed certificate. The applicant for any substituted certificate or certificates shall surrender any mutilated certificate or, in the case of any lost, stolen, or destroyed certificate, furnish satisfactory proof of such loss, theft, or destruction of such certificate and of the ownership thereof. The Board or such committee may, in its discretion, require the owner of a lost or destroyed certificate, or the owner's representatives, to furnish to Nasdaq a bond with an acceptable surety or sureties and in such sum as will be sufficient to indemnify Nasdaq against any claim that may be made against it on account of the lost, stolen, or destroyed certificate or the issuance of such new certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board, it is proper to do so.

Fixing of Record Date

Sec. 9.7 The Board may fix a record date in accordance with Delaware law.

ARTICLE X

MISCELLANEOUS PROVISIONS

Corporate Seal

Sec. 10.1 The seal of Nasdaq shall be circular in form and shall bear, in addition to any other emblem or device approved by the Board, the name of Nasdaq, the year of its incorporation, and the words "Corporate Seal" and "Delaware." The seal may be used by causing it to be affixed or impressed, or a facsimile thereof may be reproduced or otherwise used in such manner as the Board may determine.

Fiscal Year

Sec. 10.2 The fiscal year of Nasdaq shall begin the 1st day of January in each year, or such other month as the Board may determine by resolution.

Waiver of Notice

Sec. 10.3 (a) Whenever notice is required to be given by law, the Restated Certificate of Incorporation, or these By-Laws, a waiver thereof by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, Directors, or members of a committee of Directors need be specified in any waiver of notice.

(b) Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Execution of Instruments, Contracts, Etc.

Sec. 10.4 (a) All checks, drafts, bills of exchange, notes, or other obligations or orders for the payment of money shall be signed in the name of Nasdaq by such officer or officers or person or persons as the Board, or a duly authorized committee thereof, may from time to time designate. Except as otherwise provided by law, the Board, any committee given specific authority in the premises by the Board, or any committee given authority to exercise generally the powers of the Board during intervals between meetings of the Board, may authorize any officer, employee, or agent, in the name of and on behalf of Nasdaq, to enter into or execute and deliver deeds, bonds, mortgages, contracts, and other obligations or instruments, and such authority may be general or confined to specific instances.

(b) All applications, written instruments, and papers required by any department of the United States Government or by any state, county, municipal, or other governmental authority, may be executed in the name of Nasdaq by any principal officer or subordinate officer of Nasdaq, or, to the extent designated for such purpose from time to time by the Board, by an employee or agent of Nasdaq. Such designation may contain the power to substitute, in the discretion of the person named, one or more other persons.

Form of Records

Sec. 10.5 Any records maintained by Nasdaq in the regular course of business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, magnetic tape, computer disk,

or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

ARTICLE XI

AMENDMENTS; EMERGENCY BY-LAWS

By Stockholders

Sec. 11.1 These By-Laws may be altered, amended, or repealed, or new By-Laws may be adopted, at any meeting of the stockholders by the affirmative vote of the holders of at least 66 2/3 percent of the voting power of the then outstanding stock entitled to vote, voting together as a single class, provided that, in the case of a special meeting, notice that an amendment is to be considered and acted upon shall be inserted in the notice or waiver of notice of said meeting.

By Directors

Sec. 11.2 To the extent permitted by the Restated Certificate of Incorporation, these By-Laws may be altered, amended, or repealed, or new By-Laws may be adopted, at any regular or special meeting of the Board by a resolution adopted by a vote of a majority of the whole Board.

Emergency By-Laws

Sec. 11.3 The Board may adopt emergency By-Laws subject to repeal or change by action of the stockholders which shall, notwithstanding any different provision of law, the Restated Certificate of Incorporation, or these By-Laws, be operative during any emergency resulting from any nuclear or atomic disaster, an attack on the United States or on a locality in which Nasdaq conducts its business or customarily holds meetings of the Board or the stockholders, any catastrophe, or other emergency condition, as a result of which a quorum of the Board or a committee thereof cannot readily be convened for action. Such emergency By-Laws may make any provision that may be practicable and necessary under the circumstances of the emergency.

Exhibit 4.1

[Q] [LOGO] SHARES

COMMON STOCK SEE REVERSE FOR CERTAIN DEFINITIONS

THE NASDAQ STOCK MARKET, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK, $.01 PAR VALUE PER SHARE OF

THE NASDAQ STOCK MARKET, INC.

The shares represented by this certificate are transferable only on the books of The Nasdaq Stock Market, Inc. by the holder of record thereof, or by his, her or its duly authorized attorney or legal representative, upon surrender of this certificate properly endorsed. The shares are subject to substantial restrictions upon transfer described on the reverse side. This certificate and the shares represented hereby are issued and shall be held subject to all the provisions contained in the corporation's official corporate papers filed with the Secretary of the State of Delaware (copies of which are on file with the Transfer Agent), to all of the provisions the holder by acceptance hereof, assents.

This certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar. IN WITNESS WHEREOF, The Nasdaq Stock Market, Inc. has caused this certificate to be signed by an authorized person.
Dated:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
The Bank of New York

BY TRANSFER AGENT AND REGISTRAR [Corporate Seal]

SECRETARY

AUTHORIZED SIGNATURE

THE NASDAQ STOCK MARKET, INC.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SUCH ACT. THIS CERTIFICATE IS SUBJECT TO, AND MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH, THE CONDITIONS SPECIFIED UNDER THE SECTION ENTITLED "TRANSFER RESTRICTIONS" IN THE PRIVATE PLACEMENT MEMORANDUM DATED NOVEMBER 15, 2000. A COPY OF SUCH PRIVATE PLACEMENT MEMORANDUM IS ON FILE AT THE PRINCIPAL OFFICES OF THE NASDAQ STOCK MARKET, INC. AND THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

The shares represented by this certificate are issued subject to all provisions of the certificate of incorporation and by-laws of The Nasdaq Stock Market, Inc. (the "Corporation") as from time to time amended (copies of which are on file at the principal executive offices of the Corporation).

The Board of Directors of the Corporation is authorized by resolution(s), from time to time adopted, to provide for the issuance of preferred stock in series and to fix and state the voting powers, designations, preferences, and relative, participating, optional, or other special rights of the shares of each such series and the qualifications, limitations, and restrictions thereof. The Corporation will furnish to any stockholder upon request and without charge a full description of the powers, designations, preferences and relative, participating, optional or special rights of each class of stock and any series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

The affirmative vote of not less than two-thirds of the outstanding voting power of the corporation's voting stock is required to amend certain provisions of the Corporation's certificate of incorporation and stockholder amendments to the Corporation's by-laws.

The Corporation's certificate of incorporation provides that no person, other than the National Association of Securities Dealers, Inc. or any other person as may be approved for such exemption by the Board of Directors of the Corporation prior to the time such person owns more than 5% of the then outstanding shares, is entitled to exercise voting rights in

respect of more than 5% of the then-outstanding shares. At any meeting of the stockholders of the Corporation, a majority of the shares in respect of which voting rights can be exercised will constitute a quorum for such meeting.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT MIN ACT--	.....Custodian..... (Cust) (Minor) under Uniform Gifts to Minors Act..... (State)
TEN ENT -- as tenants by the entireties		
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	UNIF TRAN MIN ACT--	.....Custodian(until age...) (Cust) ......under Uniform Transfers (Minor) to Minors Act ..... (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OR ASSIGNEE

_____
|_____|

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)
_____
_____
_____
shares of common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____
to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

Dated:_____ X _____

X _____

NOTICE: The signatures (s) to this assignment must correspond with the name(s) as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATURE(S) GUARANTEED:

_____
THE SIGNATURE(S) MUST BE GUARANTEED IN ACCORDANCE WITH THE MEDALLION SIGNATURE GUARANTEE PROGRAM BY A BANK OR TRUST COMPANY HAVING AN OFFICE OR CORRESPONDENT IN THE UNITED STATES.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, OR DESTROYED THE COMPANY MAY REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

VOTING TRUST AGREEMENT

This Voting Trust Agreement (this "Agreement") dated as of June 28, 2000, by and among The Nasdaq Stock Market, Inc., a Delaware corporation ("Nasdaq" or the "Company"), the National Association of Securities Dealers, Inc., a Delaware non-stock corporation (the "NASD"), and The Bank of New York, a New York banking corporation, as voting trustee (the "Voting Trustee").

W I T N E S S E T H:

WHEREAS, in accordance with the Warrant Agreement, dated as of June 28, 2000 (the "Warrant Agreement"), by and among the NASD, The Bank of New York, a New York banking corporation, as the warrant agent (the "Warrant Agent"), and the Voting Trustee, certain persons (each, a "Purchaser" and, collectively, the "Purchasers") have acquired warrants (the "Warrants") to purchase an aggregate of 25,660,196 shares of the Company's common stock, par value $.01 per share (the "Common Stock"), owned and held by the NASD (such shares initially underlying the Warrants being hereinafter referred to as the "Shares"); and

WHEREAS, pursuant to the provisions of this Agreement and the Warrant Agreement, upon the execution hereof, the Shares will be deposited with and transferred to the Voting Trustee by the NASD to be held in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

Section 1. Creation of Voting Trust. Subject to the terms and conditions hereof, there is hereby created and established a voting trust in respect of the Shares to be known as the "Voting Trust." The Voting Trustee hereby accepts the trust created hereby and agrees to serve as trustee hereunder. The Company shall promptly file an executed copy of this Agreement at the registered office of the Company in the State of Delaware, which copy shall be open to the inspection of any stockholder of the Company, or any beneficiary of the Voting Trust, daily during business hours, as provided in Section 218 of the General Corporation Law of the State of Delaware (the "DGCL").

Section 2. Deposit of Shares. (a) On the date of execution of this Agreement, the NASD shall transfer and deliver to the Voting Trustee, to be held by it pursuant to the provisions of this Agreement, the certificate or certificates representing the Shares, duly endorsed in blank and accompanied by proper instruments of assignment and transfer as the Voting Trustee may request duly executed in blank. After the filing of a copy of this Agreement in the registered office of the Company in the State of Delaware as provided in Section 1 hereof, each certificate representing the Shares so transferred to the Voting Trustee shall be surrendered to the Company and cancelled, and new certificates therefor shall be issued to, and in the name of, the Voting Trustee or a nominee of the Voting Trustee. Such certificates shall contain a legend stating that they have been issued pursuant to this Agreement and that fact shall be noted in the stock ledger of the Company as required by Section 218 of the DGCL.

(b) All certificates for the Shares at any time delivered to the Voting Trustee hereunder shall be held by the Voting Trustee under and pursuant to the terms and conditions of this Agreement. The Voting Trustee shall not have the authority to, and shall not, sell, transfer, assign, pledge, hypothecate or otherwise dispose of or encumber the Shares or any rights therein or thereto, except to the extent otherwise specifically provided in this Agreement. The Voting Trustee shall have no beneficial interest in or discretionary authority with respect to the Shares, its interest being limited solely to that necessary to carry out its obligations under this Agreement.

Section 3. Voting Trust Arrangements Until Exchange Registration. Until the Securities and Exchange Commission grants national securities exchange status under the Securities and Exchange Act of 1934, as amended, to the Company ("Exchange Registration"), the following provisions shall apply to the Shares subject to the Voting Trust. The Company shall notify the Voting Trustee of Exchange Registration promptly after it occurs.

(a) Upon each valid exercise (each, an "Exercise") of a Warrant pursuant to the provisions of the Warrant Agreement, the Voting Trustee shall, upon the request of the Warrant Agent pursuant to Section 7 of the Warrant Agreement, promptly deliver to the transfer agent for the Common Stock (the "Transfer Agent") a notice (which shall include a copy of the form of election to purchase (the "Purchase Form"), as executed by or on behalf of the exercising holder of the Warrant (the "Warrant Holder")) of such Exercise, and a request that the Transfer Agent make an appropriate notation in its records of the shares of Common Stock or other securities purchased (such shares being hereinafter referred to as "Purchased Shares") pursuant to such Exercise.

(b) Upon receiving confirmation from the Transfer Agent that it has made a notation of Exercise pursuant to Section 3(a) hereof, the Voting Trustee shall cause a voting trust certificate (each, a "Voting Trust Certificate"), to be issued in the form attached hereto as Exhibit A, representing such Purchased Shares in the name or names designated by the exercising Warrant Holder in the Purchase Form (such named person being hereinafter referred to as the "Beneficial Owner").

(c) Within two (2) business days (which shall mean for the purposes of this Agreement each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the City of New York are authorized or obligated by law to close) of receiving a Warrant

Expiration Notice (as defined in the Warrant Agreement) from the Warrant Agent, the Voting Trustee shall cause the release ("Release") of the number of Shares specified in such notice from the Voting Trust and shall promptly cause the Transfer Agent to deliver to the NASD the certificates representing such Shares, duly endorsed for transfer, or with duly executed stock powers attached, and shall take all such other actions as are appropriate, or as the NASD may reasonably request, to cause the transfer of such Shares, together with all other property relating to or allocable to such Shares and held by the Voting Trustee pursuant to the provisions of this Agreement, to the NASD. Each Release shall terminate the provisions of this Agreement with respect to the Shares that are the subject of such Release.

Section 4. Voting Trust Arrangements Upon Exchange Registration. Upon Exchange Registration, the following provisions shall apply to the Shares subject to the Voting Trust.

(a) Promptly after receiving notice of Exchange Registration from the Company, the Voting Trustee shall notify each holder of a Voting Trust Certificate of the occurrence of Exchange Registration and directing such holder to surrender its Voting Trust Certificate to the Voting Trustee at its office in the Borough of Manhattan, the City of New York, State of New York (the "Voting Trustee Office"). Within two (2) business days of the surrender to the Voting Trustee at the Voting Trustee Office of the Voting Trust Certificate representing such Purchased Shares by the Beneficial Owner thereof, and payment in full of any fees and expenses of the Voting Trustee then outstanding in respect of such Purchased Shares by such Beneficial Owner, the Voting Trustee shall cause to be delivered promptly to such Beneficial Owner the certificates representing the appropriate number of Purchased Shares, duly endorsed for transfer by the Voting Trustee, or with duly executed stock powers attached, and shall take all such other actions as are appropriate, or as the NASD may reasonably request, to cause the transfer of such Purchased Shares, together with all other property relating to or allocable to such Purchased Shares and held by the Voting Trustee for the benefit of the Beneficial Owner thereof pursuant to this Agreement and the Warrant Agreement, to such Beneficial Owner. Upon delivery of the certificates representing the Purchased Shares in the aforesaid manner, the Voting Trustee shall be released from any further obligation or duty under this Agreement and the Warrant Agreement with respect to such Purchased Shares and the Voting Trust and the provisions of this Agreement shall terminate with respect to all the Purchased Shares being held by the Voting Trustee pursuant to Section 3 (b) hereof. All Voting Trust Certificates surrendered to the Voting Trustee in accordance with the foregoing provisions shall be cancelled by the Voting Trustee. Such cancelled Voting Trust Certificates shall then be disposed of by the Voting Trustee in a manner satisfactory to the Voting Trustee or delivered to the NASD.

(b) The Warrant Holders of unexpired and unexercised Warrants shall have, and the Warrant Certificates held by such holders shall evidence, the right to direct the Voting Trustee as to voting of the Shares underlying the Warrants held by such holder pursuant to and in the manner set forth in Section 7(b) hereof. The Voting Trustee shall be entitled to rely, from time to time, upon an Outstanding Warrants Notice (as defined in the Warrant Agreement) received from the Warrant Agent for the purpose of determining the identity of Warrant Holders of unexercised and unexpired Warrants and the number of Shares in respect of which the foregoing voting rights may be exercised.

(c) Upon each Exercise of a Warrant, the Voting Trustee, upon the request of the Warrant Agent pursuant to Section 7 of the Warrant Agreement and payment in full of any fees and expenses of the Voting Trustee then outstanding in respect of such Purchased Shares by such Warrant Holder, shall deliver to the Transfer Agent a notice (which shall include a copy of the form of election to purchase as executed by or on behalf of the Warrant Holder) of such Exercise, and a request that the Transfer Agent make an appropriate notation in its records of such Exercise and cause to be delivered to the Warrant Agent with all reasonable dispatch, in such name or names as the exercising Warrant Holder may designate, a certificate or certificates representing the number of Purchased Shares and the provisions of this Agreement shall terminate with respect to such Purchased Shares. Upon taking the foregoing actions, the Voting Trustee shall be released from any further obligation or duty under this Agreement with respect to such Purchased Shares.

(d) Within two (2) business days of receiving a Warrant Expiration Notice from the Warrant Agent, the Voting Trustee shall cause the Release of the number of Shares specified in such notice from the Voting Trust and shall promptly cause the Transfer Agent to deliver to the NASD the certificates representing such Shares, duly endorsed for transfer, or with duly executed stock powers attached, and shall take all such other actions as are appropriate, or as the NASD may reasonably request, to cause the transfer of such Shares, together with all other property relating to or allocable to such Shares and held by the Voting Trustee pursuant to the provisions of this Agreement, to the NASD. Each Release shall terminate the provisions of this Agreement with respect to the Shares that are the subject of such Release.

Section 5. Mutilated or Missing Voting Trust Certificates. The Voting Trustee, under such rules and regulations as it in its discretion may prescribe with respect to indemnity or otherwise, may provide for the issuance and delivery of new Voting Trust Certificates in lieu of lost, stolen or destroyed Voting Trust Certificates or in exchange for mutilated Voting Trust Certificates.

Section 6. Transfer Restrictions. (a) All Voting Trust Certificates issued pursuant to this Agreement shall be subject to the same restrictions on Transfer (as defined in the Private Placement Memorandum) that are applicable to shares of Common Stock set forth in the section

entitled "Transfer Restrictions - Common Stock" in the Private Placement Memorandum.

(b) Any attempt to Transfer any Voting Trust Certificates other than in accordance with the provisions of Sections 6(a) shall be null and void, and the Voting Trustee shall not register any such Transfer. Each Voting Trust Certificate issued pursuant to this Agreement shall have the following legend noted conspicuously upon its face or reverse side:

THE SECURITIES REPRESENTED BY THIS VOTING TRUST CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SUCH ACT. THIS VOTING TRUST CERTIFICATE IS SUBJECT TO, AND MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH, THE CONDITIONS SPECIFIED IN THE VOTING TRUST AGREEMENT DATED AS OF JUNE 28, 2000, AS SUCH MAY BE AMENDED FROM TIME TO TIME, AMONG THE NASDAQ STOCK MARKET, INC., THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (THE "NASD") AND THE BANK OF NEW YORK, AS VOTING TRUSTEE. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE NASD.

Section 7. Voting. (a) Until Exchange Registration, all the Shares subject to the Voting Trust, including, without limitation, the Purchased Shares being held by the Voting Trustee pursuant to the provisions of Section 3(b) hereof, shall be voted by the Voting Trustee solely in accordance with the written instructions of the NASD. The voting rights associated with the Shares that are Released by the Voting Trustee pursuant to the provisions of Section 3(c) hereof shall revert to the NASD.

(b) Upon Exchange Registration, Warrant Holders of unexpired and unexercised Warrants shall have the right, in the manner set forth in the following paragraph and subject to the limitation set forth in the Company's Certificate of Incorporation, to direct the Voting Trustee as to the voting of the Shares underlying such Warrants until the earlier of the exercise or the expiration of such Warrants with respect to such Shares. The voting rights associated with the Shares that are Released by the Voting Trustee pursuant to the provisions of Section 4(d) shall revert to the NASD.

As soon as practicable after the receipt of any notice of any meeting at which the holders of shares of Common Stock are entitled to vote, or of solicitation of consents or proxies from holders of shares of Common Stock, the Voting Trustee shall fix a date for giving of instructions for voting at such meeting or in respect of such consent or proxy, which date shall not be less than two (2) business days prior to the date of such meeting or the date on which such consent or proxy need to be given. The Voting Trustee shall give ten (10) days prior written notice to each of the holders of unexpired and unexercised Warrants appearing on its records (i) of such notice of meeting, (ii) a statement that each such holder at the close of business on the specified record date (the "Record Date") will be entitled, subject to any applicable provisions of law and the terms of this Agreement, the Warrants and the Common Stock, to instruct the Voting Trustee to vote or cause to be voted the Shares underlying any unexercised and unexpired Warrant tranches of such holder as of the Record Date (the "Eligible Shares") in accordance with the written instructions provided by each such holder no later than two (2) days prior to the date the vote or solicitation of consents or proxies are required and (iii) a statement as to the number of Eligible Shares held by each such holder.

The Voting Trustee shall not, under any circumstances, exercise any discretion as to voting nor shall it vote or attempt to exercise the right to vote the Eligible Shares except pursuant to and in accordance with written instructions from the holders as described above. Eligible Shares for which no specific voting instructions are received by the Voting Trustee from the holder thereof shall not be voted, provided, however, that the Voting Trustee shall cause such shares to be counted as present for purposes of establishing a quorum at any meeting of Nasdaq's stockholders.

Section 8. Dividends and Distributions. (a) Subject to the provisions of Section 8(b) hereof, the parties hereto agree that all cash dividends and distributions, and any other securities or other property distributed or paid with respect to the shares of Common Stock or other securities or property held by the Voting Trustee shall be paid or transferred, as the case may be, directly to (i) the NASD, in respect of the Shares underlying any unexercised and unexpired Warrants, except as set forth in Section 8(d) hereof or Section 11(b) of the Warrant Agreement, and (ii) the Beneficial Owners of the Purchased Shares that are being held by the Voting Trustee pursuant to Section 3(b) hereof, except as set forth in Section 11(b) of the Warrant Agreement. The Voting Trustee shall have no responsibility or liability with regard to the payment of such dividends or other distributions or other securities or property. Notwithstanding the foregoing, if the Voting Trustee receives payments of such dividends or distributions or other securities or property, it shall promptly distribute such dividends or distributions or other securities or property to the persons set forth in clause (i) and (ii) above, promptly after (and in any event within five (5) business days) the receipt of such dividends or other distributions or other securities or property, provided, however, that the Voting Trustee shall not be required to transfer to the NASD any such dividends or distributions or other securities or property to which the NASD is entitled pursuant to this Section 8(a) until receipt of a certificate of the NASD, signed by its Chairman, President or any Senior Vice President or any Vice President, certifying that the NASD is entitled to such dividends or distributions or other securities or property pursuant to the terms of this Agreement. The NASD shall also be entitled to any interest or gain on investments made by the Voting Trustee pursuant to Section 8(d) hereof which shall be paid to the NASD on demand as provided in this Agreement.

(b) Any shares of Common Stock or other securities

("Adjustment Securities") issued in an Adjustment Event (as defined in the Warrant Agreement) in respect of Shares shall be deposited with the Voting Trustee and held for the pro rata benefit of the recipients of the Shares from the Voting Trust Agreement (the "Recipients"). Prior to Exchange Registration, any Voting Trust Certificates issued pursuant to this Agreement shall be deemed to represent any Adjustment Securities distributed in respect of the Purchased Shares represented by such Voting Trust Certificates. Upon Exchange Registration, any outstanding Warrant Certificates representing unexercised and unexpired Warrants shall be deemed to represent the right to direct the Voting Trustee as to the voting of such Adjustment Securities to the extent such securities entitle the holders thereof to voting rights.

(c) Any securities or other property distributed to the NASD pursuant to the occurrence of any event described in Section 8(b) of the Warrant Agreement shall be deposited with the Voting Trustee and held for the pro rata benefit of the Recipients.

(d) Any interest, dividends or other income in respect of property held by the Voting Trustee for the benefit of the Recipients pursuant to the terms of this Agreement and the Warrant Agreement shall be distributed to the NASD. All cash received and held by the Voting Trustee pursuant to the terms of this Agreement and the Warrant Agreement shall, upon the written request of the NASD, be invested in securities issued or guaranteed by the United States or any agency or instrumentality thereof or investments in time deposits, certificates of deposit or money market deposits maturing within 90 days of the date of the acquisition thereof and entitled to U.S. Federal deposit insurance for the full amount thereof or issued by a bank or trust company which is organized under the laws of the United States or any state thereof having capital in excess of $500 million or in shares of any investment company registered under the Investment Company Act of 1940 invested primarily in any of the foregoing. Furthermore, the Voting Trustee may temporarily invest any funds awaiting investment in any of the foregoing investments in The Bank of New York Cash Reserve Fund, provided that such obligations will mature by their terms within six (6) months following the making of such investment. The NASD shall be entitled to any net income or gain resulting from such investments and shall reimburse the Voting Trustee for any losses realized in respect of such investments. The Voting Trustee shall not be liable for any losses as a result of any investments made by it pursuant to and in compliance herewith.

(e) In the event the Company or any third party makes a tender offer for outstanding shares of Common Stock or offers to exchange other securities or other property for outstanding shares of Common Stock (an "Offer"), the NASD may, but shall not be obligated to, regardless of what action it may take with respect to any other shares of Common Stock owned by it, tender, or cause the Voting Trustee to tender, for purchase or exchange pursuant to such Offer, any or all of the Shares held by the Voting Trustee, and any securities or other property acquired thereby shall be deposited with the Voting Trustee and held for the pro rata benefit of the Recipients. The NASD, however, may, but shall not be obligated to, cause the Voting Trustee to sell, at any time, all or any such securities or other property so acquired, in which event the proceeds of such sale, after deducting the expenses of such sale and taxes payable as a result thereof, shall be held by the Voting Trustee for the pro rata benefit of the Recipients.

Section 9. The Voting Trustee. (a) Subject to the provisions of this Agreement, the Voting Trustee shall manage the Voting Trust created hereby.

(b) The Voting Trustee shall be entitled to such compensation as the Company, the NASD and the Voting Trustee shall from time to time agree in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a Voting Trustee of an express trust).

(c) The Voting Trustee is expressly authorized to incur and pay all reasonable, properly documented charges and other expenses that the Voting Trustee deems necessary and proper in the performance of the Voting Trustee's duties under this Agreement and the Company and NASD shall jointly and severally reimburse the Voting Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Voting Trustee in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its gross negligence, willful misconduct or bad faith. The Company and the NASD, jointly and severally, shall indemnify the Voting Trustee for any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Voting Trustee), arising out of or in connection with the acceptance or administration of the Voting Trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent that such loss, damage, claim, liability or expense is due to its own gross negligence, willful misconduct or bad faith.

(d) In acting hereunder, the Voting Trustee shall have only such duties as are specified herein and no implied duties shall be read into this Agreement, and the Voting Trustee shall not be liable for any act done, or omitted to be done, by it in the absence of its gross negligence, willful misconduct or bad faith. The Voting Trustee shall be free from liability to the Company or the NASD in acting or relying upon any writing, notice, certificate or document believed by the Voting Trustee in good faith after reasonable inquiry to be genuine and to have been signed by an authorized officer of the Company or the NASD, as the case may be.

(e) The Voting Trustee may resign by giving 45 days' advance written notice of resignation to the Company or the NASD. Within ten (10) calendar days after receiving the foregoing notice of resignation from the Voting Trustee, NASD and the Company shall jointly agree on and appoint a successor Voting Trustee. If a successor Voting Trustee has not accepted such appointment by the end of such ten-day period, the Voting Trustee may, in its sole discretion, apply to a court of competent jurisdiction for the appointment of a successor Voting Trustee or for other appropriate relief. The costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Voting Trustee in connection with such proceeding shall be paid by, and be deemed a joint and several obligation of, the NASD and the Company. The Voting Trustee shall continue to serve until its successor accepts its appointment hereunder.

(f) In connection with the appointment of a successor Trustee in the event of the resignation or removal of the Voting Trustee, the Voting Trustee shall, simultaneously with the execution by the successor Trustee of a counterpart of this Agreement, transfer and deliver (or cause to be transferred and delivered) to the successor Trustee the Shares and all other securities or other property that are held in the name of the Voting Trustee or subject to the Voting Trust immediately prior to such execution. The successor Trustee shall file an executed copy of this Agreement, as amended, at the registered office of the Company in the State of Delaware, which copy shall be open to the inspection of any stockholder of the Company, or any beneficiary of the Voting Trust, daily during business hours, as provided in Section 218 of the DGCL, and thereafter the successor Trustee shall become the Voting Trustee for all purposes of this Agreement, and shall succeed to all of the rights and obligations of the Voting Trustee hereunder. Certificates representing the Shares so transferred to the successor Trustee shall be surrendered and canceled, and a new certificate(s) therefor shall be issued in the name of the successor Trustee. Such certificate(s) shall state that they have been issued pursuant to this Agreement, as amended, and that fact shall be noted in the stock ledger of the Company, as required by Section 218 of the DGCL. In the event a successor Trustee shall be appointed after a record date has passed with respect to any vote of the stockholders of the Company and prior to the stockholders meeting or the taking of action by written consent relating to such record date, the Voting Trustee as of such record date shall vote the Shares and/or execute a written consent with respect thereto in accordance with the instructions of the successor Trustee in accordance with the terms of this Agreement.

(g) The Company and the NASD hereby acknowledge that the Voting Trustee has had, presently may have and may in the future have other business relationships with any one or more of the Warrant Holders, the Company or the NASD that are unrelated to its duties and obligations under this Agreement, and hereby waive and release the Voting Trustee from any conflict of interest which such relationship may create; provided, that in the event such conflict of interest results in or arises in connection with litigation between any such Warrant Holder and the Company or any other Warrant Holder or the NASD, the Company or the NASD shall have the right immediately to remove the Voting Trustee within ten (10) business days following notice of such conflict to them from the Voting Trustee or notice of such conflict from any of them to the Voting Trustee (the "Conflict Notice"). Notwithstanding an election by the Company or the NASD to remove the Voting Trustee as provided in the previous sentence, the foregoing waiver and release shall apply to any actions taken by the Voting Trustee or which the Voting Trustee refrains from taking in accordance with instructions authorized under this Agreement during the period between delivery of such Conflict Notice and the Voting Trustee's removal.

(h) The Voting Trustee represents that it is acquiring the Shares only in its capacity as trustee to hold in trust pursuant to the provisions of this Agreement.

(i) In the event the Voting Trustee receives conflicting instructions under this Agreement, the Voting Trustee shall be fully protected in refraining from acting until such conflict is resolved to the satisfaction of the Voting Trustee except that if such conflict arises by virtue of the receipt of later dated instructions from the same party, the Voting Trustee shall follow the later dated instructions in accordance with this Agreement. The Voting Trustee shall be obligated to contact promptly the party giving the conflicting instructions to ascertain the nature of any conflict, and in the event such conflict cannot be resolved, the Voting Trustee shall have the right to institute a bill of interpleader in any court referred to in Section 16(b) of this Agreement to determine the rights and obligations of the parties, and the party giving the conflicting instructions shall pay all costs, expenses and disbursements in connection therewith, including reasonable attorneys' fees.

(j) The Voting Trustee may consult at any time with counsel satisfactory to it (who may be counsel for the Company or the NASD) and the Voting Trustee shall incur no liability or responsibility to the Company or the NASD in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

Section 10. Benefit and Binding Effect; Assignment. This Agreement and all covenants herein contained shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective heirs, executors, administrators and personal representatives and their successors and assigns. This Agreement shall not be assigned by any party hereto without the prior written consent of the other parties hereto, provided, however, that either the Company or the NASD may assign this Agreement to any entity controlling, controlled by or under common control with the Company or the NASD, as the case may be, without the prior written consent of the Voting Trustee. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to the transfer of Shares of the Company or of any successor securities of the

Company that (whether by merger, consolidation, sale of assets, or otherwise) may be issued in respect of, in exchange for, or in substitution of, such Shares.

Section 11. Notices. Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by nationally recognized commercial overnight courier, or mailed by U.S. registered or certified mail, addressed to the other party at the address below or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as a party gives the other party written notice of in accordance with this Section 11. Any such notice will be effective as of the date of receipt:

(a) If to the Company, to:

The Nasdaq Stock Market, Inc.
1735 K Street, NW
Washington, D.C. 20006-1500
Fax: (202) 728-8321
Attention: Office of General Counsel - Contracts Group

(b) If to the NASD, to:

National Association of Securities Dealers, Inc.
1735 K Street, NW
Washington, D.C. 20006-1500
Fax: (202) 293-6260
Attention: General Counsel

(c) If to the Voting Trustee, to:

The Bank of New York
101 Barclay Street, 21W
New York, NY 10286
Fax: (212)815-7181
Attention: Insurance Trust and Escrow Unit

or such other address or fax number as such party may hereafter specify for such purpose by notice to the other parties hereto.

Section 12. Trademarks, etc. The Voting Trustee agrees that it will not use the names "National Association of Securities Dealers, Inc.," "NASD," "NASD Regulation, Inc.," "NASD Regulation," "NASDR," "The Nasdaq Stock Market, Inc.," "Nasdaq", "American Stock Exchange LLC", or "AMEX" in any advertising, informational, promotional or other media or materials of the Voting Trustee without the prior written consent of the NASD. The Voting Trustee shall not use any trademark, service mark, copyright, or patent of the NASD or any of its subsidiaries or affiliates, registered, or unregistered without the prior written consent of the NASD.

Section 13. Amendments. From and after the date hereof, the Voting Trustee shall, if either the Company or the NASD so directs from time to time, agree to supplement or amend this Agreement without the approval of any holders of Voting Trust Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or (iii) to make any other provisions in regard to matters or questions arising hereunder which the Company or the NASD may deem necessary or desirable and which shall not adversely affect the interests of the holders of Voting Trust Certificates issued pursuant to this Agreement; provided, however, this Agreement shall not otherwise be modified, supplemented or altered in any respect except with the consent in writing of the holders of Voting Trust Certificates whose Voting Trust Certificates represent not less than a majority of the Purchased Shares then represented by Voting Trust Certificates. Upon delivery of a certificate from an appropriate officer of the Company or the NASD which states that the proposed supplement or amendment is in compliance with the terms of this Section 13, the Voting Trustee shall execute such supplement or amendment. Notwithstanding any other provision hereof, the Voting Trustee's consent must be obtained in connection with any amendment or supplement pursuant to this Section 13 which alters the Voting Trustee's rights or duties set forth in this Agreement.

Section 14. Enforceability. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts thereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

Section 15. Termination. This Agreement shall terminate upon the later of the close of business on (i) the last business day prior to the sixth anniversary date of this Agreement or (ii) the date of Exchange Registration. The provisions of Sections 9 and 12 hereof shall survive the termination of this Agreement and/or resignation or removal of the Voting Trustee.

Section 16. Governing Law; Consent to Jurisdiction.

(a) This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware.

(b) Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or

hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is being brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, to the fullest extent permitted by applicable law, each party agrees that service of process on such party as provided in Section 11 shall be deemed effective service of process on such party.

Section 17. Counterparts. This Agreement may be signed in counterparts and all signed copies of this Agreement will together constitute one original of this Agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

Section 18. Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Voting Trust Agreement to be duly executed as of the date first above written.

THE NASDAQ STOCK MARKET, INC.

By:

Name:
Title:

NATIONAL ASSOCIATION OF
SECURITIES DEALERS, INC.

By:

Name:
Title:

THE BANK OF NEW YORK

By:

Name:
Title:

FIRST AMENDMENT

to

VOTING TRUST AGREEMENT

among

THE NASDAQ STOCK MARKET, INC.,

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

and

THE BANK OF NEW YORK, AS VOTING TRUSTEE

Dated as of January 18, 2001

FIRST AMENDMENT, made as of this 18 day of January, 2001 (the "First Amendment") to the Voting Trust Agreement, dated June 28, 2000 (as so amended, the "Voting Trust Agreement"), by and among The Nasdaq Stock Market, Inc., a Delaware corporation, the National Association of Securities Dealers, Inc., a Delaware non-stock corporation (the "NASD"), and The Bank of New York, a New York banking corporation, as Voting Trustee (the "Voting Trustee").

WHEREAS, in accordance with the Warrant Agreement, dated as of June 28, 2000 (the "Original Warrant Agreement"), by and among the NASD, The Bank of New York, as the warrant agent, and the Voting Trustee, certain persons acquired warrants (the "Phase I Warrants") to purchase an aggregate of 25,660,196 shares of the Company's common stock, par value $.01 per share (the "Common Stock"), owned and held by the NASD (such shares initially underlying the Phase I Warrants being hereinafter referred to as the "Phase I Shares") in the first phase ("Phase I") of a private placement transaction;

WHEREAS, in accordance with the Amended and Restated Warrant Agreement, dated as of January 18, 2001 (the "Amended and Restated Warrant Agreement"), by and among the NASD, The Bank of New York, as the warrant agent, and the Voting Trustee, certain persons acquired warrants (the "Phase II Warrants") to purchase an aggregate of 17,569,380 shares of Common Stock, owned and held by the NASD (such shares initially underlying the Phase II Warrants being hereinafter referred to as the " Phase II Shares") in the second phase ("Phase II") of a private placement transaction;

WHEREAS, on June 28, 2000, pursuant to the provisions of the Voting Trust Agreement and the Original Warrant Agreement, all the Phase I Shares were deposited with and transferred to the Voting Trustee by the NASD to be held in accordance with the provisions of the Voting Trust Agreement;

WHEREAS, pursuant to the provisions of the Voting Trust Agreement and the Amended and Restated Warrant Agreement, upon the execution hereof, all the Phase II Shares will be deposited with and transferred to the Voting Trustee by the NASD to be held in accordance with the provisions of the Voting Trust Agreement;

WHEREAS, the parties to the Voting Trust Agreement desire to amend the Voting Trust Agreement in the manner set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

1. SECTION 2(A).

Section 2(a) of the Voting Trust Agreement is hereby amended and supplemented to add the following to the end thereof:

> "On the closing date of Phase II, the NASD shall transfer and deliver to the Voting Trustee, to be held by it pursuant to the provisions of the Voting Trust Agreement, the certificate or certificates representing the Phase II Shares, as applicable, duly endorsed in blank and accompanied by proper instruments of assignment and transfer as the Voting Trustee may request duly executed in blank. After the filing of a copy of this First Amendment in the registered office of the Company in the State of Delaware as provided in Section 1 of the Voting Trust Agreement, each certificate representing the Phase II Shares so transferred to the Voting Trustee shall be surrendered to the Company and cancelled, and new certificates therefor shall be issued to, and in the name of, the Voting Trustee or a nominee of the Voting Trustee. Such certificates shall contain a legend stating that they have been issued pursuant to the Voting Trust Agreement and that fact shall be noted in the stock ledger of the Company as required by Section 218 of the DGCL."

2. DEFINITIONS.

All references to "Shares" in the Voting Trust Agreement shall mean collectively the Phase I Shares and the Phase II Shares.

All references to "Warrants" in the Voting Trust Agreement shall mean collectively the Phase I Warrants and the Phase II Warrants.

3. COUNTERPARTS.

This First Amendment may be executed by each of the parties hereto in any number of counterparts, each of which counterpart, when so executed and delivered, shall be deemed to be an original and all such counterparts shall together constitute one and the same agreement.

4. GOVERNING LAW.

This First Amendment shall be interpreted, construed, enforced and administered in accordance with the internal substantive laws (and not the choice of law rules) of the State of Delaware.

IN WITNESS WHEREOF, each of the parties has caused this First Amendment to be executed by a duly authorized officer as of the day and year first written above.

THE NASDAQ STOCK MARKET, INC.

By:

Name:
Title:

NATIONAL ASSOCIATION OF
SECURITIES DEALERS, INC.

By:

Name:
Title:

THE BANK OF NEW YORK, AS
VOTING TRUSTEE

By:

Name:
Title:

Exhibit 10.1

EWN II(TM) Agreement

THIS AGREEMENT, dated as of November 19, 1997 ("Effective Date") is made by and between MCI Telecommunications Corporation, a Delaware corporation, whose principal offices are located at 1801 Pennsylvania Avenue, N.W., Washington, D.C. 20006 (MCI) and The Nasdaq Stock Market, Inc. (Nasdaq), a Delaware corporation, whose principal offices are located at 1735 K Street, N.W., Washington, D.C. 20006.

WHEREAS, Nasdaq desires to replace certain of its current private data networks with services provided by MCI utilizing a private line network or equivalent to private line network (including certain MCI supplied equipment, software and services) procured to meet its enterprise-wide needs;

WHEREAS, Nasdaq released a Request for Proposal, dated February 1992, as amended (by Appendix F, attached hereto, dated 9/16/97) which states the requirements for networking and management services to meet certain of its and the Corporations' (as defined below) business and technical requirements (set forth as Attachment 1, incorporated herein and referred to as the RFP); and

WHEREAS, Nasdaq desires to procure and MCI desires to provide (procure, install, manage, operate, and maintain) a network service which meets the requirements and specifications of the RFP and the EWNII(TM) Specification dated 9/16/97, as amended by the mutually agreed EWNII(TM) Design Document, excluding all Stage 1 and Stage 2 SDLC references (set forth as Attachment 2, incorporated herein and referred to as the Response). The RFP and the Response shall collectively be referred to herein as Specifications. In the event that the Response, in reference to the RFP requirements, has explicitly proposed a substitute requirement, a different means or method to meet the RFP requirement, or has otherwise taken an exception to meeting a requirement, the terms of the Response prevail to the extent of that substitution, different means or method, or exception.

NOW THEREFORE, in consideration of the foregoing and the mutual promises and conditions herein contained, MCI and Nasdaq, intending to be legally bound, agree as follows:

Section 1. Definitions.

1.1. At Cost means: (1) if provided for by MCI Tariff, at the MCI Tariff rate; (2) if under an agreement which prohibits disclosure of the cost to Nasdaq, then at the price or rate calculated as mutually agreed upon in Attachment 3; or (3) otherwise, at the best price reasonably available to MCI at the time, given the size and nature of the procurement (documented upon request of Nasdaq), plus an administrative markup not to exceed 4%.

1.2. Availability means the successful transmission and receipt of data for every MCI Service authorized at that site through that Router/Hub Port.

1.3. Best Efforts shall mean a standard of performance that involves more than indifference to the other party's interests and requires more than a duty to attempt to act with diligence to fulfill an obligation, but does not require a party to disregard its own interests. Meeting a standard of best efforts may require a party to incur losses to a reasonable extent for the benefit of the other party and to exceed prevailing business practices, but does not require the party to imperil its own existence or to make total efforts to fulfill the obligation irrespective of all other considerations.

1.4. Business Day shall mean any day that the Nasdaq Stock Market has Market Hours.

1.5. A Component is a piece of hardware or a piece of software used by MCI to provide MCI Service under this Agreement. Components include Separable Components as defined in Section 1.16 of the Agreement.

1.6. Confidential Information means information that is transmitted or otherwise provided by or on behalf of either party to the other party, or to which a party gains access, in the course of or incidental to the performance of this Agreement, and that should reasonably have been understood by the receiving party because of legends or other markings, the circumstances of disclosure or the nature of the information itself, to be proprietary and confidential to the disclosing party, an affiliate of the disclosing party or to a third party. Confidential Information may be disclosed in written or other tangible form (including on magnetic media) or by oral, visual or other means.

1.7. The Corporations means The Nasdaq Stock Market, Inc. and/or its affiliates and subsidiaries.

1.8. Data Stream means a logical telecommunications path from the nearest originating to the furthest terminating Component.

1.9. Expedite shall mean a Nasdaq order to accelerate (by any number of days) a provisioning interval set forth in Attachment 3.

1.10. Market Hours shall mean those hours when any market operated by the Corporations is accepting electronic entry of quotation, execution, electronic negotiation, or trade reporting data.

1.11. MCI Day shall mean any day that MCI is officially open for business.

1.12. MCI Service shall mean all Services and the Network supplied under this Agreement, including any individual Service.

1.13. The Network is the combination of all the Components utilized under this Agreement with which MCI provides private data or equivalent to private data network service.

1.14. Network Management Scripts means those software based instructions that can be created by or on behalf of MCI as the user of the TEMIP network management application software in order to manage and maintain various functions of that application, i.e. collection of backbone router events.

1.15. A Router/Hub Port is a telecommunications path from the nearest originating to the furthest terminating Component containing logical data streams.

1.16 A Separable Component shall mean a Component that may reasonably be separated from the Components without adversely affecting MCI's ability to operate in the ordinary course of its business and which MCI has procured by purchase, license or lease specifically for the provisioning of the MCI Service. For the purpose of clarity, Separable Components shall include the items of equipment MCI has procured (by lease, purchase or license) and placed on the premises of Nasdaq, the Corporations, the Subscribers or other authorized users of the MCI Service and such similar items as MCI shall have specifically placed in service on MCI premises in order to provide the MCI Services and Separable Components shall not include MCI's basic service network, such as fiber optic transmission lines and associated equipment and facilities and MCI's network management centers and associated equipment and facilities.

1.17. Service means any features or functionality ordered by Nasdaq from MCI under this Agreement, including but not limited to: network management services, billing services, Installation services, and Maintenance services.

1.18. Subscriber means any entity (other than the Corporations) authorized by the Corporations to receive information via the MCI Service from the Corporations, or an entity (other than the Corporations) authorized by the Corporations to connect to the Network.

Section 2. Transition. This Agreement shall not be construed to supersede the agreement between the parties, dated July 20, 1993 (the "EWN I Agreement"), with respect to the provision of services to Nasdaq thereunder. The parties agree that the provisions of the EWN I Agreement shall govern the provision and purchase of services thereunder, while the provisions of this Agreement shall apply only to the provisions and purchase of MCI Services described herein, including but not limited to: Installation, testing, acceptance, use of and payment for such MCI Services. Upon completion of the Installation Schedule for EWN II or in accordance with some other schedule mutually agreed by the parties, MCI shall decommission and deinstall EWN I (in accordance with the cost schedule of the EWN I Agreement), MCI shall take and use all EWN I components (as defined in the EWN I Agreement) as MCI determines in its sole discretion. Upon the deinstallation of the final router port (as defined in the EWN I Agreement), which shall occur no later than 60 days after the end of the EWN II Installation Schedule, the EWNI Agreement shall terminate, provided that Nasdaq shall remain liable for charges incurred and not paid under the EWNI Agreement.

Section 3. Payment.

3.1. ***** *

3.2. (i) The price for MCI Service is set forth in Attachment 3 or the price otherwise stated in this Agreement. MCI may invoice Nasdaq for MCI Service upon commencement of any 24-hour Test and Acceptance criteria (discussed in Section 10.4). If the Service fails the 24-hour Test and Acceptance criteria, MCI shall credit Nasdaq for the Service charge until the Service passes the 24-hour Test and Acceptance criteria. MCI shall provide Nasdaq with monthly invoices as well as such electronic reporting and delivery of billing information as agreed to between the parties.

(ii) MCI shall deliver each invoice to Nasdaq within thirty (30) days of the date of the invoice. Nasdaq shall to pay each MCI invoice within 30 days of the receipt by Nasdaq of such invoice. MCI shall provide Notice (in accordance with Section 16 below) to Nasdaq on or after the 30th day if MCI has not received payment of the invoice. Nasdaq shall pay MCI a late charge equal to interest at one of the following rates as Nasdaq may elect: nine percent (9%) per annum or the prime rate per annum, as published in the Wall Street Journal (or as otherwise agreed between the parties) and compounded daily on the past due amount from the 15th day following Nasdaq's receipt of MCI's Notice of late payment until such past due amounts are paid to MCI, except that such interest shall not apply to past due amounts that are the subject of a bona fide dispute as described below except to the extent that Nasdaq is ultimately obligated to pay such disputed amounts.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

If MCI (a) delivers more than one monthly invoice in any 20 day period or (b) delivers monthly invoices out of sequence and, as a result of either (a) or (b), Nasdaq is not able to perform the invoice verification processes Nasdaq uses under the EWN I Agreement (or reasonably similar processes as they may be adapted for use under this Agreement) in time to make payment when due, MCI's rights to receive payment and/or security hereunder shall be suspended for an amount of time reasonably sufficient to enable Nasdaq to perform such verification processes and to make payment. For the purpose of clarity, MCI shall not have the right to receive late payment interest on amounts as to which the payment obligation has been suspended hereunder for the duration of such suspension.

(iii) Nasdaq may withhold amounts otherwise due on an invoice in the event there is a bona fide dispute as to Nasdaq's payment obligation. In such event, Nasdaq shall provide Notice explaining in reasonable detail the basis for Nasdaq's dispute. Nasdaq will pay the disputed portion of any invoice within sixty (60) days of the date of receipt of the invoice by Nasdaq (such payment being without prejudice to any argument or right of Nasdaq), unless Nasdaq has initiated arbitration proceedings within that time period. MCI shall give interest on any credits or money settlements of disputed amounts that Nasdaq has previously paid at the rate of interest set forth above (as elected by MCI) calculated from the date of payment of the disputed amount that gives rise to the credit or settlement.

(iv) ******

(v) In the event Nasdaq has satisfied the Revenue Commitment prior to expiration of the initial term, the parties shall thereafter discuss potential reductions in the price for MCI Service.

3.3. *****

3.4. Taxes. All charges are exclusive of federal, state and local gross sales, use, excise, utility and gross receipts taxes, other similar tax-like charges, and tax-related surcharges imposed on MCI or Nasdaq in connection with MCI's provision and/or Nasdaq's use of the MCI Services, which Nasdaq agrees to pay. Taxes based on MCI's net income or real or personal property shall be the sole responsibility of MCI. In the event that Nasdaq provides MCI with a duly authorized exemption certificate, MCI agrees to exempt Nasdaq in accordance with law effective on the date the exemption certificate is received by MCI, provided that MCI is also entitled under applicable law to receive the exemption for which Nasdaq has provided a certificate.

Section 4. Orders for Service.

4.1 Orders for any Installation, Add, Inside Move, Change or Disconnect under this Agreement shall be provided to MCI solely by Nasdaq. Such orders shall include authorization allowing MCI to work with any designated Subscriber where Nasdaq deems appropriate. MCI shall not accept orders for any Installation, Add, Inside Move, Change or Disconnect or any other Service under this Agreement from any Subscriber directly.

4.2 Orders for MCI Service will be controlled by the terms of this Agreement. Pre-printed terms of either party's purchase order shall have no binding effect on either party.

Section 5. Specifications. MCI warrants and represents that MCI Service will meet the Specifications.

Section 6. Conflicts. MCI warrants and represents that it is under no other duty or agreement nor during the effectiveness of this Agreement will it enter into any duty or Agreement which conflicts with or will materially and adversely affect MCI's ability to perform this Agreement. Assignment of this Agreement in accordance with its terms shall not be deemed a violation or breach of this warranty.

Section 7. Intellectual Property Violations.

7.1. ******

7.2. *****

Section 8. Commitment to Proposed Architecture.

8.1. During the term of this Agreement (subject to any provisions as may be agreed for any period covered by a De-installation Plan, (a) MCI Service shall support at least the protocols in the Specifications as those standards exist presently and as they may be modified in the future and (b) every Component of MCI Service will continue to be covered under the Maintenance Section, and will be upwardly compatible with the prior Components of MCI Service. In particular this means that each Component--while it is free to implement new features not available in earlier Components of MCI Service: (a) must be able to communicate, without a degradation in performance or function, with any then existing Component of MCI Service and with any existing Corporation or Subscriber Router/Hub Port (as it is then configured), and with any component of any vendor which meets the same applicable standard(s); and (b) all changes or upgrades in peripherals or in MCI Service itself will not require change in Corporation application software or hardware.

8.2. MCI agrees to regularly advise Nasdaq of emerging technologies that could positively impact the functional and financial performance of the MCI Service to Nasdaq. Both parties agree that financial benefits may be realized as a result of the implementation of new and improved technologies. Should Nasdaq desire to incorporate such new technologies into the MCI Service, both parties agree to negotiate in good faith the terms and conditions associated with the implementation of such new technologies.

Section 9. Installation Schedule.

9.1. The term Installation shall mean the carrying out and completion of all work, including procurement of Components, site surveys, scheduling, physical and logical connection of all Components to the Network to ensure that the Router/Hub Port is fully integrated into the MCI Service (to meet Specifications), testing, correction of any problems which cause the Router/Hub Port not to meet Specifications, required to meet the Specifications in connection with a site at which the MCI Service is to be provided under this Agreement.

9.2. The parties will agree on a schedule ending 18 months from the Effective Date that includes the milestones in Attachment 7 and all Installations for Subscribers on EWNI and which is subject to change by mutual agreement of the parties (Installation Schedule). MCI will use its Best Efforts to meet the Installation Schedule in 18 months. For 20 months from the Effective Date, the penalties under Attachment 7 do not apply to any Installation. After the end of the 20th month following the Effective Date, MCI shall be subject to the penalties in Attachment 7 with respect to all Installations. The application of penalties in accordance with this Section shall be subject to Section 20.2.

9.3. If Nasdaq alters any site's scheduled Installation date and the present and altered Installation dates are both more than 27 MCI Days in the future, no charge to Nasdaq may be made.

9.4. MCI may charge Nasdaq the Expedite charge in Attachment 3 for any Expedite of a site's Installation date requested by Nasdaq less than 27 MCI Days before the then current Installation date, provided that, MCI completes the Installation by the advanced Installation date or would have completed the Installation by the advanced Installation date but for one or more of the reasons described in Section 20.2 excusing MCI performance in accordance therewith.

9.5. Installation shall be performed during the hours directed by Nasdaq, unless an alternative is mutually agreed upon by the parties.

Section 10. Installation Procedure.

10.1 All work associated with an Installation must be performed in a good and workmanlike manner, in accordance with manufacturer and industry standards and specifications. All Separable Components used in the provision of MCI Service shall have been purchased new for MCI Service under this Agreement.

10.2. After completion of work associated with an Installation, MCI shall insure that the exterior of Components and the surrounding areas are clean and that all discarded parts, supplies and other waste is removed from the premises. In any Installation, MCI shall use only replacement parts that perform to at least the manufacturers' specifications of the replaced item when new.

10.3. Subject to Section 20.2, in the event it is foreseen that an Installation cannot be met or an Installation is not completed by the Installation date, MCI shall use Best Efforts to resolve the problem .

10.4. During Installation, MCI will perform a 24-hour test procedure to verify that the MCI Service through the Router/Hub Port at the site meets Test and Acceptance criteria. The Test and Acceptance criteria are set forth in Attachment 6. The testing methodology may change from time to time to accommodate an improvement or efficiency in applicable technology provided the new Acceptance criteria is no less stringent that the original Acceptance criteria.

10.5. If during the 24-hour acceptance test period, a Router/Hub Port does not meet the Test and Acceptance criteria, MCI shall repair the problem and provide additional test periods, until the Service meets the 24-hour Test and Acceptance criteria. If the Service fails the initial 24-hour Test and Acceptance criteria, MCI shall credit Nasdaq for the Service charge until the Service passes the 24-hour Test and Acceptance criteria.

Section 11. MCI Notice of Requirements. MCI shall conduct an on-site survey on the Subscriber's premise and shall coordinate with the Subscriber in order to conduct the survey. MCI shall also provide Notice to Nasdaq of any facility requirements that must be in place at a Subscriber's site prior to commencement of any on-site Installation. Such Notice must be provided a minimum of 10 MCI Days prior to commencement of any on-site Installation. MCI shall confirm the date for commencement of on-site Installation at least 3 and not more than 5 MCI Days prior to commencement of the Installation at that site. Exceptions to this will be noted where MCI and Nasdaq agree that circumstances require a different Notice interval.

Section 12. Installation, Inside Moves, Changes, Relocations and Disconnect.

12.1. As used in this Section: an Installation is as defined in Section 9.1; a Disconnect is a de-Installation that requires the termination of a local telecommunications company circuit; an Inside Move is a Disconnect at one location and an Installation at a different location where no new local telecommunications company circuit is procured. a Relocation is a de-Installation at one site and an Installation at a different site where a new local telecommunications company circuit is procured; a Change is any other Installation or de-Installation of MCI Service.

12.2. Charges and time parameters for Installations, Relocations,

Inside Moves, and Disconnects are set forth in Attachment 3. Should Nasdaq order an Expedite from MCI of any interval set forth in Attachment 3, then MCI shall be entitled to charge Nasdaq the appropriate charge in Attachment 3. Except where inconsistent with terms of this Section, Services shall meet the requirements of the Maintenance Section of this Agreement.

12.3 Any other Services like those or related to those described in this Section are At Cost, on an individual case basis.

Section 13. Defect Notification.

13.1. ******

13.2. *****

Section 14. Personnel.

14.1. In no event shall a party or employees or agents of that party be or be considered employees or agents of the other party. Except as stated herein, matters governing the terms and conditions of employment of a party's employees and agents are entirely within the control of that party. Except as stated herein, each party's business matters such as work schedules, wage rates, withholding income taxes, disability benefits or the matter and means through which a party's obligations to its employees or other agents will be accomplished are entirely within the discretion of the party.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

14.2. Each party will be responsible for the supervision, direction and control of its own personnel while engaged in performance of activities under this Agreement.

14.3. When this Agreement requires performance by MCI or Nasdaq employees or other agents or contractors on the other party's (including the Corporations') premises, the performing party shall carry and maintain Worker's Compensation and Employer's Liability Insurance covering its employees or other agents (or require its agents to carry and maintain such insurance) in accordance with the statutory requirement applicable to the location where services are to be performed. The performing party shall also carry and maintain adequate insurance coverage (or require its agents to carry and maintain such insurance) against losses or damages caused by the performing party's (including its other agents) negligence. Nasdaq understands that MCI self-ensures a large portion of its public liability insurance, and Nasdaq is free to do the same.

14.4. ***** *

14.5 *****

14.6. Nasdaq may provide Notice to MCI of MCI Network Management and Project Management personnel it finds to be key to the performance of MCI's duties under this Agreement. Such personnel may be reassigned subject to MCI's standard personnel policies, provided MCI provides a reasonable transition period to: (1) another person capable of performing the same duties with equivalent qualifications; or (2) a means acceptable to Nasdaq by which the same duties are performed by competent personnel.

14.7. Either party may provide Notice to the other with a list of its employees directly involved in performance of services under this Agreement who, during the effectiveness of this Agreement, may not be hired as an employee, consultant, or other agent of the other party to perform in or for the organizations identified below without the designating party's prior written consent, unless that person has not been an employee or subcontractor of the designating party for 6 months. For Nasdaq this prohibits hiring by or in order to provide services only to Nasdaq's Information Technology Division (or its successor). For MCI this prohibits hiring by or in order to provide services only to MCI National Account Project Management, Account Team, MCI Complex Bids/Technical Services or the Global Network Management Center (or their respective successors) providing services to a securities, commodities, or financial: institution, market, or vendor.

14.8. Each party will comply with all applicable governmental regulations, pay all applicable taxes, and exercise control over its personnel (including other agents). Each party shall be responsible for its own employee taxes or other governmental taxes, fines, or fees (including all such taxes, any interest or penalties and reasonable attorney's fees and costs related thereto) related to the employment of its personnel, and shall indemnify and hold harmless the other party from any liability therefor.

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14.9. MCI shall obtain all approvals, permits, and licenses and pass all inspections, required for MCI Service under applicable law. Nasdaq shall assist in obtaining such, where necessary.

14.10. MCI may perform its obligations through its subsidiaries or affiliates, or through the use of MCI-selected independent subcontractors or manufacturers; provided that MCI shall be solely responsible for the performance, duty, quality, and any breach by any agent of MCI, as if such agent were MCI. MCI shall obtain (or cause its subcontractors to obtain) any necessary permits, business licenses, bonds, or other governmental authority to perform its obligations under this Agreement.

14.11. Nasdaq shall use reasonable efforts to provide MCI with administrative office space consisting of at least 3 offices and 11 cubicles. However, in no event will a failure or breach of this duty by Nasdaq be considered a breach of this Agreement.

Section 15. Ownership of Intellectual Property/Licensing of Software

15.1. Except as otherwise expressly provided by this Agreement, nothing herein shall be deemed to grant or transfer to a party or any third party any right in, or license under, any patents, copyrights, trade secret rights, trademarks, service marks or other intellectual property rights owned by, or licensed by a third party to, the other party, or as to Nasdaq, the Corporations, and as to MCI, its affiliates.

15.2. The parties acknowledge and agree that as of the Effective Date, MCI is not licensing or otherwise providing any software, whether in object code, source code, or any other form, directly to Nasdaq or any other Corporation, under this Agreement for use on a stand-alone basis in order to access or otherwise use the MCI Service. If during the term of this Agreement, it is anticipated that such stand-alone licensing of software is desirable in connection with the MCI Service, then as a condition to any such license, the parties shall endeavor to negotiate in good faith appropriate applicable terms and conditions. If agreed upon by the parties, such terms and conditions shall be incorporated into this Agreement by way of written amendment unless otherwise determined by the parties.

15.3. If during the term of this Agreement Nasdaq requests that MCI provide custom development in connection with the MCI Service, then if MCI agrees to undertake such development the parties shall endeavor to negotiate in good faith prior to commencement of the work appropriate applicable terms and conditions including without limitation the specifications and schedule for the deliverables, the ownership of any resulting intellectual property rights, and the consideration to be provided for the work. If agreed upon by the parties, such terms and conditions shall be incorporated into this Agreement by way of written amendment unless otherwise determined by the parties.

Section 16. Points of Contact.

16.1. The term Notice means written communications directed to the persons below in the manner directed in this section. Such communications shall be deemed to have been duly given upon actual receipt by the parties, or upon constructive receipt if sent by certified mail, return receipt requested, or any other delivery service which actually obtains a signed delivery receipt, addressed to the person named below to the following addresses or to such other address as any party hereto shall hereafter specify by written notice to the other party hereto.

For MCI:

***** *

For Nasdaq:

*****

16.2. In addition to the above communications, notices of material dispute or default shall also be delivered, with the same delivery requirements as stated in 16.1, to the following addresses:

For MCI:
MCI Telecommunications Corporation
MCI Law and Pubic Policy-Commercial Law
5 International Drive
Rye Brook, New York, 10573

For Nasdaq:
The Nasdaq Stock Market, Inc.
1735 K Street, N.W.
Washington, DC 20006
Attn: Office of General Counsel - Nasdaq Contracts Group

Section 17. Equipment Insurance. MCI shall maintain replacement value insurance for Components located on the Corporation's and Subscriber premises. Notwithstanding the foregoing, the Corporations and Subscribers shall be liable for replacement value of any such Components at their respective locations to the extent of loss caused by either of them or damage by negligence, abuse or misuse, vandalism, failure to provide the same electrical or other operating environment as at Installation, or unauthorized alterations or attachments in violation of MCI prior provided specifications for said Components. MCI may self insure as necessary to comply with the terms of this subsection.

Section 18. Warranties.

18.1. *****

18.2. *****

18.3 *****

18.4. In the event that this Agreement is terminated or upon expiration of the term hereof, Nasdaq may provide MCI Notice that it intends to license, lease, purchase or otherwise obtain an assignment of all or any portion of the Separable Components. Nasdaq thereafter may require MCI to make any or all of the Separable Components available to the Corporations for license, lease, or sale under reasonable terms and conditions, subject to any third party rights. In addition, with respect to any such license, lease, or sale, Nasdaq shall pay MCI all costs to Disconnect, package, and ship said Separable Components to the Corporations. If the parties are unable to agree to reasonable terms, the parties shall submit the matter to arbitration pursuant to the arbitration provisions of this Agreement. MCI shall take no action to adversely affect Nasdaq's ability to license the Separable Components from a third party.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

THE PARTIES ACKNOWLEDGE THAT MCI'S OBLIGATION HEREUNDER SHALL BE LIMITED TO CONVEYING ONLY SUCH RIGHTS AND TITLE AS MCI MAY HAVE AND WHICH MAY BE TRANSFERABLE. THE SEPARABLE COMPONENTS MADE AVAILABLE IN ACCORDANCE WITH THIS SECTION 18.4 SHALL BE MADE AVAILABLE ON AN AS IS, WHERE IS, BASIS WITHOUT ANY WARRANTIES (WHETHER EXPRESS OR IMPLIED) WHATSOEVER. IN PARTICULAR, MCI DISCLAIMS ALL IMPLIED WARRANTIES WITH RESPECT TO SUCH SEPARABLE COMPONENTS, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

18.5. Nasdaq warrants that any components attached to the Network that are Nasdaq-provided shall conform to FCC standards as stated in Part 68 of the FCC's rules.

18.6. WITHOUT DEROGATION OF THE FOREGOING, THE WARRANTIES EXPRESSLY STATED IN THIS AGREEMENT ARE THE EXCLUSIVE WARRANTIES AND NO OTHER WARRANTY, EXPRESS OR IMPLIED, SHALL APPLY. MCI SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES OF NONFRINGEMENT OF THIRD PARTY RIGHTS.

18.7. Nasdaq represents and warrants as follows: (i) that it is duly organized, validly existing and in good standing under the laws of its State of formation; (ii) that it has the power and authority to execute, deliver and perform its obligations under this Agreement; (iii) that the person executing this Agreement on behalf of Nasdaq has been given the authority to bind Nasdaq and the Agreement constitutes or will constitute a legally binding and enforceable obligation of Nasdaq, except as such enforceability may be limited by provisions of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar law affecting creditor's rights and remedies generally or by general principles of equity; (iv) that the execution, delivery and performance of the Agreement will not be in contravention of, or will result in a material breach of any of the terms of Nasdaq's organizational documents, contracts or instruments to which Nasdaq is a party under which it is bound.

18.8. MCI represents and warrants as follows: (i) that it is duly organized, validly existing and in good standing under the laws of its State of formation; (ii) that it has the power and authority to execute, deliver and perform its obligations under this Agreement; (iii) that the person executing this Agreement on behalf of MCI has been given the authority to bind MCI and the Agreement constitutes or will constitute a legally binding and enforceable obligation of MCI, except as such enforceability may be limited by provisions of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar law affecting creditor's rights and remedies generally or by general principles of equity; (iv) that the execution, delivery and performance of the Agreement will not be in contravention of, or will result in a material breach of any of the terms of MCI's organizational documents, contracts or instruments to which MCI is a party under which it is bound.

Section 19. Encumbrances.

19.1. Nasdaq shall keep the Components free and clear of all liens and encumbrances created by or through Nasdaq or the Corporations and shall otherwise cooperate to defend the interest of MCI and/or its Assignee in the Components and to maintain the status of the Components as equipment or personal property and not as attachments to real property. Nasdaq will promptly discharge any lien created by or through Nasdaq or the Corporations on the Components, or otherwise cause the removal of such lien before foreclosure, but in any event within 45 MCI Days of actual knowledge by Nasdaq of the lien. In the event a lien created by or through Nasdaq or the Corporations is imposed on the Components that may have an adverse effect on a proposed MCI action, then it must be removed in time to avoid such adverse affect. If requested by MCI, Nasdaq will, at Nasdaq's expense, furnish a waiver of any interest in the Components from any party having an interest in the real estate or building owned, leased, or used by Nasdaq in which the Components are located. Nasdaq shall permit and shall cause the Corporations to permit MCI or its Assignee reasonable access to inspect said Components (located on their respective premises) during normal business hours. Nasdaq shall reasonably assist, at the request of MCI, in attempting to arrange reasonable access to a Subscriber premises to permit MCI to inspect said Components during normal business hours. In the event that there is a failure or threatened failure of Nasdaq or the Corporations to perform its or their obligations under this Section, then MCI shall be entitled to discharge or otherwise cause the removal of any such encumbrance or lien and shall be entitled to reimbursement by Nasdaq with interest at the rate stated in Section 3.2 for any amounts reasonably expended in so doing.

19.2. Nasdaq agrees to execute and deliver, upon demand, any documents necessary, in MCI's reasonable opinion, to evidence MCI's or its Assignee's interest in the Separable Components. In addition, Nasdaq appoints MCI as its attorney-in-fact for the sole purpose of executing and delivering any UCC financing statements required to protect and perfect any such interest.

19.3. Nasdaq agrees to provide a notice to the Subscribers of a mutually agreeable text provided by MCI informing the Subscribers that they shall keep the Components free and clear of all liens, and of the possibility of reasonable inspection as provided under this Agreement. Nasdaq shall indemnify MCI for any costs, damages, expenses (including reasonable attorneys fees), incurred by MCI or its Assignee to discharge any liens created by or through Nasdaq, the Corporations or Subscribers, and to defend title to the Components.

19.4 In order to assure that Nasdaq shall have quiet enjoyment of the MCI Services, MCI shall take all actions necessary or appropriate to prevent any third party from taking any action under any lien or other encumbrance created by, through, or because of MCI that threatens in any material respect to inhibit MCI's ability to perform hereunder (a "Third Party Action"), including but not limited to discharging or otherwise causing the removal of any such lien or encumbrance. MCI shall provide Nasdaq prompt Notice of any actual or threatened Third Party Action of which MCI has knowledge. In the event that there is a failure or threatened failure of MCI to take all actions (as described hereinabove) in respect of a Third Party Action, then Nasdaq shall be entitled to discharge or otherwise cause the removal of any such encumbrance or lien and shall be entitled to reimbursement by MCI with interest at the rate stated in Section 3.2 for any amounts reasonably expended in so doing.

Section 20. Performance Remedies and Liabilities.

20.1. Performance remedies are set forth in Attachment 7.

20.2. MCI shall not be liable for failure to meet Installation, Inside Move, Change, Relocation or Disconnect schedules nor for the monetary performance remedies in Attachment 7 on a Router/Hub Port-specific basis for: a) failure caused by the negligence of Nasdaq, the Corporations, Subscribers, or others authorized by Nasdaq to use the MCI Service with regard to the Separable Components located on Subscriber/Nasdaq/Corporation premises; or b) failure during the period that there is a failure of relevant power, equipment, systems or services at Nasdaq's (including the Corporations') or a Subscriber's site that are not provided by MCI; or c) failure during any period of scheduled maintenance or any period during which work requires access to the portion of the Subscriber site where access lines are physically terminated or the Nasdaq data center, but MCI or its agents or subcontractors are not afforded access; or d) failure during periods when repair requires release of Separable Components of the Network but Nasdaq, Subscriber or any of the Corporations elects not to release such Separable Components for testing or repair and continues to use the Service on an impaired basis. However, in the case of failure caused by Nasdaq, Corporation, or Subscriber negligence, MCI shall use its reasonable efforts to repair the failure as soon as is practicable. For the purpose of clarity, MCI shall be excused from failure to meet an Installation, Inside Move, Change, Relocation or Disconnect schedule or any other performance obligation under Attachment 7 to the extent (but only to such extent) that Nasdaq, the Corporations or a Subscriber or other entity authorized by Nasdaq to use the MCI Service has failed or refused to perform any act reasonably required on its or their part, consistent with standard industry practices to enable MCI to meet its performance obligation after MCI has made reasonable efforts to communicate any such requirements to Nasdaq. In addition, MCI shall not be liable to the extent (but only to such extent) as MCI is unable to meet the requirement due to force majeure (as described in Section 44) or the acts or omissions of any third party (excluding MCI agents, subcontractors and local access providers) which MCI does not control or have the right to control.

20.3. An interruption period begins from the earlier of: (1) the time of Network Management system detection; or (2) report of the problem to MCI, unless the interruption begins outside the PPM, in which case the interruption period begins with the next PPM. An interruption period ends when MCI Service is operating according to the Repair Criteria set forth in Attachment 8. If Nasdaq (including the Corporations) or Subscriber reports the MCI Service to be inoperative but the Subscriber denies MCI reasonable access then, for monetary performance remedy purposes, the MCI Service is deemed to be impaired, but not interrupted until such release is given. MCI must notify Nasdaq if access to a site or the release of a Router/Hub Port is necessary for service restoration, but MCI believes the necessary access or release has been denied or not granted.

20.4. MCI does not guarantee nor make any warranty with respect to Maintenance and/or Installations at sites at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such Installations.

Section 21. Other Remedies and Liabilities.

21.1. NEITHER NASDAQ AND/OR THE CORPORATIONS NOR MCI AND/OR ITS AFFILIATES SHALL BE LIABLE ONE TO THE OTHERS OR TO ANY SUBCONTRACTOR OF THE OTHERS, OR OTHER THIRD PARTY, WHETHER BASED ON CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), WARRANTY OR ANY OTHER CAUSE OF ACTION, FOR ANY LOSS OF DATA, INFORMATION OR USE, PROFITS,OPPORTUNITY OR REVENUE OR FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATED TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.

21.2 ***** *

Section 22. Sharing of Use. MCI warrants that the MCI Service can be:

(1) used by employees and agents of Nasdaq, the Corporations, and the Subscribers; (2) used to process data for Nasdaq, the Corporations or any Subscriber; and (3) transferred or assigned among the Corporations without consent or additional fees, provided that Nasdaq provides MCI Notice no later than 10 days after the transfer or assignment, and within 15 days of delivery of such Notice, Nasdaq delivers to MCI or its Assignee a guarantee of payment (in a form reasonably acceptable to MCI or its Assignee) of all charges which may be incurred in respect of the Service which is transferred or assigned. Upon transfer, Nasdaq shall cause such Corporation to expressly assume in writing Nasdaq's obligations (including those related to Separable Components) to the extent of the transfer and Nasdaq shall remain liable for all obligations not transferred.

Section 23. Diversity of Carriers and Routes and Backup.

MCI must provide, during the effectiveness of this Agreement, diverse transmission paths and associated Components (and if available through diverse carriers or diverse points of presence, local loops) through electronically and physically diverse transportation methods such that nothing on the diverse paths can have a common single point of failure. Additionally, if local loop diversity is not available, then if requested by Nasdaq, MCI must provide, if possible, At Cost, diverse transmission paths and associated Components through electronically and physically diverse transportation methods such that nothing on the diverse paths can have a common single point of failure.

Section 24. Maintenance.

24.1. Maintenance shall mean Services conforming to the requirements of this Section. All maintenance and repair work must be performed in a good and workmanlike manner, in accordance with manufacturer and industry standards and specifications in order to keep MCI Service operating within Specifications. MCI may charge Nasdaq At Cost for mutually agreed-upon equipment replacement or repair only to the extent replacement or repair costs are attributable to: (1) damage or loss due to negligence, misuse or abuse; (2) failure to provide the same operating environment as at Installation (including but not limited to the failure to provide the same electrical power, or conditioning, or humidity control); (3) unauthorized alterations; (4) attachments of equipment to Separable Components in violation of MCI prior provided specifications; or (5) movement of Separable Components not authorized by MCI.

24.2. MCI Service coverage, which includes hours for remote monitoring, hours for on-site NCC coverage at Nasdaq Data Centers, and hours for performance measurement (PPM), is detailed in Attachment 9.

24.3. In the event of a situation that makes a Corporation data center inoperable or unusable for any period of time, Nasdaq may request MCI to provide connectivity to an alternate data center as expediently as possible At Cost. MCI will provide support to such alternative data center 24 hours a day, seven days a week At Cost.

24.4. Nasdaq shall provide MCI reasonable access to any Nasdaq premises to permit MCI to respond to a service call or to perform preventive maintenance during the hours permitted by Nasdaq. Nasdaq shall assist, at the request of MCI, in attempting to arrange reasonable access to a Subscriber premises to permit MCI to respond to a service call or to perform preventive maintenance. During the time a Subscriber denies MCI reasonable access, MCI's obligations under the Performance Remedies and Liabilities Section are suspended for affected Router/Hub Ports.

* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

24.5. After completion of work, MCI shall insure that the exterior of Components and the surrounding areas are clean and that all discarded parts, supplies and other waste is removed from the premises. In any maintenance or repair MCI shall use only replacement parts that perform to at least the manufacturers' specifications of the replaced item when new.

24.6. Except for the uses and accesses contemplated by this Agreement, at no time will Nasdaq (including the Corporations) personnel, agents, subcontractors or any other entity under Nasdaq's control, intentionally make an unauthorized use, unauthorized access, or interfere with, download, disassemble or otherwise perform unauthorized manipulation of, any MCI Components (including, but not limited to, DECmcc, Circuit View work stations, TMS, COMS, NETPRO) used to provide the MCI Service except with the express authorization and under the direction of MCI. Except for cables at a Subscriber's premises, at no time will MCI personnel, agents, subcontractors ,or any other entity under MCI's control, intentionally use, access, interfere with, download, disassemble, or otherwise manipulate, any Nasdaq hardware or software except with the express authorization of Nasdaq (e.g., to enable MCI to resolve trouble tickets). The Corporations shall not reverse engineer or decompile any MCI provided software. Nasdaq agrees to provide a notice to the Subscribers of a mutually agreeable text provided by MCI informing the Subscribers, the Corporations, its agents, subcontractors or any entity under its control, that they shall not violate the terms of this provision. MCI shall have the right, upon providing Nasdaq reasonable advance notice, to correct, deinstall, or restore any MCI Component which Nasdaq, the Corporations or any Subscriber has disassembled, manipulated or otherwise modified without MCI's prior express authorization or direction. Nasdaq shall reimburse MCI for the cost of any such correction, deinstallation or restoration.

Section 25. ***** *

Section 26. Progress Meetings and Reports.

26.1. Until completion of Installation of the sites in Attachment 6, MCI and Nasdaq representatives (including one management level representative able to discuss status, resolve problems, and accept responsibility for completion of action items from each of: the MCI International Data Networks Group (or its successor(s)) and MCI Project Management) shall meet once a week in person or by conference call. MCI must produce before the meeting, a written progress report outlining status and known material problems. MCI shall produce, before the next meeting, minutes and a list of action items coming out of each meeting.

26.2. During the effectiveness of this Agreement, MCI and Nasdaq representatives (including one management level representative able to discuss status, resolve problems, and accept responsibility for completion of action items from each of: the MCI Network Operations; and Project Management) shall meet in person or by conference call once every other week or as mutually agreed to by the Parties. MCI shall produce, before the next meeting, minutes and a list of action items coming out of each meeting.

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Section 27. Regulatory Responsibilities.

27.1. MCI shall not be responsible for obtaining any necessary Securities and Exchange Commission approvals, but shall cooperate with Nasdaq in such, as requested.

27.2. Nasdaq shall not be responsible for obtaining any necessary Federal Communication Commission, state or other applicable regulatory authority or approvals for MCI Service, but shall cooperate with MCI in such, as requested.

27.3. MCI understands that the MCI Service, the Corporations, and the Corporations' ability to perform obligations under this Agreement are subject to the Securities Exchange Act of 1934, and the jurisdiction of the Securities and Exchange Commission and other regulatory bodies. In the event a rule, regulation, or final decision of a court or regulatory body having jurisdiction over Nasdaq (or the Corporations) has the effect of substantially inhibiting Nasdaq's use of the MCI Services (by, for example, prohibiting Nasdaq from providing its trading network services to the Subscribers), then Nasdaq may terminate this Agreement upon Notice to MCI without liability for the Revenue Commitment. If acts or omissions of MCI in connection with its performance of this Agreement were not a reasonable and substantial cause of such rule, regulation or final decision leading to such termination, Nasdaq shall be liable to MCI for an amount (which the parties agree is reasonable) equal to MCI's reasonably unavoidable reasonable out of pocket costs and expenses incurred in performing this Agreement through the effective date of such termination and including any reasonable costs incurred thereafter in winding down plus (ii) a reasonable amount of profit in respect of the MCI Services rendered through the effective date of such termination. For the purpose of this provision, a reasonable profit shall be calculated using MCI's pre-tax profit margin averaged over the two (2) quarters preceding such termination (exclusive the effects of any extraordinary items). The parties will agree on a reasonable schedule for payment of the amounts described above. If within 60 days of such termination event the parties are unable to agree on such amount and/or schedule, then either party may commence an arbitration under the arbitration procedures of this Agreement for the purpose of resolving the dispute.

27.4. Nasdaq understands that the MCI Service, MCI and MCI's ability to perform obligations under this Agreement are subject to the Communications Act of 1934, and the jurisdiction of the Federal Communications Commission and other regulatory bodies. In the event a rule, regulation, or final decision of a court or regulatory body having jurisdiction over MCI has the effect of substantially prohibiting MCI from providing MCI Services, MCI may terminate this Agreement upon written Notice to Nasdaq without liability under the provisions of the Termination Section of this Agreement, but subject to the provisions of Section 18.4. If acts or omissions of MCI in connection with its performance of this Agreement were a reasonable and substantial cause of such rule, regulation or final decision leading to such termination, then MCI shall pay Nasdaq an amount (which the parties agree is reasonable) for Nasdaq's reasonable costs to migrate to a new service or carrier.

27.5. MCI and Nasdaq understand that a Subscribers ability to perform obligations under this Agreement are subject to the Securities Exchange Act of 1934, the jurisdiction of the Securities and Exchange Commission, the Securities Investors Protection Corporation (SIPC), and other regulatory bodies.

Section 28. Tariff.

28.1. ***** *

28.2. *****

28.3. *****

Section 29. Term and Termination.

29.1. The initial term of this Agreement shall run for a period of 6

years, commencing with the Effective Date, unless terminated or canceled earlier by either party in accordance with the provisions hereof. At the conclusion of the 6 year period, this Agreement shall then automatically renew for successive 6 month terms until a party gives Notice of termination to the other not later than the beginning date of the next 6 month term.

29.2. In the event a party breaches a material obligation under this Agreement, the other party may provide Notice of such breach and proposed termination. The party receiving the Notice shall have 60 days from the receipt of such Notice to cure the stated breach (except where this Agreement expressly provides for an alternate cure period). If the party has not cured the breach within the applicable cure period, the non-breaching party may then give a Notice of termination.

29.3. Except for a termination for Nasdaq's breach of Section 3.2(iv), within 60 days of the date of the termination or cancellation Notice, the parties shall agree on a plan (the "De-installation Plan"), which shall include Regional de-installation, and continuation of other obligations--including network management--for a period of eighteen (18) months after the end of the last term, and which shall take into account changes in the Specifications which may reasonably be expected to be appropriate as the MCI Services are discontinued pursuant to such plan. If the parties have not reached agreement on a De-installation Plan within this 60 day period, either party may initiate arbitration procedures. Unless otherwise agreed by the parties, the arbitrator(s) shall hear the matter and produce a De-installation Plan within 60 days of the arbitration.

29.4. The parties agree that each of the following events, by way of example and not limitation, shall constitute a material breach of this Agreement: (i) Nasdaq failure to pay or to secure payment of MCI charges in accordance with its rights and obligations under Section 3.2; (ii) if either party becomes insolvent, makes an assignment for the benefit of creditors, files a voluntary petition or has an involuntary petition filed or action commenced against it under the United States Bankruptcy Code, or any similar federal or state law, becomes the subject of any proceedings related to its liquidation, insolvency or for the appointment of a receiver or similar officer for it, makes an assignment for the benefit of all or substantially all its creditors, or enters into an agreement for the composition, extension, or readjustment of all or substantially all of its obligations and such event is not cured within thirty (30) days of its occurrence; (iii) if MCI materially breaches a material obligation under a material agreement with a third party (and fails to cure such breach in accordance with the terms of such agreement) which is reasonably required in order for MCI to meet its obligations hereunder; or (iv) if either party assigns this Agreement in violation of the provisions of Section 32.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

29.5 MCI may not cease the provision of MCI Service in whole or in part prior to the end of the term or during the De-installation Plan period described in Section 29.3 unless in accordance with Section 40.3 or one of the following occurs:

(a) Nasdaq has breached its obligations under Section 3.2 (iv) and has failed to cure such breach in accordance with the terms of Section 3.2(iv); or

(b) Nasdaq or the Corporations are in material breach of any material obligations (other than payment as described in Section 3.2(iv)) which Nasdaq or the Corporations have failed to cure after receiving Notice of breach and of proposed termination as required under Section 29.2 of this Agreement and MCI has applied for and obtained from a court of competent jurisdiction an order permitting it to terminate provision of the MCI Service in part or in full, with the court having considered (i) the balance of hardships from the termination of the MCI Service on MCI and Nasdaq, (ii) MCI's likelihood of success on the merits on its claim of material breach, and (iii) public interest factors. MCI shall serve on Nasdaq all appropriate pleadings to support MCI's application for an order to terminate provision of the MCI Service in such time that Nasdaq can timely object to MCI's request for such an order.

Section 30. [Not Used]

Section 31. [Not Used]

Section 32. Subsequent Parties; Limited Relationship. The obligations under this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective permitted successors, or assigns. MCI shall not assign or transfer (including by operation of law) this Agreement without the prior written consent of Nasdaq. Nasdaq shall not assign this Agreement, without written consent of MCI, except to another of the Corporations. Nothing in this Agreement, express or implied, is intended to or shall (a) confer on any person other than the parties hereto (and any of the Corporations), or their respective permitted successors or assigns, any rights to remedies under or by reason of this Agreement; (b) constitute the parties hereto partners or participants in a joint venture; or (c) appoint one party the agent of the other.

Nasdaq hereby consents to MCI's right to assign its right to that portion of the payments due under this Agreement which are allocable to the Separable Components (the "Component Payments") to the entity holding an

ownership interest in the Separable Components (the "Assignee"), provided that, MCI shall remain liable for all its obligations not assigned hereunder. In the event that MCI or Nasdaq is in default under this Agreement or MCI is in default under its agreement with the Assignee and this Agreement is terminated, and Nasdaq has determined that it will retain use of the Separable Components under Section 18.4, then the Assignee may at any time direct Nasdaq by written Notice to make future Component Payments directly to such Assignee. Upon receipt of such Notice, Nasdaq shall thereafter make all Component Payments directly to the Assignee, at such location specified by the Assignee, free of any claim, counterclaim, recoupment, reduction, defense or offset with respect to MCI or any other person or entity other than Assignee, all of which Nasdaq hereby expressly waives with respect to Assignee, but reserves as to MCI.

The Assignee shall not be entitled to recover from Nasdaq any payments made by Nasdaq to MCI in good faith before Nasdaq's receipt of the Assignee's Notice described herein.

Upon assignment to a Corporation, Nasdaq shall notify MCI no later than 10 days following the assignment, cause such Corporation entity to expressly undertake, or by law undertake, Nasdaq's obligations (including those related to Components) to the extent of the assignment and deliver to MCI (within 15 days of delivery of the Notice of assignment to MCI) or its Assignee a guarantee of payment (in a form reasonably acceptable to MCI or its Assignee) of all charges which may be incurred by such Corporation under this Agreement. Upon Notice to Nasdaq of a breach of its obligation to cause a Corporation to undertake Nasdaq's obligations or to deliver an acceptable guarantee to MCI or the Assignee, Nasdaq shall have a 30 day cure period.

Any unpermitted assignment, pledge, mortgage, or encumbrance of this Agreement, MCI Service, or any Component shall be void from its inception and shall not release the assigning party from its obligations under this Agreement.

Section 33. [Not used.]

Section 34. Test Bed. The terms for DEV NET II are contained in Attachment 13 hereto.

Section 35. Documentation. Subject to its finalization and acceptance by MCI during the term of this Agreement, MCI shall provide to Nasdaq the documentation described in Attachment 10 (the "Technical Documentation"). The Technical Documentation shall be deemed the Confidential Information of MCI pursuant to Section 43 of this Agreement.

Section 36. Security/Capacity/Disaster Recovery Matters.

36.1. MCI shall have, during the effectiveness of this Agreement, up-to-date documentation of the physical configuration of the Network, including Installed locations, detailed information about all Components (including circuit routes), as well as documentation of MCI's disaster recovery and security mechanisms and contingency plans. MCI shall give Notice of any alteration in an MCI Service security mechanism or disaster recovery plan.

36.2 MCI shall permit Nasdaq (including its agent or appropriate governmental representative), as required by its board, a court, or a governmental authority with jurisdiction over the Corporations (e.g. the Securities and Exchange Commission or the General Accounting Office) to make physical inspections of the premises housing physical Components of the Network, with reasonable Notice during normal business hours for the purpose of reviewing MCI Service (including capacity, security, Availability, integrity, privacy, and similar topics). MCI shall also make available to such persons reasonable access during normal business hours to MCI technical personnel and documentation to answer questions relating to past, present and future MCI Service (including capacity, security, Availability, integrity, privacy, and similar topics). MCI shall also reasonably cooperate with Nasdaq in compiling data for submissions required by regulatory authorities (e.g., SEC Automation Review Policy filings) or for Nasdaq internal system and Network planning purposes.

36.3. Nasdaq shall permit MCI (including its agent or appropriate governmental representative), as required by a court, or a governmental authority with jurisdiction over MCI (e.g. the FCC or an applicable state commission) to make physical inspections of the Corporations' premises housing physical Components of the Network, with reasonable Notice during normal business hours for the purpose of reviewing MCI Service (including capacity, security, Availability, integrity, privacy, and similar topics). Nasdaq shall also make available to such persons reasonable access during normal business hours to Nasdaq technical personnel and documentation to answer questions related to past, present, and future MCI Service (including capacity, security, Availability, integrity of data, privacy, and similar topics).

36.4. Each party shall give Notice to the other party of the names of the Network security/disaster recovery points of contact. In the event of disaster or security breach, each point of contact shall be the person responsible for coordinating and directing action by that party to resolve a security breach or disaster. These points of contact shall periodically stage mutually agreed upon Network tests of the disaster recovery plans and test response to security breaches; and MCI shall provide prompt Notice to Nasdaq of the results of each test and each response. MCI agrees to support, as required, the monthly (maximum) testing of Nasdaq's disaster recovery and security testing scenarios. MCI shall promptly provide Notice to Nasdaq of any security breach that did or potentially could impact the MCI Service and MCI's response.

Section 37. Survival of Provisions. The obligations of the Payment,

Confidentiality, Use of Nasdaq/MCI name and Marks, Indemnification, Limitation of Liability, Arbitration sections of this Agreement, any warranties, and any other provisions which by their nature are intended to survive shall survive the completion of performance, expiration or any termination of the Agreement.

Section 38. [Not used]

Section 39. Use of Nasdaq/MCI name and Marks. MCI and its affiliates shall not use the names National Association of Securities Dealers, Inc., NASD, Inc., Nasdaq, Inc., NASD Regulation, Inc., Nasdaq International Market Initiatives, Inc., or NASD, Nasdaq, or NIMI (or the corporate names of other affiliates of Nasdaq) in any advertising or promotional media without the prior written consent of Nasdaq. MCI and its affiliates shall not use any trademark or service mark of the Corporations, registered or unregistered, without prior written consent of Nasdaq. Nothing in this Agreement shall grant Nasdaq (including the Corporations) the right to use any trademark or service mark, trade name or confusingly similar mark of MCI and/or its affiliates or refer to MCI and/or its affiliates directly, or indirectly, in connection with any product, service, promotion or advertising without MCI's prior written approval. MCI understands that the imposition of this requirement may cause Nasdaq to delete reference to MCI and/or its affiliates in its communications about MCI Service to Subscribers, the Corporations, and their employees, directors, subcontractors, and other agents. Nasdaq shall advise the Corporations and Subscribers in writing not to use the names of any subcontractor of MCI and/or its affiliates, in advertising or promotional media in describing this Agreement or the work hereunder, without that entity's consent.

Section 40. Intellectual Property Indemnification.

40.1 (A) MCI, at its expense, will indemnify, defend and hold harmless any and all of Nasdaq, the Corporations, Subscribers and their respective officers, directors, employees, and agents (collectively "Nasdaq Indemnitees") as to any third party claim, action, suit, or other proceeding ("Claim") alleging that the MCI Service or any portion or Component thereof provided hereunder by MCI to any of the Nasdaq Indemnitees infringes any patent, copyright, trademark, or other proprietary right, or constitutes misappropriation of a trade secret right, arising under the laws of the United States, Canada or Mexico (hereinafter collectively the "Primary Market").

(B) As to any Claim alleging that the MCI Service or any portion or Component thereof provided hereunder by MCI to any of the Nasdaq Indemnitees infringes any patent, copyright, trademark, or other proprietary right or constitutes misappropriation of a trade secret right, arising under the laws of a country not within the Primary Market:

(1) where MCI directly provides the MCI Service in the country in which the right which is the subject of the Claim arises, then MCI shall, at its expense, defend, indemnify and hold harmless the Nasdaq Indemnitees from and against such Claim; and

(2) where MCI provides the MCI Service through a third party and not directly by MCI in the country in which the right which is the subject of the Claim arises, then the defense and indemnity and hold harmless for such Claim available to the Nasdaq Indemnitees shall be only that which MCI is able to pass through from such third party ("Pass Through Indemnities"), provided that (i) it is MCI's policy as of the Effective Date in contracting with such third parties to request that such parties provide the indemnify, defense and hold harmless reference above, (ii) in the event MCI ever changes such practice MCI will promptly inform Nasdaq in writing, and (iii) as to any country outside of the Primary Market, Nasdaq shall have the right to inquire as to whether MCI is providing the MCI Service through a third party, and if so, MCI shall promptly provide Notice to Nasdaq in writing as to the existence, nature and the extent any material limitations on such Pass Through Indemnities.

(C) With respect to any indemnification obligations set forth in 40.1(A) and 40.1(B) above as to which MCI is directly providing the indemnity, MCI will indemnify and hold harmless the Nasdaq Indemnitees for damages finally awarded against any of them or agreed to by MCI in settlement of such Claim, and for any and all reasonable costs incurred by the respective Nasdaq Indemnitee(s) in connection with such Claim; provided, MCI shall have the exclusive right to defend, countersue, or settle any such Claim and to collect all damages, costs, fees, and other charges awarded from any such Claim.

40.2 (A) Notwithstanding anything to the contrary in Section 40.1, MCI shall have no obligation to defend or indemnify any Nasdaq Indemnitee for any Claim to the extent arising out of or directly relating to: (i) detailed technical designs or specifications dictating the manner in which the MCI Service is implemented or designed, which designs or specifications are provided by a Nasdaq Indemnitee (provided the foregoing shall not apply if MCI knows that such designs or specifications are infringing or to any infringements resulting from a choice by MCI of a means of meeting the detailed technical designs or specifications when a noninfringing choice was known to MCI); (ii) modifications made directly to the MCI Service by any Nasdaq Indemnitee or its third party agent, other than modifications

made by or with the written consent of MCI or its third party agent (or oral consent confirmed in writing), (iii) use of the MCI Service by any Nasdaq Indemnitee in combination with any other products, software, services or documentation not provided by MCI, if an element of such Claim is based upon products, software, services or documentation not provided by MCI; (iv) sale or other provision of the MCI Service by any Nasdaq Indemnitee to third parties, or (v) Nasdaq Indemnitee transmitted content, data, or other information.

(B) Nasdaq shall defend, indemnify and hold MCI and all of its affiliates and their respective officers, directors, employees, and agents (collectively "MCI Indemnitees") harmless from and against any such claims covered by the exclusions set forth in 40.2 (A) (i), (ii), (iv) and (v) above.

(C) With respect to any indemnification obligations set forth in 40.2(B) above as to which Nasdaq is directly providing the indemnity, Nasdaq will indemnify and hold harmless the MCI Indemnitees for damages finally awarded against any of them or agreed to by Nasdaq in settlement of such Claim, and for any and all reasonable costs incurred by the respective MCI Indemnitee(s) in connection with such Claim; provided, Nasdaq shall have the exclusive right to defend, countersue, or settle any such Claim and to collect all damages, costs, fees, and other charges awarded from any such Claim.

40.3 If any Nasdaq Indemnitee's use of MCI Service is enjoined or otherwise prohibited, or if MCI reasonably believes that there exists a threat of the same, MCI shall as fast as is practicable, at its expense: (i) obtain for the Nasdaq Indemnitee the right to continue to use the affected MCI Service; (ii) replace the affected MCI Service with a non-infringing service that conforms to the requirements of this Agreement; or (iii) modify the affected MCI Service so that it becomes non-infringing and otherwise conforms to the requirements of this Agreement. The election among the foregoing remedies shall be at MCI's sole discretion.

40.4 MCI hereby agrees to promptly provide Notice to Nasdaq in writing of any and all motions or other pleadings served on MCI by third parties seeking injunctive relief which, if granted, would adversely and materially affect the MCI Service. In such case, MCI shall give Nasdaq the opportunity, at Nasdaq's option, to assist MCI in defending against such motion or other pleading and to assist MCI in any negotiations related to the settlement of such motion or other pleading.

40.5 In any case where MCI or a third party providing a Pass Through Indemnity fails to perform under Sections 40.1 (A) or (B), Nasdaq shall bear no liability to MCI and its affiliates for any action(s) it may take in good faith in the defense, pursuit, settlement or enforcement with respect to such Claim(s). In such event, MCI shall provide reasonable information and assistance to Nasdaq in the defense of such Claim(s), and such information and assistance will be provided at MCI's expense. In any case where Nasdaq fails to perform under Section 40.2(B), MCI shall bear no liability to Nasdaq and the Corporations for any action(s) it may take in good faith in the defense, pursuit, settlement or enforcement with respect to such Claim(s). In such event, Nasdaq shall provide reasonable information and assistance to MCI in the defense of such Claim(s), and such information and assistance will be provided at Nasdaq's expense. In any case involving the MCI Service where MCI does not owe the Nasdaq Indemnitees an obligation to defend, indemnify and hold them harmless, the Nasdaq Indemnitees shall bear no liability to MCI and its affiliates for any action(s) the Nasdaq Indemnitees may take in good faith in the defense, pursuit, settlement or enforcement of such Claim(s). In all such cases, however, MCI shall provide reasonable information and assistance to the Nasdaq Indemnitees in the defense, pursuit, settlement, and enforcement of such Claim(s), and such information and assistance will be provided at the Nasdaq Indemnitees' expense. In any case involving a Claim arising under Section 40.2(A)(iii) where Nasdaq does not owe the MCI Indemnitees an obligation to defend, indemnify and hold them harmless, the MCI Indemnitees shall bear no liability to Nasdaq and the Corporations for any action(s) the MCI Indemnitees may take in good faith in the defense, pursuit, settlement or enforcement of such Claim(s). In all such cases, however, Nasdaq shall provide reasonable information and assistance to the MCI Indemnitees in the defense, pursuit, settlement, and enforcement of such Claim(s), and such information and assistance will be provided at the MCI Indemnitees' expense.

40.6. THIS SECTION SETS FORTH THE SOLE AND EXCLUSIVE REMEDIES OF THE NASDAQ INDEMNITEES AND THE MCI INDEMNITEES, RESPECTIVELY, AND THE ENTIRE OBLIGATION AND LIABILITY OF MCI AND NASDAQ, RESPECTIVELY, AS TO ANY CLAIMS OF INFRINGEMENT OR MISAPPROPRIATION OF THIRD PARTY RIGHTS IN CONNECTION WITH THIS AGREEMENT.

Section 41. General Indemnification. Each party agrees to indemnify and hold harmless the other (including the other's affiliates and their respective employees, officers, directors, and agents) and against any damages finally awarded and the reasonable costs and expenses incurred by the indemnified party (including reasonable attorney's fees) and arising out of any third party claim, suit, litigation or proceeding alleging that the acts or omissions of the indemnifying party in the performance of this Agreement proximately caused personal injury to (including personal injury resulting in death) or damage to tangible real or personal property of such third party.

Section 42. Indemnification Procedure.

Except as set forth to the contrary in Section 40.4 and 40.5, any right to indemnification is conditioned on: (1) prompt Notice of the claim after the party to be indemnified becomes aware of the claim (in a time frame that does not prejudice the defense of the claim); (2) reasonable information and assistance by the indemnified party as required to settle,

defend, or bring a counter suit in conjunction with any claim, but at the expense of the indemnified party; and (3) the indemnifying party retaining sole authority to defend or settle the claim, provided that the indemnified party's cooperation is without waiver of that party's (including the Corporations') attorney-client, work product, or other legal privilege. The indemnifying party shall provide the indemnified party with periodic updates as to the status of any claim, provided that any such updates shall be Confidential Information under this Agreement and that the indemnifiying party shall not be obligated to privide any information in any fashion that could violate, destroy or threaten the subsequent assertion of any privilege otherwise available to the indemnifying party or any third party in connection with such claim. Notwithstanding the foregoing, the failure of an indemnified party to undertake any of the foregoing actions shall not relieve the indemnifying party of its indemnity obligation except to the extent that the indemnifying party's ability to fulfill such obligation has been materially prejudiced thereby. The provisions of this Section 42 shall apply to both Claims arising under Section 40 as well as claims arising under Section 41.

Section 43. ***** *

Section 44. Force Majeure. Either party shall have an extension of time to perform any obligation under this Agreement (except for the preexisting obligation(s) to pay moneys due hereunder) when prevented by causes (such as labor disputes, strikes, Acts of God, floods, earthquakes, casualty, war, acts of public enemy, riots, embargoes, regulations of a governmental authority with jurisdiction of the party--including the Corporations) that are not its fault and are beyond its control. Such extension shall continue during the pendency of the force majeure event, as long as the party whose performance is affected is using not less than all reasonable efforts under the circumstances to overcome the effects of the force majeure event. In the event the party claiming force majeure cannot overcome the effects of the force majeure by employment of such efforts, then the parties may negotiate a mutually agreeable alternative means to overcome the effects of the force majeure, provided that such agreement shall include any equitable adjustment of the charges applicable to MCI Service hereunder as appropriate to compensate for any additional costs which may be incurred to implement the agreed alternative. In the absence of any such agreement, Nasdaq have a right to terminate this Agreement without further liability to MCI (except for charges incurred prior to the effectiveness of such termination) if the event of force majeure continues for a period of twenty (20) consecutive days and MCI shall have a right to terminate this Agreement without further liability to Nasdaq (except for charges incurred prior to the effectiveness of such termination) if the event of force majeure continues for a period of sixty (60) consecutive days.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Section 45. Arbitration and Applicable Law. Unless the parties agree upon another arbitration forum, any claim, dispute, controversy or other matter in question (Dispute) arising out of or relating to this Agreement or the breach thereof, shall be settled by final, binding, arbitration to be held in New York City, New York, in accordance with the then effective Commercial Arbitration Rules of the American Arbitration Association, or their successor. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. A party shall initiate arbitration by giving Notice to the other of a demand for arbitration. The parties shall attempt to meet within 20 calendar days of the Notice to resolve the Dispute and attempt to agree on a single arbitrator. In the absence of such agreement, each party will provide Notice to the other of the name of one arbitrator within another 10 calendar days. After these two arbitrators are named, the two arbitrators will select a third within 10 calendar days. Parties may enforce the arbitration duties and subsequent awards in a court of law. The arbitrator shall have no power or authority to make awards or issue orders of any kind prohibited by this Agreement.

Section 46. Security Regulations. MCI personnel will be instructed to comply with security regulations pertinent to each Corporation or Subscriber location and any oral security instructions or demands of that location's personnel. MCI personnel, when deemed appropriate by Nasdaq in its sole discretion, will be issued a visitor identification card by Nasdaq. Such cards will be surrendered by MCI personnel upon demand by Nasdaq and without further demand upon expiration or termination of this Agreement. MCI shall not attempt to gain access to restricted areas, to systems, or to Confidential Information in the possession of the Corporations or Subscribers beyond the access permitted by that entity.

Section 47. Entire Agreement. This document, the Attachments, and the Specifications (collectively the Agreement) constitute the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior negotiations, communications, writings and understandings. In the event of a conflict between the Specifications and this document (including the Attachments), the terms of this document shall prevail.

Section 48. Governing Law. As to MCI's rights and obligations hereunder, this Agreement shall be deemed to have been made in the State of New York and shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by the Communications Act of 1934, as amended, and all applicable orders, rules, decisions, and regulations under such act, and to the extent such act is not applicable, by the laws of the State of New York, without reference to principles of conflicts of laws thereof. As to Nasdaq's rights and obligations hereunder,

this Agreement shall be deemed to have been made in the State of New York and shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by as amended, and the Securities Exchange Act of 1934, as amended, and all applicable orders, rules, decisions, and regulations under such act, and to the extent such act is not applicable, by the laws of the State of New York, without reference to principles of conflicts of laws thereof. The parties hereby consent to submit to the jurisdiction of the courts of the State of New York in connection with an action or proceeding instituted relating to this Agreement. In the event of any conflict between construction and enforcement under the Communications Act of 1934 and the Securities Exchange Act of 1934, the matter shall be decided by applying the construction that most closely appears to effect the intentions of the parties as evidenced by the remainder of this Agreement.

Section 49. Authorization. This Agreement shall not be binding upon a party unless executed by an authorized officer of that party. MCI, Nasdaq, and the persons executing this Agreement represent that such persons are duly authorized by all necessary and appropriate corporate or other action to execute the Agreement on behalf of MCI and Nasdaq.

Section 50. Headings. Section headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

Section 51. Amendment, Waiver, and Severability.

51.1. Except as otherwise provided herein, no provision of this Agreement may be amended, modified, or waived, unless by an instrument in writing executed by MCI and an officer of Nasdaq.

51.2. No failure on the part of Nasdaq or MCI to exercise, no delay in exercising, and no course of dealing with respect to any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege under this Agreement.

51.3. If any of the provisions of this Agreement, or application thereof to any person or circumstance, shall to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which they are held invalid or unenforceable, shall not be affected thereby and each such term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 52. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

Section 53. Attachments. The following attachments are incorporated into and made part of this Agreement:

ATTACHMENT 1 - The RFP
ATTACHMENT 2 - The Response
ATTACHMENT 3 - Pricing and Service Intervals
ATTACHMENT 4 - Legal Actions - MCI
ATTACHMENT 5 - Legal Actions - Nasdaq
ATTACHMENT 6 - Test and Acceptance Criteria
ATTACHMENT 7 - Performance Remedies
ATTACHMENT 8 - Repair Criteria
ATTACHMENT 9 - Service Coverage
ATTACHMENT 10 - EWN II Documentation
ATTACHMENT 11 - Appendix F
ATTACHMENT 12 - Sample PD Report
ATTACHMENT 13 - DEV Net II

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

The Nasdaq Stock Market, Inc. (Nasdaq),

By

Name

Title

MCI Telecommunications Corporation (MCI),

By

Name

Title

ATTACHMENT 1
THE RFP

ATTACHMENT 2
THE RESPONSE

ATTACHMENT 3

PRICING AND SERVICE INTERVALS

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

ATTACHMENT 4
LEGAL ACTIONS - MCI

NONE

ATTACHMENT 5
LEGAL ACTIONS - NASDAQ

NONE

ATTACHMENT 6
TEST AND ACCEPTANCE CRITERIA

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

ATTACHMENT 7
PERFORMANCE REMEDIES MATRICES
AND FLOW CHARTS

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Attachment 7
EWNII
Performance Remedy
Single T-1 Configuration
(Availability - Hours/Circuit)

Attachment 7
EWNII
Performance Remedy
(Availability - Hours/Circuit)
(Chronic)

Attachment 7

NETWORK RESPONSE TIME

Attachment 7

RBS

Attachment 7

Installation Remedy

*****

ATTACHMENT 8
REPAIR CRITERIA

The repair of a failed EWN II T-1 local loop will be coordinated by MCI Operations and will follow Digital Data Network (DDN) repair requirements for a Digital Data Service (DDS) Circuit. The DDS stress testing procedures are outlined in MCI's Private Line Handbook (MCIT 040 450 4025) which may change from time to time, in the DDS Section. The DDS Stress test duration is 25 minutes, and must pass strict testing objectives as outlined in the Private Line Handbook.

The repair of a EWN II Customer Premise router and/or hub (collectively referred to as CPE) will be conducted by the operations personnel located at the EWN II Network Control Center (NCC). Router testing will be conducted via NCC Management Platforms utilizing test procedures customary and reasonable within the industry to verify proper router configuration, and confirm that it is a reachable entity within the Network.

ATTACHMENT 9
SERVICE COVERAGE

Principal Period of Maintenance (PPM) the time periods used for the Performance Remedy measurements are Monday through Friday, 7:00 a.m. to 7:00 p.m. eastern standard/daylight time, for all sites Network-wide.

Staff On Site MCI will provide staffing in Rockville, MD and Trumbull, CT, Monday through Friday, 7 a.m. to 11:30 p.m. eastern standard/daylight time, to provide Network monitoring, maintenance and support of the MCI Service.

Remote Monitoring MCI will provide remote monitoring for all hours that MCI does not provide on-site staffing in Rockville, MD and Trumbull, CT, to provide Network Management support from the Global Network Management Center (GNMC).

ATTACHMENT 10
EWN II DOCUMENTATION

1. Functional Specification Document
2. IP Address Scheme Document
3. Domain Name Service Document
4. Logical Topology Document
5. Installation Test Plans
6. NMS Functional Specification Document

ATTACHMENT 11
APPENDIX F

ATTACHMENT 12
NASDAQ SAMPLE PD REPORT

ATTACHMENT 13
DEV NET II

The parties agree that MCI will provide a development network ("DEVnet II") that will not be connected to the Network which will permit MCI, its subcontractor Digital Equipment Corporation and Nasdaq to test applications, Components and simulations of the Network pursuant to specifications to be provided to MCI by Nasdaq.

Notwithstanding anything in this Agreement to the contrary, the parties understand that MCI will use commercially reasonable efforts to create, maintain and support the DEVnet II, but its failure to do so shall in no way be deemed to be a material breach of this Agreement. Other than the performance credits specified in this Attachment 13, MCI will have no liability to Nasdaq with respect to DEVnet II, including its creation, maintenance, support or performance.

In the event of a dispute between the parties concerning the installation, performance or otherwise relating to DEVnet II, if Nasdaq chooses, the parties shall use their reasonable endeavors to settle such dispute in accordance with the following procedure:

(i) A party which considers that a dispute exists shall draw such dispute to the attention of the other party's representation as set forth below (or another of at least the same level), or their successor:

Nasdaq: ***** *

MCI: *****

(ii) If such dispute is not resolved within ten (10) days, or such other shorter time as Nasdaq identifies or such other longer time as the parties may mutually agree, such dispute shall be referred to

Nasdaq: *****

MCI: *****

(iii) If such dispute is not resolved within ten (10) days, or such other shorter time as Nasdaq identifies or such other longer time as the parties may mutually agree, such dispute shall be referred to

Nasdaq: *****

MCI: *****

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

CURRENT DEVNET II OBJECTIVES

The following is a description of the current objectives of DEVnet II:

1. Principal Period of Maintenance. The Principal Period of Maintenance ("PPM") for this network is Monday through Friday eastern standard/daylight time from 7:00 a.m. to 11:30 p.m. (5X16). Performance objectives will only be measured during the PPM. If a problem is reported or if problems with the system are detected outside of the PPM, the measurement hours begin at the start of the next PPM; otherwise the hours of measurement begin upon reporting or system detection of the problem.

2. Trouble Reporting. MCI will accept trouble reports twenty four (24) hours a day, seven (7) days a week, with repair efforts initiated and measured during the PPM. Trouble reports received outside of the PPM will be addressed on a reasonable efforts basis. Corrective action underway at

the close of the PPM will be continued upon NASDAQ's request, at an additional cost to NASDAQ; otherwise, problems unresolved at the close of the PPM will be re-addressed at the beginning of the PPM.

3. Network Monitoring. NCC will actively monitor the performance of DEVnet II from its Trumbull, Connecticut location from Monday through Friday during the hours of 7:00 a.m. to 11:30 p.m. eastern standard/daylight time.

4. DEVnet II Network Availability Objective. DEVnet II Network Availability will be measured over a twelve (12) month rolling period with results reported on a monthly basis and will be measured from the LAN at the Data Center to the router port at the Nasdaq premises:

a. DEVnet II Network Availability = Total Time during the PPM minus Down Time / Total Time during the PPM

b. DEVnet II Network Availability Objective : 98.80%

5. Network Response Time. Network response Time for DEVnet II is equal to the time it takes an IP Datagram to leave the source node, traverse the backbone components, and return to the source node. This does not include response time of NASD provided components. MCI will measure response time for interactive (query/response) traffic as noted above. The source node will be the NMS System at the Data Center. The destination node will be varied to produce a representative sample. The sample will occur at regularly scheduled intervals during both open and off market hours. The sample packet size will be 177 bytes. Response time will be reported regularly, based on hourly averages for both open and off market hours. The goal is an average of 750 milliseconds.

6. Variability of Broadcast. The definition of variability of broadcast is measured by RBS (DECrbs) based upon embargo time, release time, and a 500 millisecond window at the INP closest to the NASD user. RBS (DECrbs) determines the variance and if the 500 millisecond is exceeded an SNMP element (variability counter is set). An alarm will be defined to check the counter and report when the variability window has been exceeded. MCI will collect the number of broadcasts periodically that exceed the 500 millisecond window and tabulate a daily total of broadcasts that are outside of the 500 millisecond specification. The out of specification count will then be divided by the total messages for the day to derive the percentage of messages that did not meet specification. This percentage will not exceed one tenth of one percent (0.1%).

7. Mean Time to Repair. DEVnet II will be measured during the PPM at both the network and access circuit levels as follows:

Network: 8 Hours MTTR

Access Circuit: 4 Hours MTTR

8. Failure to Meet Network Availability Objectives.

(a) In the event that at the end of a month during the service term in which DEVnet II is implemented, actual DEVnet II Network Availability (as measured over a twelve (12) month rolling period) is less than the DEVnet II Network Availability Objectives provided in Paragraph 4 above (a "DEVnet II Performance Failure"), then MCI shall have a period of 60 days (the "Cure Period") to cause DEVnet II to operate at levels so that when measured at the conclusion of the Cure Period actual DEVnet II Network Availability (as measure over a twelve (12) month rolling period) is equal to or greater than the DEVnet II Network Availability Objectives. In the event that at the conclusion of the Cure Period, actual DEVnet II Network availability (as measured over a twelve (12) month rolling period) is less than the DEVnet II Network Availability Objectives, MCI shall credit to Nasdaq, as Nasdaq's sole and exclusive remedy resulting from or relating to the DEVnet II Performance Failure, the amount of $10,000 for the month in which the DEVnet II Performance Failure occurred. For purposes of calculating DEVnet II Network Availability on a rolling 12 month period only, availability for those months in which DEVnet II was not yet implemented shall be deemed to be equal to the DEVnet II Network Availability Objective.

Example 1:

(i) Actual DEVnet II Network Availability at the conclusion of month 14 (utilizing months 3-14) 99.00%

(ii) DEVnet II Network Availability Objective 99.80%

(iii) Actual DEVnet II Network Availability at the conclusion of Cure Period month 16 (utilizing months 5-16) 99.50%

(iv) Credit due for DEVnet II Performance Failure for month 14 $10,000

Example 2:

(i) Actual DEVnet II Network Availability at the conclusion of month 6 (utilizing months 1-6 and 6 months at 99.80%) 99.00%

(ii) DEVnet II Network Availability Objective 99.80%

(iii) Actual DEVnet II Network Availabilityat the conclusion of Cure Period (utilizing months 1-8 and 4 months at 99.80%) 99.85%

(iv) No Credit due for DEVnet II Performance Failure

(b) The above DEVnet II objectives have been established in concert with Nasdaq's operating criteria and requirements for this network, and have been mutually agreed to by both Nasdaq and MCI. These objectives have served as a design baseline and will also be used to measure and evaluate actual network performance. Other than as provided for in 8 (a) above, the performance objectives contained in this Attachment are not intended as a remedy for any other purpose.*****

CONSOLIDATED AGREEMENT

This Consolidated Agreement (Agreement) is being entered by and between The Nasdaq Stock Market, Inc. (Nasdaq or Customer), a Delaware Corporation that is a subsidiary of the National Association of Securities Dealers, Inc. (a Securities Self-Regulatory Organization, registered with the United States Securities and Exchange Commission and subject to the Securities Exchange Act of 1934) (NASD) (NASD and its affiliates are collectively referred to as the Corporations), whose principal place of business is located at 1735 K Street, N.W., Washington, D.C. 20006.

Unisys Corporation ("Unisys") will sell and license Products and services and Customer agrees to purchase and license those Products and services under the following terms and conditions:

1. Definitions

1.1. Software means the object code or microcode versions of computer programs and any related documentation, excluding maintenance diagnostics. Software also means the source code version where provided by Unisys.

1.2. Products means equipment, Software, documentation (including manuals and education materials) and Software maintenance releases and updates.

1.3. Software Processing Unit ("SPU") means equipment which controls and executes Software.

1.4. SURETY Support Services means various forms of installation and support for the Products.

1.5. Proprietary Information means Software, diagnostics, including manuals and any other information conspicuously marked and subject to confidential treatment hereunder of Unisys or its licensors.

1.6. Professional Services means all technical and consultative services other than SURETY Support Services.

1.7. Installation Date means the date Unisys Customer executes a Notice of Acceptance following installation and successful testing at Customer's site subject to the acceptance criteria in Attachment 1 hereto, or, if equipment or Software is to be installed by Customer, the tenth day following shipment.

2. Effective Date

This Agreement will become effective when signed by a duly authorized representative of Unisys and a duly authorized officer of Nasdaq and will continue in effect until terminated according to its terms. The Initial Term of this Agreement is for the period from the Effective Date until December 31, 1998. Unless Unisys gives 180 days Notice of voluntary termination to Customer prior to the end of the current term, this Agreement shall renew until December 31 of the next year. Unless Customer gives 60 days Notice of voluntary termination to Unisys prior to the end of the current term, this Agreement shall renew until December 31 of the next year. The terms of this Agreement apply to software licenses until they expire by their own terms.

3. Schedules - Ordering Procedure

3.1. Unisys will furnish to Customer and Customer will accept and pay for the Products and services itemized on the following schedules which, together with the terms on the Schedules, are an integral part of this Agreement.

Schedule	Name
A	Equipment Sale
B	SURETY Support Services
C	Software Licenses
D	Professional Services
Attachment 1	Acceptance Criteria
Attachment 2	Expansion Equipment
Attachment 3	Additional Terms

All references to Products and services in this Agreement are to the Products and services listed on the Schedules and on any Schedules submitted to and accepted by Unisys pursuant to Section 0 and to any Products and services supplied by Unisys with such listed Products and services.

3.2. Customer may order additional Products and services under this Agreement by submitting properly completed Unisys Supplemental Schedule Orders referencing this Agreement. All orders will refer to this Agreement by number and will be signed by Customer. All education lecture courses must be ordered on a Customer Education Enrollment Application. No preprinted term on any Schedule Order or on any purchase order form shall be binding on the parties.

3.3. All orders are subject to acceptance by Unisys. Acceptance by Unisys will be effective when communicated in writing to Customer. The receipt or deposit by Unisys of a Customer down payment will not constitute acceptance of an order. Any down payment received from Customer will be returned if the order is not accepted by Unisys.

3.4. If Unisys fails to deliver any order within ten (10) days of the date

and time reasonably requested in the order, Nasdaq, without waiving any other remedy available to it under law or this Agreement, may cancel the order upon 10 days notice with an opportunity to cure within the 10 days, or if the failure to deliver substantially impairs the value of the entire Agreement, terminate this Agreement.

3.5. Unisys may substitute Unisys Products of equivalent or superior functionality and performance in the event that any of the Products ordered are not available at the time of shipment. Unisys shall give Notice to Customer prior to such substitution and unless Unisys has obtained Customers consent to the substitution, Customer shall have fifteen (15) days after notification to cancel the order. Customer may make changes or request substitutions subject to Unisys consent, not unreasonably withheld, provided, that Nasdaq shall reimburse Unisys for out-of-pocket expenses directly resulting from the Customer requested change or substitution.

4. Delivery, Installation, and Acceptance

4.1. Unisys will arrange for delivery of Products and Customer will pay Unisys for transportation charges stated in the order letter. Customer will also pay for all non-standard cables and other site-specific installation materials required to install the equipment at Customer's site, provided, the Charges for Additional Work Section is complied with.

4.2. Unisys will provide Customer with one copy of the then-current user documentation, in paper or electronic form, for use with the Products ordered and Unisys will provide environmental specifications for equipment, where applicable. Prior to delivery of equipment, Customer will prepare the installation site in accordance with such specifications and will continue to maintain the installation site in accordance with such specifications.

4.3. Customer will install all items of equipment with the designation "Y" in the "Customer installable" column when there is no installation charge listed on Schedule A. Unisys will install all other items of equipment. Customer will install all items of Software other than those for which a fixed installation charge is indicated on Schedule C. All Products to be installed by Unisys will be installed during Unisys normal working hours, unless otherwise provided in this Agreement, or unless instructed by Customer. Any installation services provided outside of PPM shall be as stated in the applicable order letter.

4.4. Customer may arrange for installation by Unisys of Customer installable Products, subject to the Unisys charges and conditions applicable to Nasdaq under Schedule D. However, during Customer's PPM, the Unisys on-site maintenance engineer may provide above service without additional charge to Nasdaq in the event that all of the on-site engineer's primary responsibilities have been completed.

4.5. If additional labor and rigging is required for installation due to Customer's special site requirements, Customer will pay those costs including costs to meet union or local law requirements.

5. Payment

5.1. Invoices for Products will be sent upon shipment. Notwithstanding any statement in the invoice, payment of such invoices shall be due and owing to Unisys within 30 days after Acceptance, as defined in this Agreement. Unisys shall instruct its billing and collection and other personnel about the operative terms of this Agreement.

5.2. Charges for SURETY Support Services will be invoiced in advance, monthly, annually, or at other periodic intervals; otherwise, charges will be invoiced after the services are performed. Hourly use, page and remote service charges will be invoiced monthly unless otherwise indicated.

5.3. Charges for Professional Services will be invoiced monthly as the services are performed, or as otherwise provided in writing between the parties.

5.4. Except as provided in this Agreement, all charges must be paid no later than 30 days from the date of receipt of the invoice.

5.5. If Nasdaq has a bona fide dispute about any item or amount, Nasdaq shall pay all amounts not in dispute; all disputed amounts are not due until the dispute is resolved. Unisys may impose a late payment charge equal to the lesser of (a) 1-1/2% per month or (b) the maximum rate allowed by law.

5.6. Additional charges may apply to services rendered outside contracted hours or beyond normal coverage at Customer's request, e.g. premium and minimum charges, provided, the Charges for Additional Work Section is complied with. All travel and related expenses require Customer's prior written consent.

6. Taxes

6.1. Except as hereinafter stated, Customer will pay any tax that Unisys becomes obligated to pay after Customer's Installation Date by virtue of this Agreement, exclusive of taxes based on the net income or personal property of Unisys.

6.2. All personal property and similar taxes assessed after title has passed to Customer hereunder, will be paid by Customer.

7. Price Protection

7.1. The charges for Products in any accepted order will remain firm through the Installation Date, unless through no fault of Unisys shipment takes place more than one year after the date of the order. If Unisys

notifies Customer that an increase in charges will apply to its order, Customer may terminate the affected part of its order by giving written notice to Unisys within 15 days of the date of notification of the increase.

7.2. ***** *

7.3. *****

7.4. During the Initial Term of this Agreement, Unisys will extend to Nasdaq the right to buy additional quantities of Unisys Hardware styles initially ordered under this Agreement at the net price offered herein. Customer shall also be entitled to a quoted net price on purchases of certain Hardware not initially ordered hereunder but listed in Attachment 2 to this Agreement, entitled "Expansion Equipment".

7.5 *****

7.6. *****

8. Customer's Operational Responsibilities

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8.1. Customer acknowledges it has independently determined that the Products and services ordered under this Agreement meet its requirements.

8.2. Customer has sole responsibility for use of the Products, including operating procedures, audit controls, accuracy and security of input and output data, restart and recovery routines, and other procedures necessary for Customer's intended use of the Products.

8.3. Unless otherwise agreed upon in writing by the parties, Nasdaq is responsible for data back-up relating to the system which is the subject of this Agreement.

8.4. If Unisys is providing SURETY Support Services, Customer will (a) maintain the operating environment in accordance with Unisys specifications that have been supplied to Customer by Unisys, (b) provide working and adequate storage space for use by Unisys personnel near the equipment, (c) provide Unisys full access to the equipment and sufficient computer time, subject only to Customer's security rules and the needs of the Nasdaq Stock Market" during operational hours, (d) follow Unisys procedures for determining if remedial service is required, (e) follow Unisys instructions for operator maintenance and obtaining services, (f) attempt to provide a memory dump and additional data in machine readable form as Confidential Information, if requested, (g) attempt to reproduce suspected errors or malfunctions in Software in Nasdaq's development environment outside hours that the markets are operated by Nasdaq or as considered appropriate by Customer, and (h) install all error corrections and maintenance releases supplied by Unisys that do not affect Customer's application programs, and after sufficient testing by Nasdaq.

8.5. Professional Services supplied by Unisys under this Agreement are provided to assist Customer. Customer, not Unisys, will be responsible for determining objectives.

9. Protection of Proprietary Information

9.1. Protection of the Corporation's proprietary information is subject to a separate agreement. Customer will keep in confidence and protect Proprietary Information from disclosure to third parties (except the Corporations and each of their employees, officers, directors, and other agents) to the same degree the Corporations do so with respect to their own similar proprietary information and restrict its use to implementation of the Corporation's systems. The Corporations acknowledge that unauthorized disclosure of Proprietary Information may cause substantial economic loss to Unisys or its licensors. All materials containing Proprietary Information will be marked with "Proprietary", "Confidential", or when noted as such to Customer prior to its disclosure. Proprietary information will not be copied, in whole or in part, except for the use of persons authorized under this Paragraph for the uses stated herein for Customer's authorized use. Each copy, including its storage media, will be marked by Customer with all notices which appear on the copied portion of the original. Any of the Corporations may disclose information to the extent demanded by a court, revealed to a government agency with regulatory jurisdiction over one or more of the Corporations, or in its regulatory responsibilities over its members and associated persons under the Exchange Act of 1934. The obligation of non-disclosure shall not extend to: (1) information that is already in the possession of the other party (including the Corporations) and not under a duty of non-disclosure; (2) information that is generally known or revealed to the public; (3) information that is revealed to either party (including the Corporations) by a third party--unless the receiving party knows that the third party is under a duty of non-disclosure; or (4) information that a party (including the Corporations) develops independently of the disclosure. The obligation of non-disclosure shall survive for a period of three years from the date of disclosure to a party (including the Corporations).

9.2. Upon termination or cancellation of any license granted under this Agreement, Customer will destroy (and, upon Notice by Unisys, in writing, certify destruction) or return to Unisys all copies of the Software the license for which has been so terminated or canceled (except archival copies reasonably made for backup/historical, security, or regulatory

purposes that are a general back-up of the SPU, which shall be treated as Proprietary Information and will not be used to operate the Nasdaq market system).

9.3. Any ideas, concepts, know-how, data-processing techniques, Software, documentation, diagrams, schematics, blueprints, or any other deliverable developed by Unisys personnel (alone or jointly with Customer) in connection with Professional Services provided to Customer will be treated in accordance with the following principals:

9.3.1. ***** *
9.3.2. *****
9.3.3. *****
9.3.4. *****
9.3.5. *****
9.3.6. *****

9.4. Customer acknowledges that all other Unisys-provided support materials, including without limitation, diagnostic software, are the property of and may include Proprietary Information of Unisys. Such materials will be used only by appropriate Unisys personnel and that Unisys has the right to remove such materials from Customer's facility at any time. This provision applies even though such materials may be listed in the Unisys price lists, catalogs, invoices or contracts.

9.5. Customer will inform and instruct its employees of their obligations under this Section.

9.6. The obligations of this Section survive any rescission, termination, or cancellation of this Agreement.

10. License

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10.1. Unisys grants to Customer a non-exclusive and nontransferable (except to one or more of the Corporations) license to use Software (including related documentation) on the Unisys SPU for which it was originally licensed, according to the terms and conditions of this Agreement, in conjunction with the business of the Corporations which includes but is not limited to, the input from, processing at the request of, and dissemination to, third parties of data related to entities, issuers, issues, markets, financial instruments, qualification and other testing, insurance, and news referring or related to the above, including that from markets operated and entities regulated by the Corporations. Full use and access to the Software and documentation can be granted to employees, independent contractors, and other agents of the Corporations in conjunction with the above business of the Corporations, provided, that Customer shall defend, indemnify and hold Unisys harmless against any breaches of this Agreement by the Corporations, their directors, independent contractors and other agents.

10.2. Customer agrees that Unisys may from time-to-time, at mutually agreed upon times, upon reasonable advanced Notice, not during hours that the Corporation's market systems are operational, and in such a manner so as not to disrupt the business of the Corporations, inspect the computer site in order to audit the Unisys software installed at Customer's site.

10.3. Customer may develop application programs, may modify any Unisys Software, and may combine such with other programs or materials to form an updated work, provided that upon discontinuance or termination of the license, the Unisys application Software will be removed from the updated work and returned to Unisys. Unisys must be notified of any alteration of the operating system software. Unisys makes no representation regarding compatibility of future software releases, nor assumes any corrective obligation, with respect to Customer's alteration of the operating system software.

10.4. Except to the extent permitted by law, Customer will not decompile or disassemble any Software provided under this Agreement or modify Software which bears a copyright notice of any third party. Customer may make and maintain archival copies (reasonably made for backup/historical, security, or regulatory purposes) of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original.

10.5. If the SPU on which any item of Software is licensed becomes temporarily unavailable, use of such Software may be temporarily transferred to an alternative SPU.

10.6. Except for the purposes stated in this agreement, no license is granted to Customer to use any Unisys proprietary operating system Software to (a) assess, test or develop any hardware products either for others or where they are to be marketed by Customer for compensation, or (b) develop any software program other than an application program. This license restriction does not apply to MS/DOS, UNIX, and CTOS/BTOS operating systems. Application programs mean programs for performing specific automatic data processing tasks such as payroll, inventory control, information retrieval or repetitive arithmetic operations, but excludes programs such as environmental programs, handlers, operating systems, and data base management programs, unless such programs are used for interface and interoperability purposes between Unisys and other systems.

10.7. If Customer desires to use Software in a service bureau mode except as described in this Agreement, at a location other than Customer's

computer centers, or as described in Section 0, Customer shall request prior permission in writing from Unisys. Unisys will then advise Customer whether, and under what terms and conditions, Unisys will license the Software as requested. All restrictions applicable to Customer will also apply to any permitted service bureau users. Unisys agrees that the Corporations' present uses are permitted under this Agreement.

10.8. This Agreement does not transfer to Customer title to any intellectual property contained in any Software, documentation or Proprietary Information.

10.9 ***** *

11. Warranties and Disclaimers

11.1. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE. UNISYS DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AS TO BOTH UNISYS AND NON-UNISYS PRODUCTS AND SERVICES. UNISYS WARRANTIES EXTEND SOLELY TO THE CORPORATIONS.

12. Equipment:

12.1.***** *

12.2. Because equipment requires on-going maintenance, the preceding warranty is not a substitute for SURETY Support Services, which are available to Customer for a charge.

13. Software:

13.1.*****

14. SURETY Support Services:

14.1. Unisys warrants that equipment and Software will be supported in accordance with the specific SURETY Service Plan selected. Except as stated in this Agreement, Unisys sole and exclusive obligations under this warranty will be to conform to the Service Descriptions. Equipment parts which are removed for replacement by Unisys become the property of Unisys. Unisys warrants and represents that it will have good and clear title, free of any liens or encumbrances to replacement hardware parts; replacement conveys such title to Nasdaq. Any replacement item shall perform to at least the manufacturers' specifications of the replaced item when new.

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14.2. To determine eligibility and prerequisites for SURETY Support Services, Unisys may require inspection, at Customer expense, of equipment which (a) has not been maintained continuously by Unisys from the date of purchase by Customer or (b) has been relocated.

14.3. All equipment, interconnected by signal and power cables, and non-application Software, located at the same site and which are subject to SURETY Support Services are required to be supported at the same Service Level as the SPU. Local area networks, workstations and remote data communication Products are not required to be at the same Service Level as the SPU.

14.4. SURETY Support Services do not cover the parts and service required to repair damage attributable to (i) unapproved attachments or alterations, out-of-specification supplies, or defects in design, material or workmanship of non-Unisys-provided products and services, (ii) accidents, misuse, negligence or failure of Customer to follow previously provided instructions for proper use, care and cleaning of equipment, (iii) external factors (e.g., failure or fluctuation of electrical power or air conditioning, fire, flood); or (iv) failure by Customer to comply with Unisys previously provided environmental specifications.

14.5. ***** *

14.6. Unisys agrees to provide preventive maintenance service to the mainframe at the Customer's back-up computer center between the hours of 12 a.m. and 4 a.m. (EST/EDT) each Saturday and to the mainframe at Customer's primary computer center between the hours of 6 p.m. and 12 p.m. (EST/EDT) each Sunday. The frequency and duration of preventive maintenance shall be in accordance with Unisys technical publications and mutually agreed to between the Unisys local customer service manager (CSM) and Customer's operations representative. If Monday is a Holiday, then if requested by Nasdaq on 2 weeks notice (oral or written to the local Unisys field service manager), Unisys shall perform the preventive maintenance services on Monday, without additional charge.

14.7. With respect to Customer's primary and back-up computer centers, Unisys agrees to make commercially reasonable efforts during hours outside the PPM to cause a CSE to respond to Customer's call for Remedial Maintenance within three hours, such efforts subject to availability of field personnel and timeliness of Customer's authorization process.

15. Professional Services:

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15.1. Unisys will provide the Professional Services noted on Schedule D (or other task order) in the time frame noted therein. Such services shall be of the highest quality provided by Unisys and in no event less than generally accepted standards within the industry. Such services shall include comprehensive documentation, fixing of bugs or other defects, and transitional training as would generally be expected within the industry.

15.2. Unisys may assign, reassign, and substitute personnel at any time and may provide the same or similar services and materials to other customers, as long as such activity does not interfere with Unisys ability to fully comply, in a timely manner, with the provisions of this Agreement.

15.3. Unisys will maintain accurate and complete records as to time spent in its performance of the Services and will allow Nasdaq or its designated agents to examine such records from time to time upon written request in order that Nasdaq may ascertain the correctness of invoices submitted to Nasdaq by Unisys.

15.4. Unisys will make all reasonable efforts to make available the same consultant for modification or correction of work prepared under a previous work order, if reasonably requested by Nasdaq.

16. Unisys Obligations for Services.

16.1. Unisys shall provide all insurance coverage required by applicable laws, regulations, or employment agreements, including, without limitation, medical and workman's compensation.

16.2. Unisys shall be responsible for payment of all unemployment, social security and other payroll taxes of all individuals on whom Unisys is legally obligated to pay such taxes, who are engaged in the performance of the Services. If, at any time, any liability is asserted against the Corporations for unemployment, social security or any other payroll tax related to Unisys or any individuals or subcontractors employed by or associated with Unisys, then Unisys shall be liable to, indemnify and hold harmless the Corporations from any such liability, including, without limitation, any such taxes, any interest or penalties related thereto, and reasonable attorney's fees and costs.

16.3. Unisys shall be responsible to Nasdaq for the quality of work and performance of any Unisys subcontractor to the same extent as if such were performed by Unisys itself.

16.4. Except for on-site Unisys Customer Service Engineers (CSE), Nasdaq reserves the right to interview and approve or reasonably disapprove all Unisys-provided personnel prior to start of work.

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16.5. ***** *

16.6. Nasdaq may terminate any Task Order for any reason by giving written Notice to Unisys that the subject Task Order will terminate not less than ten (10) days from receipt of the Notice. Nasdaq will pay Unisys the amount due for authorized work and expenses incurred in completion of such authorized work as of the effective date of termination.

17. Alterations and Attachments

17.1. If Unisys is providing SURETY Support Services, Customer will give Unisys prior written notice of any proposed unapproved alterations or attachments to equipment. Unisys has no obligation to provide SURETY Support Services for unapproved attachments and alterations. Should Unisys agree to maintain, support or correct unapproved alterations or attachments, Unisys may impose additional charges, or require that Nasdaq return the Products to their condition absent the unapproved alterations and attachments before performing the requested SURETY services. Unisys obligation to provide SURETY Software support services extends to the Software as unmodified by Customer.

17.2. Unisys is not responsible for any malfunction, nonperformance or degradation of performance of Products, supplies or maintenance support materials caused by or resulting directly or indirectly from any unapproved alteration or attachment unless Unisys has contractually committed to maintain the unapproved alteration or attachment that causes the malfunction, or Nasdaq returns the affected Products to their condition absent the unapproved alterations and attachments.

17.3. Unisys warranties will not apply to the extent that an unapproved alteration or attachment directly or indirectly results in any malfunction, nonperformance or degradation of performance of Unisys Products; in addition, Customer will be solely responsible for resulting infringement, personal injury or damage to property and Products that arises to the extent of the unapproved alteration or attachment.

17.4. For purposes of this Agreement, "unapproved attachment or alterations" means: the incorporation into, or connection by power and signal cables and non-application Software to, Unisys Products of non-Unisys-provided or non-Unisys approved components, boards and subassemblies into equipment; the incorporation into, or connection by power and signal cables and non-application Software to, Unisys Products of components, boards and subassemblies into equipment that are not generally accepted in the industry as Unisys-compatible; as well as non-Unisys supplied or un-notified Customer modifications to Software.

18. ***** *

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19. Intellectual Property Indemnification

19.1. Unisys, at its own expense, will be liable to, defend, indemnify, and hold harmless Customer (including the Corporations and each of their employees, directors, and other agents) against claims that Products furnished under this Agreement infringe a third party's patent or copyright, or misappropriate trade secret protected under law, provided Customer: (a) gives Unisys prompt written Notice of such claims, (b) permits Unisys to defend or settle the claims, and (c) provides reasonable assistance to Unisys in defending or settling the claims. The duty of assistance in litigation shall not require and is without waiver of the attorney-client, work product, or other legal privileges of the Corporations.

19.2. As to any Product which is subject to a claim of infringement or misappropriation, Unisys may elect to (a) obtain the right of continued use of such Product for Customer or (b) replace or modify such Product to avoid such claim. If neither alternative is available on commercially reasonable terms, then, in the case of equipment, at the request of Unisys, Customer will discontinue use and return such equipment and Unisys will grant to Customer a refund for the price paid to Unisys, less a reasonable offset for use and obsolescence; in the case of Software, the applicable license will be terminated and no further charges will accrue. Customer will receive a pro-rata credit for any unused months on any pre-paid ETP Software license.

19.3. Unisys will not defend or indemnify Customer to the extent any claim of infringement or misappropriation (a) is asserted by a parent, subsidiary or affiliate of Customer, (b) results from Customer's design (which has not been approved by Unisys in writing) or Customer's unapproved alteration or attachment of any Product, or (c) results from use of any Product in combination with any non-Unisys provided Product, except where the indemnified party is an aider, abetter or contributing infringer.

19.4. This Section states the entire liability of Unisys and Customer's sole and exclusive remedies for patent or copyright infringement and trade secret misappropriation.

20. Termination and Cancellation

20.1. Unisys may suspend SURETY Support Services if any payment (other than one disputed for a bona fide reason, until such dispute is resolved) for such service under this Agreement is past due more than 60 days, until payment is received in full, at which time Unisys shall perform all missed SURETY Support Services.

20.2. Unisys may terminate SURETY Support Services for or change the levels of support available to an item of Software upon six months written Notice prior to the expiration of the then-current term for SURETY Support Services.

20.3. Nasdaq may terminate SURETY Support Services for any particular Product upon 30 days Notice. Unisys may terminate SURETY Support Services for any particular Product upon expiration of the applicable term by providing 180 days prior written notice. Failure to give such notice will result in a renewal or extension of the license or service in accordance with the provisions of this Agreement. Nasdaq may elect, without prejudice to any other rights or remedies, to terminate SURETY Support services upon 30 days notice if, in Nasdaq's opinion, Unisys is not providing an adequate level of service that leads to a loss of trust and confidence in Unisys services by Nasdaq. As soon as is practicable, authorized representatives of the parties shall meet and in good faith attempt to resolve the problems. However, if Nasdaq is not satisfied with the Unisys proposed resolution, then in the event of termination, Unisys shall promptly refund to Nasdaq on a pro rata basis any unused portion of prepaid service. The licenses for any Software automatically terminate upon Customer's permanent discontinuance of use of the SPU on which the Software was licensed, at which time Customer must either destroy or return the Software and Software documentation to Unisys (except archival copies reasonably made for backup/historical, security, or regulatory purposes). Upon termination or cancellation of SURETY Support Services, all diagnostics will be returned to Unisys.

20.4. Without prejudice to other remedies, Unisys may cancel this Agreement or any order placed under it, for default if, upon written notice, Customer fails to (i) make any payment identified as delinquent (including payment of charges for Services) within 60 days of receipt of Notice of delinquency or (ii) cure any default relating to Sections 0 or 0 within 30 days of receipt of Notice of default.

20.5. Unisys may suspend SURETY Support Services on 30 days prior written Notice if Unisys determines that any unapproved alterations or attachments, or failure to install a maintenance release that does not affect Customer's application programs will interfere with the provision of such services, until Customer has returned the affected hardware or software to an unaltered or current release condition.

20.6. The terms of this Agreement apply to those obligations that survive any cancellation, termination, or rescission, namely--Proprietary Information and Non-Use of NASD Name sections of this Agreement, and any indemnification obligations or warranties.

20.7. Further, either party may terminate this Agreement immediately if the other party becomes insolvent, admits in writing its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, files or has filed against it by a third party any petition under any Bankruptcy Act, or an application for a receiver of the other party is made by anyone and such petition or application is not resolved favorably to the other party within sixty (60) days. Customer has the rights of software lessee under the Bankruptcy Code.

21. ***** *

22. Notices

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22.1. The term Notices means written communications under this Agreement, shall be deemed to have been duly given upon actual receipt by the parties, or upon constructive receipt if sent by certified mail, return receipt requested, or any other delivery method that obtains a signed delivery receipt when addressed to the person(s) named below at the following addresses or to such other address as any party hereto shall hereafter specify by written Notice to the other party or parties hereto:

(a) if to Unisys:

*****

Unisys Corporation
2 Enterprise Drive
Shelton, CT 06484
***** *****
Unisys Corporation
8008 Westpark Drive
McLean, VA 22021
*****

Unisys Corporation
2 Oak Way
Berkeley Heights, NJ 07922-2705
Attn: Law Department

Unisys Corporation
Township Line and Union Meeting Roads
Blue Bell PA 19424
*****

(b) if to Customer:

Name: *****
Title: *****
Address: 80 Merritt Blvd.
Trumbull, Connecticut
06611 *****
Telephone #:******
and:

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Name: *****
Title: *****
Address: 80 Merritt Blvd.
Trumbull, Connecticut 06611
*****
Telephone #:*****

With, in the event of a dispute, required copies to:

Name: *****
Title: *****
Address: 80 Merritt Blvd.
Trumbull, Connecticut 06611
Telephone #:*****
and:

The Nasdaq Stock Market, Inc.,

1735 K Street, N.W.
Washington, D.C. 20006
Attn: Office of General Counsel - Nasdaq Contracts Group

23. Arbitration

23.1 Any claim, dispute, or controversy (referred to collectively in this Section as "Dispute") or other matter arising out of or relating to this Agreement shall exclusively be subject to final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") provided, however, that submission of any Dispute shall not (absent agreement between the parties) be to the AAA. Any such arbitration will be conducted in New York City. Each party is to specify one arbitrator within thirty days of receipt by the respondent party of the written arbitration demand which is to be sent by certified mail, return receipt requested. After these two arbitrators are named, the arbitrators will select a third arbitrator within twenty days. This third arbitrator is to have experience and knowledge of electronic computers, the computer business, or the securities business. If the arbitrators fail to appoint a third arbitrator within this time frame, the parties shall request the AAA (provided such does not require submission of the remainder of the suit to the AAA) to provide a list of potential arbitrators, and the parties will select the third arbitrator from that list that is not objectionable to either party, pursuant to the rules of the AAA. If the parties fail to agree to a third arbitrator from the list, then the AAA will appoint the third arbitrator, who is to have experience and knowledge of electronic computers, the computer business, or the securities business. A party may enforce the arbitration duties and subsequent awards in court.

23.2 Except as provided in Sections Error! Reference source not found. and Error! Reference source not found., the arbitrators will have no authority to award punitive damages, nor any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that directly conflicts with the terms and conditions of this Agreement.

23.3 Either party, before or during any arbitration, may apply to a court having jurisdiction for a temporary restraining order or preliminary injunction where such relief is necessary to protect its interests pending completion of the arbitration proceedings. Arbitration will not be required for actions for recovery of specific property, such as actions for replevin.

23.4 Prior to initiation of arbitration or any other form of legal or equitable proceeding, the aggrieved party will give the other party written Notice in accordance with Section 22, describing the Dispute as to which it intends to initiate action. The parties shall attempt to meet within 20 days of such Notice to attempt to resolve the Dispute. If the parties are unable to resolve the Dispute within the 20 days period, arbitration may be initiated.

24. Other Provisions

24.1. All risk of loss or damage to Products procured by Customer hereunder will pass to Customer upon delivery on the Customer's computer floor, and, if applicable, after inspection of the uncrated Product by Customer at that time.

24.2. Neither party will be liable for monetary damages or specific performance for failure to fulfill its obligations when due to causes beyond its reasonable control and without the fault or negligence of such party. Such causes may include, but are not limited to: labor disputes, strikes, fires, acts of God, floods, earthquakes, war, acts of the public enemy, riots, acts of military authorities, embargoes, inability to secure raw materials, or transportation facilities, or unavailability of communications facilities. However, the aggrieved party may exercise its other rights under this Agreement.

24.3. Any failure or delay by either party in exercising any right or remedy will not constitute a waiver.

24.4. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

24.5. This Agreement (that includes the Consolidated Agreement, its Schedules, and the Specifications that are incorporated herein by reference) constitutes the entire agreement between the parties with respect to the Products and services provided hereunder and supersedes all prior proposals and agreements, both written and oral, and all other written and oral communications between the parties. The terms and conditions of this Agreement will supersede all other terms and conditions, including any preprinted terms on any purchase orders.

24.6. Unisys may assign its right to receive payments without Customer's prior written consent. Any such assignment, however, will not change the obligations of Unisys to Customer. Customer may share the use of any Products or this Agreement (including discount arrangements), or assign or transfer its rights or obligations under this Agreement, in whole or in part, to the National Association of Securities Dealers, Inc., Nasdaq, Ltd., or any parent, subsidiary, or sister entity of the above now or hereafter created without Unisys consent, provided, that Customer remains responsible to Unisys for the obligations of such other entity or entities. Customer may also elect to assign Customer's right to purchase and lease back items ordered hereunder to a third party with prior consent of Unisys which shall not be unreasonably withheld or delayed, provided that the lessor meets Unisys usual and customary credit standards, at anytime prior to acceptance of the order, and subject to any reasonably agreeable assignment of purchase rights consistent with the terms of this Agreement. Otherwise neither party may assign or transfer its rights or obligations or this Agreement (including by operation of law). Unisys may subcontract any

services described in this Agreement to third parties selected by Unisys, provided, Unisys remains liable for the quality of work and performance of any Unisys subcontractor to the same extent as if such were performed by Unisys itself.

24.7. Nothing in the Agreement, express or implied, is intended to or shall (a) confer on any person other than the parties hereto (and any of the Corporations), or their respective permitted successors or assigns, any rights to remedies under or by reason of this Agreement; (b) constitute the parties hereto partners or participants in a joint venture; or (c) appoint one party the agent of the other.

24.8. The terms and conditions of this Agreement may be modified only in writing signed by a Unisys Vice President, General Manager or Contracts Manager and a duly authorized officer of Customer.

24.9. No arbitration proceeding or legal action, regardless of its form, related to or arising out of this Agreement, may be brought by either party more than two years after the cause of action first accrued.

24.10. Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Agreement will remain in full force and effect.

25. Permits and Licenses. Unisys warrants and represents that it now has and will maintain throughout the term of this Agreement, all necessary permits and licenses (and associated insurance or bonds) to perform any work required under this Agreement. To the extent any additional special permits are required (e.g. building or electrical permits), Nasdaq will procure such permits at its own cost, unless otherwise agreed between the parties.

26. Standards. Unisys warrants that it shall perform all work in a good and workmanlike manner, in accordance with manufacturer and industry standards and specifications, and that its work will not cause any Product or any of the Corporations to violate any State or Federal law, including but not limited to radiation, emission, toxic substance, and OSHA. Unisys will comply with all applicable laws including, but not limited to, employee taxes, sales/use taxes, American with Disabilities Act, environmental and toxic waste disposal, and equal employment laws. After completion of work, Unisys shall insure that the exterior of any equipment and the surrounding areas are clean and that all discarded parts, supplies and other waste are placed in Customer's appropriate disposal facilities (e.g., wastebaskets, dumpsters), provided such does not cause the Corporations to violate any applicable law or regulation.

27. Nasdaq or Third Party Repair. If Unisys is unable or unwilling to perform maintenance, repair, or modification work, then notwithstanding any term in the Agreement, Nasdaq may perform or authorize a third party to perform maintenance, repair, or modification work. In the event Customer undertakes such repairs, then Customer shall provide written Notice within 48 hours to Unisys, identifying the equipment on which the emergency repairs have been performed and any Unisys spare parts used by Customer. Unisys reserves the right to impose additional charges if such repairs or modifications undertaken by Customer can be satisfactorily demonstrated by Unisys to require corrective work or to have caused material harm, necessitating Unisys to perform a comprehensive examination of the equipment in order to certify it as eligible for continued enrollment under Unisys maintenance. In the event that the equipment is irrevocably damaged, Unisys shall have the right to void the warranty to maintain the equipment in "good working order" and Customer may elect to continue maintenance services by Unisys on a "reasonable efforts" basis or terminate maintenance as to the equipment.

28. Insurance. Unisys will maintain throughout the life of this Agreement, adequate liability insurance.

29. Subcontractor Liens. Unisys will promptly pay all subcontractors, holding in trust any monies paid by Nasdaq for work done by sub-contractors. Unisys will promptly pay any amount subject to a subcontractor lien or otherwise cause the removal of such lien before foreclosure. Unisys will also ensure, to then extent permitted by law, through agreements with its subcontractors that in the event of non-payment by Unisys to the subcontractor after payment for that subcontractor's work to Unisys by Nasdaq, the subcontractor will waive the right to assert mechanic's liens against Nasdaq property.

30. ***** *

31. Permits and Emissions Requirements. Unisys warrants and represents that its Equipment will meet the requirements of, and shall assist Nasdaq in obtaining, all approvals, permits, and licenses and passing all inspections, required for the Equipment under State and Federal law, including, but not limited to: electrical, radiation, emission, environmental, and toxic substances laws.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

32. Defect Notification. To date, Unisys has no knowledge of any hostile code occurring in its 2200 Series software. In the event it is established that hostile code has infected Unisys 2200 Series software, Unisys will

inform Customer of the presence of such hostile code and will use reasonable efforts to locate and neutralize the effect of such hostile code.

33. Non-use Of Customer Proprietary Name and Marks. Unisys shall not use the names National Association of Securities Dealers, Inc., The Nasdaq Stock Market, Inc., Nasdaq, Inc., NASD Market Services, Inc., or "NASD," "The Nasdaq Stock Market", "Nasdaq," or "MSI" or any other of the Corporations' names in any advertising or promotional media without the prior written consent of Nasdaq. Unisys shall not use any trademark, service mark, copyright, or patent of the Corporations, registered or unregistered, without written consent of Nasdaq.

34. Security Regulations. Unisys personnel will be instructed to comply with security regulations pertinent to each Corporation location and any oral security instructions or demands of Corporation personnel. Unisys personnel, when deemed appropriate by a Corporation in its sole discretion, will be issued a visitor identification card by Corporation. Such cards will be surrendered by Unisys personnel upon demand by a Corporation and without further demand upon expiration or termination of this Agreement.

35. Confidentiality. Unisys acknowledges that it may be given access to areas in which it may observe or acquire private, secret, or material non-public information of any of the Corporations (including but not limited to information relating to: investigatory matters, personnel matters, regulatory matters, matters involving broker/dealers, issues, or issuers) in performing its obligations under this Agreement. Unisys shall use such information only in fulfillment of its obligations under this Agreement; shall hold such information in confidence; and shall not use, disclose, copy, or publish any such information without the prior written approval of Nasdaq. The duties in this Section do not apply to information: (1) lawfully within Unisys possession prior to this Agreement; (2) that is voluntarily disclosed by a third-party so long as that party does not breach any obligation not to reveal such information; (3) is voluntarily disclosed to the public by any of the Corporations; or (4) is generally known to the public.

36. Conflicts. Unisys represents and warrants to Nasdaq that it is now under no contract or obligation, nor will it enter into a contract or assume an obligation during the term of this Agreement that would materially interfere with Unisys duties and responsibilities under this Agreement.

37. Escalation Procedures. In instances which result in the inability of Customer's system to accomplish productive work processing, Unisys has a Management Escalation Procedure. Unisys agrees to comply with the Unisys policy respecting Management Escalation which provides as follows:

(a) A Customer Service Engineer initiates Management Escalation one hour after a Unisys Customer Service Engineer on-site or initial remote diagnostics are unable to correct a problem.

(b) Management Escalation complies with an established Timetable.

Notification Responsibility	Management to be Notified	Time
***** *		

Unisys agrees that appropriate resources, within the scope of authority of the Unisys employees put on notice in accordance with the above Escalation Timetable, will be devoted to correcting Customer's equipment malfunction.

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38. Agreement is Proprietary Information. This Agreement shall be treated as Confidential or Proprietary Information under this Agreement.

39. Counterparts. The Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

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FOR PUBLICLY TRADED COMPANIES. Nasdaq and its affiliates (Corporations) have an internal policy of monitoring or restricting trading by certain of its employees in publicly traded stocks where the granting, renewal, or termination of the agreement is considered by the publicly traded company to be a "significant" event (one that could affect the price of your company's stock or require a public announcement). While the Corporations offer no representation or warranty about the enforcement of its policy or the securities activities of anyone associated with the Corporations, if your company believes its contracts with the Corporations may be "significant",

please initial here _____.

Unisys, (Unisys)

By:

Name:

- -
Title:

AUTHORIZED OFFICER

Date:

Executed this _____ day of _____,
19____, for and on behalf of:

The Nasdaq Stock Market, Inc. (Nasdaq),

By:

Name:

Title:

Schedule A - Equipment Sale

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Schedule B - Definitions and Service Descriptions

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Schedule C - Software Licenses

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Schedule D - Professional Services

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Attachment 1

Nasdaq Acceptance Criteria

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Attachment 2

ATTACHMENT II EXPANSION EQUIPMENT

ITEM	STYLE NO.	DESCRIPTION	LIST PRICE	NET PRICE
1	UPK9222322	IP Upgrade	***** *	
2	UPK9222333	PCC/PCU/ICC Upgrade	*****	
3	UPK9422633	PCC/IP Upgrade	*****	
4	UPK9633844	PCC/IPE/ICC Upgrade	*****	
5	UPK9844848	ICC Upgrade	*****	
6	229000-M64	Memory Expansion	*****	

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Attachment 3

Additional Terms

***** *

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Exhibit 10.3

NETWORK USER LICENSE AGREEMENT
between
THE NASDAQ STOCK MARKET, INC.
and
ORACLE CORPORATION

This Network User License Agreement ("User Agreement") shall be governed by the terms of the Software License and Services Agreement between The Nasdaq Stock Market, Inc. ("Client") and Oracle Corporation ("Oracle") effective November 30, 1993 (the "Agreement") and the terms set forth below.

1. PROGRAMS AND DEFINITIONS

1.1 LICENSED PROGRAMS

1.1.1 "Licensed Programs" means the Programs in the Program Set(s) that are currently available in production release as of the Effective Date for use on the corresponding Hardware and as specified in the License Type.

Program Set A:	Hardware	
Programs	(Computer/Operating System)	License Type
Oracle7	Sequent Dynix/ PTX	Deployment
procedural option	Unisys Dynix/ PTX	
distributed option	Sun 4/ Solaris	
parallel server option	Sun 4/ Sun OS	
SQL*Net	SCO/ Unix	
SQL*Net TCP/IP	Macintosh/ Mac OS	
SQL*Plus	PC Compatible/ Netware	
	PC Compatible/ OS/2	
	PC Compatible/ MS DOS	

Program Set B:	Hardware	
Programs	(Computer/Operating System)	License Type
Oracle 7	Sequent Dynix/ PTX	Full-use
procedural option	Unisys Dynix/ PTX	
distributed option	Sun 4/ Solaris	
parallel server option	Sun 4/ Sun OS	
SQL*Net	SCO/Unix	
SQL*Net TCP/IP	Macintosh/ Mac OS	
CDE Tools bundle	PC Compatible/ OS/2	
(SQL*Forms/Menu,	PC Compatible/ MS DOS	
SQL*Plus,	PC Compatible/ MS WINDOWS	
SQL*Reportwriter)		
Pro*C		

The "Hardware" shall be defined as the Computer/Operating System combinations listed above that are owned, leased to, or under the sole control of Client or an Agent at a location where the Licensed Programs are installed and used in accordance with Paragraph 1.8 C. of the Agreement.

1.1.2 During the User Agreement Term, Client may add Computer/Operating System combinations, except those for massively parallel processors, ("Additional Hardware") to the Hardware specified above on the following Program Set at no additional charge, provided: (i) the Licensed Programs are available in production release status on the Additional Hardware at the time Client elects to add the Additional Hardware; and (ii) Client has continuously maintained Technical Support for the Licensed Programs.

Program Set	Number of Additional Hardware
Program Set A	10
Program Set B	10

Oracle shall ship to the Client Location five (5) master copies of the Licensed Programs for each Additional Hardware added. These Licensed Programs may only be copied and installed in accordance with Section 4 of this User Agreement.

Client acknowledges that the Licensed Programs for use on the Additional Hardware specified above may not be currently available and may not become available during the User Agreement Term. Client agrees that it has not relied on the availability of such Licensed Programs in executing this User Agreement and further agrees that the availability of such Licensed Programs will not affect Client's payment obligations under Section 2 below. Oracle is under no obligation and does not imply that it will make available any Programs or Program/Hardware combinations that are not currently available.

1.1.3 During the User Agreement Term after Client has added all Additional Hardware allowed under Section 1.1.2 above, Client may exchange a Computer/Operating System listed in the Hardware or added to the Hardware under Section 1.1.2 above ("Prior Hardware") for a Computer/Operating System (except those for massively parallel processors) ("New Hardware"), at no charge provided that Client is under Technical Support services for the Licensed Programs on the Prior Hardware at the time the transfer is ordered.

Oracle shall ship to the Client Location five (5) master copies of the

Licensed Programs for each New Hardware added. These Licensed Programs may only be copied and installed in accordance with Section 4 of this User Agreement.

Client acknowledges that the Licensed Programs for use on the New Hardware specified above may not be currently available and may not become available during the User Agreement Term. Client agrees that it has not relied on the availability of such Licensed Programs in executing this User Agreement and further agrees that the availability of such Licensed Programs will not affect Client's payment obligations under Section 2 below. Oracle is under no obligation and does not imply that it will make available any Programs or Program/Hardware combinations that are not currently available.

1.1.4 During the User Agreement Term, for each of the Current Programs specified below which have already been licensed to Client under this User Agreement the no charge technical support Update for each shall be made available to Client on the applicable Hardware and for the applicable License Type when and if such Programs are made available in production release; provided Client is under contract with Oracle to receive Technical Support for each of the current Programs specified below at the time the applicable technical support Update for each is released:

Current Programs	Update	License Type
SQL*Forms/SQL*Menu	Oracle Forms	Full-use
SQL*ReportWriter	Oracle Reports	

1.2 LICENSE TYPE

"Full Use Programs" are defined as an unaltered version of the Licensed Programs with all functions intact.

"Deployment Programs" are limited to use solely in conjunction with and in support of a Client Entity's business Application(s) ("Client Application(s)") and as restricted below. The combination of the Deployment Programs and a Client Application shall be defined as the Application Package.

a. The Application Package under Client Application control may be used to create new tables or alter tables only to the extent necessary to implement the Application Package's functions. The Application Package may not allow use of the Deployment Programs' Create or Alter commands or any other command that would allow the User to create tables or alter tables outside the scope of those necessary for the operation of the Client Application(s).

b. The Application Package may not allow use of the Deployment Programs' SQL*Forms modules or any other functionality that would enable modification of forms created by the Application Package or generation of new forms.

c. The Application Package may not allow use of the Deployment Programs outside the scope of the Application Package, or to be used to create any new application programs, or expand the functionality of the Application Package, or for any general database management.

1.3 USER

A. For Program Set A, one "Concurrent User" is defined as one individual employed by Client, an Entity Employee, Agent Individual, or Subscriber Designee who may use the Programs under Paragraph 1.8 of the Agreement, or one individual authorized by a Sublicensee in accordance with Exhibit A to this User Agreement to access one or more Oracle instances online within Client or a Client Entity at the same point in time from the same device. Each additional process (e.g., a report, update, or query requested through an application program, or batch process) shall also be counted as a Concurrent User.

If multiplexing software or hardware (which is software or hardware whose primary purpose is to reduce the number of Concurrent Users directly connected to an Oracle instance, e.g. a TP monitor) is used, then the number of Concurrent Users shall be measured as the number of distinct inputs to the multiplexing front-end. Otherwise, the number of Concurrent Users shall be measured as the number of unique connections to the same Oracle instance.

B. For Program Set B, "Concurrent User(s)" is defined as each session connected to the database by individuals employed by Client (or an Entity Employee, Agent Individual, or Subscriber Designee who may use the Programs under Paragraph 1.8 of the Agreement) on the specified Computer at the same point in time. This includes all batch processes and on-line users. If multiplexing software or hardware (e.g. a TP monitor) is used to reduce the number of sessions directly connected to the database, the number of Concurrent Users must be measured as the number of distinct inputs to the multiplexing front-end.

C. The maximum number of Concurrent Users of the Program Sets on the Hardware shall be as follows:

Program Set	Number of Concurrent Users
Program Set A	2,250 Concurrent Users
Program Set B	48 Concurrent Users

All references to User in this User Agreement shall mean Concurrent User.

1.3.1 During the User Agreement Term, Client shall have the option to increase the number of Concurrent Users of the Licensed Programs in Program Sets A and B for use on the relevant Hardware in additional User Increments (with a minimum of one User Increment per order) as specified below:

Program Set	Number of Concurrent Users per User Increment	Maximum Number of User Increments Client may Acquire under this Option	Additional Fee per User Increment
Program Set A	***** *	*****	
	*****	*****	
	*****	*****	
	*****	*****	
Program Set B	*****	*****	

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Orders placed against this option must be sequential (i.e. For a purchase of 1200 additional Concurrent Users for Program Set A, Client would pay (i) ***** per 100 Concurrent Users for the first 500 Concurrent Users, (ii) ***** per 100 Concurrent Users for the second 500 Concurrent Users, and (iii) ***** per 100 Concurrent Users for the next 200 Concurrent Users). The total number of additional Concurrent Users is not reset to zero after each purchase (i.e. If Client chose to purchase another 700 Concurrent Users for Program Set A after the above mentioned 1200 Concurrent User purchase, Client would pay (i) ***** per 100 Concurrent Users for the first 300 Concurrent Users and (ii) ***** per 100 Concurrent Users for the next 400 Concurrent Users). For each order, applicable sales tax will be added to the Additional Fee. All applicable fees shall be due and payable on the date that Client notifies Oracle in writing of its exercise of this option. Upon election, this payment obligation is noncancelable, and the sum paid is nonrefundable, except as provided in the Agreement. At the time of each order , Client may obtain Standard Technical Support services from Oracle as set forth in Section 6.2 below at the following fees:

Year of User Agreement Term	Technical Support Fee as a Percentage of the Additional Fee per Concurrent User Increment ordered
First Year	*****
Second Year	*****
Third Year	*****
Fourth Year	*****

1.4 USER AGREEMENT TERM

The "User Agreement Term" shall be from the Effective Date to December 31, 1998.

1.5 TERRITORY

The "Territory" shall be defined as the Client Entities facilities in the United States. The "Territory" from which a Subscriber Designee may access a Program, in accordance with Paragraph 1.8 of the Agreement, shall be worldwide except for the countries and nationals thereof excluded in this Section 1.5. During the User Agreement Term, Client may request from Oracle written permission to add additional countries to the Territory, which permission shall not be unreasonably withheld. Such additional countries shall exclude the following countries and nationals thereof: Afghanistan, People's Republic of China, Laos, Latvia, Lithuania, Mongolia, Romania, Libya, Hungary, Poland, Albania, Bulgaria, Czechoslovakia, Estonia, the geographic area formerly comprising the Union of Soviet Socialist Republics, Cuba, Cambodia, North Korea, Vietnam, South Africa (Military and Police), Iran, Iraq, Syria, Haiti, Montenegro, Serbia and any other country or entity to which the United States Department of Commerce or other United States government agency prohibits shipment. Client shall have the right to request from Oracle written permission to install the Licensed Programs in such countries and/or have Users in such countries upon Oracle's prior written consent, which shall not be unreasonably withheld. Client acknowledges that the Program(s) are subject to export controls imposed on Oracle and Client by the U.S. Export Administration Act of 1979, as amended (the "Act"), and the regulations promulgated thereunder (the Act and the regulations shall be referred to collectively as the "DOC Regulations"). Client certifies that neither the Program(s) nor any direct product thereof are intended to be used for any purposes prohibited by the DOC Regulations, including, without limitation, nuclear, chemical, or biological weapons proliferation. Further, Client shall not transfer the Program(s) outside of the Territory for which Client has rights under this User Agreement. Client agrees to comply fully with all relevant regulations of the United States Departments of Commerce, Treasury, and State, and all other U.S. governmental agencies to assure the Program(s) are not exported in violation of U.S.

governmental agency regulations. The obligations under this Section shall survive the expiration of this User Agreement. Upon Oracle's reasonable request, Client shall make records available to Oracle to allow Oracle to confirm compliance with Client's obligations as set forth under this Section.

1.6 CLIENT

For purposes of this User Agreement, the term "Client" means Client and Client Entities, as defined in the Agreement, and located in the United States as of the Effective Date. If the Territory is expanded pursuant to Section 1.5 to include other countries, "Client" shall be further defined to include additional Client Entities as provided in the Agreement located in the additional countries.

2. FEES AND PAYMENTS

The license fee for this User Agreement shall be ***** * Client shall be granted the one-time only right to apply ***** in license fees previously paid to Oracle, which are associated with the termination of Client's Program licenses under Customer Support Identification (CSI) number ***** as a credit toward such User Agreement license fees. Client's Program licenses under CSI numbers ***** shall also be terminated. Therefore, Client's total license fee payment obligation under this User Agreement shall be ***** This fee shall be due and payable in two installments the first installment of ***** shall be due and payable within ***** days of the Effective Date and the second installment of ***** shall be due and payable on November 29, 1994. This payment obligation is noncancelable and the sum paid is nonrefundable, except as provided in the Agreement. The pricing specified herein is specific to this User Agreement and the fees contained herein may not be reduced by any existing credits or any other discounts. Except as specified under Section 1.3.1 above, licenses for any additional Users, Programs, Hardware, or Operating Systems that are acquired under the Agreement shall be at terms and fees as determined when such additional licenses are acquired. Applicable sales tax shall be charged to Client based on the point of delivery of the master copy and paid under the terms of the Agreement. Client is responsible for payment of any use tax or other tax arising from use of the Licensed Programs in any other Location.

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3. LICENSE GRANT

In consideration for the payment specified in Section 2 above, Oracle grants to Client a non-exclusive, non-transferable license to use the Licensed Programs for the applicable License Type on the applicable Hardware, as specified in Sections 1.1.1, 1.1.2, and 1.1.3 in the Territory under the terms of the Agreement, for up to the maximum number of Concurrent Users specified in Section 1.3 C. above as increased, if at all, for additional fees under Section 1.3.1 above.

During the User Agreement Term, Client shall be permitted to reconfigure its Computers and its use of the Licensed Programs provided that (i) Client does not install the Licensed Programs outside the Territory; (ii) the Licensed Programs are installed only on the Hardware as listed in Section 1.1.1. plus Additional Hardware and New Hardware added, if any, under Sections 1.1.2 and 1.1.3 ("Total Hardware"); and (iii) the total number of Concurrent Users specified in Section 1.3 C. plus Concurrent Users added, if any, under Section 1.3.1 ("Total Concurrent Users") who may access the Licensed Programs installed on the Total Hardware does not exceed the Total Concurrent Users. Upon expiration of the User Agreement Term, the Licensed Programs on the Computers comprising the Hardware shall be fixed in accordance with Section 4 below.

4. DELIVERY AND INSTALLATION

Oracle shall deliver to Client ***** copies of the software media and ***** sets of documentation ("master copy") for each Licensed Program for use on the applicable Hardware to the following Client location: 9513 Key West Avenue, Rockville, Maryland 20850 ("Client Location"). Client shall be responsible for copying the software media and installing the Licensed Programs. Unless otherwise specified herein, Client shall acquire no right to copy documentation. The Acceptance Period for each of the Licensed Programs shall commence on delivery of the master copy of the Licensed Programs, and all subsequent copies shall be deemed accepted upon acceptance of the master copy. Upon expiration of the User Agreement Term, the Concurrent Users, server Computers, and types of Computer/Operating Systems shall be fixed for the Territory as follows: (1) the number of Concurrent Users for the Licensed Programs within each Program Set shall be fixed at the total number of Concurrent Users acquired for the Program Set under Sections 1.3 C. and 1.3.1 above; (2) the types of Computer/Operating Systems shall be fixed to the Hardware types acquired under Sections 1.1.1, 1.1.2, and 1.1.3 above ("Total Hardware"); and (3) the number and make/model of server Computers shall be fixed at the number of server Computers upon which the Licensed Programs are installed as of the expiration of the User Agreement Term ("Installed Servers") plus an additional number of server Computers, within the Total Hardware, equal to ***** * of the Installed Servers ("Uninstalled Servers") upon which the Licensed Programs may be installed after the User Agreement Term.

The number of personal computers will not be fixed. Upon fixing of the Licensed Programs on the Computers, the Program licenses shall be perpetual subject to the terms of the Agreement. Thereafter, unless this User Agreement is extended or modified, Program licenses for use on additional Computers or licenses for additional Users shall be acquired separately.

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During the User Agreement Term, Client may order Oracle documentation for the Licensed Programs at Oracle's standard fees in effect when each order is placed less the Discount Percentage corresponding to the List Price of Documentation for a single order.

List Price of Documentation (Single Order)	Discount Percentage
$1,000 - $1,999	***** *
$2,000 - $3,999	*****
$4,000 - $5,999	*****
$6,000 and over	*****

5. REPORTING

On each anniversary of the Effective Date, Client shall notify Oracle in writing of: (i) the number of personal computers and the location, models and serial numbers of all server Computers on which the Licensed Programs are installed; (ii) the Computer/Operating Systems on which the Licensed Programs are installed; and (iii) the number of users using each Program Set. When reporting, ordering or communicating with Oracle under this User Agreement, Client shall reference: (a) this User Agreement (include Effective Date); and (b) the contract number and Effective Date of the Agreement.

6. TECHNICAL SUPPORT

6.1 Until November 30, 1994 ("First Support Year"), Client shall receive Standard Technical Support services for all Licensed Programs licensed under this User Agreement (except for additional Concurrent Users acquired under Section 1.3.1 above and additional Programs acquired under Section 9 below) payable in advance for an annual Technical Support fee of ***** . For the remaining years of the User Agreement Term, provided Client has continuously maintained Technical Support services, Client may acquire Standard Technical Support services for all Licensed Programs licensed under this User Agreement (except for additional Concurrent Users acquired under Section 1.3.1 above and additional Programs acquired under Section 9 below) payable in advance in annual installments as specified below. After the User Agreement Term, Client may obtain annual Technical Support services from Oracle under Oracle's Technical Support fees and policies in effect when such services are ordered, but in any event in accordance with the Agreement.

Support Year	Technical Support Fee
Second Year	***** *
Third Year	*****
Fourth Year	*****

6.2 Client shall designate and provide to Oracle the name of one (1) Client employee who shall serve as an on-site technical contact ("Technical Contact") to act as the sole liaison between Client and Oracle for the Technical Support services provided under this User Agreement. Client shall also provide the names of two (2) employees who shall serve as backups to the Technical Contact. Notwithstanding the foregoing, Client may designate up to an additional fifty (50) individuals authorized by Client to use the Telephone Assistance portion of Technical Support services. Client shall notify Oracle whenever the designated Technical Contact responsibilities are transferred to another employee. For any Technical Support updates to the Licensed Programs provided during the User Agreement Term, Oracle shall ship to the Client Location five (5) Technical Support update copies for each Hardware type. Client shall be responsible for copying and installing the updates on the Computers for which the Licensed Programs are licensed.

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* *****Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed with the Securities and Exchange Commission.

7. VERIFICATION

Oracle may, at its expense, audit the number of copies of the Licensed Programs in use by Client, the Computers on which the Licensed Programs are installed, and the number of users using the Licensed Programs. Any such audit shall be scheduled in advance and shall be conducted during hours agreed upon by the parties, at Client's facilities and shall not interfere unreasonably with Client's business activities. If an audit reveals that Client has underpaid fees to Oracle, Client shall be invoiced for the underpaid fees based on the Price List in effect when the audit is completed. Audits shall be conducted no more than once annually.

8. ASSIGNMENT

The rights granted under this User Agreement may not be assigned or transferred to any third party without the express written consent of Oracle Corporation. However, Client may, upon written notice to Oracle, assign all Client's rights and obligations under this User Agreement to a Client Entity, provided that prior to such assignment the Client Entity agrees in writing to be bound by the terms of this User Agreement and the Agreement.

9. ADDITIONAL PROGRAMS

9.1 During the User Agreement Term, Client may order, for installation in the United States, production release versions of all Programs available in production release and listed in Oracle's U.S. Price List in effect when such Programs are ordered, except those Programs designated by Oracle as Manufacturing Programs. The license fee for such Programs shall be at a discount of ***** * off Oracle's standard list license fees as listed in Oracle's U.S. Price List in effect when such Programs are ordered, plus applicable sales tax. Such license fees shall be due and payable on Client's written election of the option provided hereunder. This payment obligation is noncancelable and the sum paid is nonrefundable except as provided in the Agreement. During the User Agreement Term, Client may purchase annual Basic Technical Support for the Programs licensed under this Section 9.1 payable in advance for an annual Basic Technical Support fee of ***** of the discounted Program license fees paid to Oracle for the Programs. After the User Agreement Term, Client may obtain Technical Support services from Oracle for such Programs under Oracle's Technical Support fees and policies in effect when such services are ordered, but in any event in accordance with the Agreement. Programs acquired under this Section 9.1 shall not become part of any Program Set or be a Licensed Program (as defined in Section 1.1 above) under this User Agreement.

Client acknowledges that the Programs specified in this Section 9 above may not be currently available and may not become available during the User Agreement Term. Client agrees that it has not relied on the availability of such Programs in executing this User Agreement and further agrees that the availability of these Programs will not affect Client's payment obligations under this User Agreement. Oracle is under no obligation to make available any Programs or Program/Hardware combinations that are not currently available.

10. TRAINING

In consideration for the payment to Oracle of ***** within ***** of the Effective Date, Client shall receive ***** Oracle standard Training Units which are valid for ***** from the Effective Date of this User Agreement to be used as provided under the Price List in effect as of the Effective Date. When the ***** Training Units have expired or been used up, Client may, during the remainder of the User Agreement Term, purchase additional Training Units at a discount of ***** off list price, and to be used as provided in the Price List in effect when the Training Units are ordered. Each Training Unit may be used to acquire one (1) day of instruction, excluding Client's expenses, for one (1) Client employee at an Oracle Education Center in the United States.

11. Documentation

During the User Agreement Term, Client shall have the option, to receive the annual copying rights stated in this Section for the fees stated in this Section. In consideration for the payment to Oracle of ***** * Oracle shall deliver to Client Location one (1) copy of copy-ready documentation for each of the Licensed Programs licensed herein. Client shall have the right to make ***** copies of such documentation for a period of ***** beginning on the date Client exercises this option. During the same year, Client shall also have the right to make ***** copies of any updates to such documentation released by Oracle before the end of that year. Such updates shall be shipped to Client in copy-ready form. Documentation copied under this Section may only be used with the Licensed Programs licensed under this User Agreement. This payment shall be due and payable on the date Client exercises this option. This payment obligation is noncancelable and the sum paid is nonrefundable, except as provided in the Agreement. Thereafter, Client may renew the annual right to make ***** copies of documentation at Oracle's standard fees in effect when Client exercises the renewal option.

12. CONFIDENTIALITY

Client and Oracle agree that the pricing and terms of this User Agreement shall be considered as Confidential Information under the Agreement.

13. CONFLICT

In the event of conflict between this User Agreement and the Agreement, this User Agreement will control.

14. SURVIVAL

Sections 1.2, 1.3, 1.5, 1.6, 3, the first paragraph of 4, 5, 6.2, 7, 8, 12, 13, and 14 shall survive expiration of this User Agreement.

15. Pricing Warranty

During the term of this User Agreement, Oracle shall provide Client Entities with the relevant percentages of discount stated in this User Agreement for future procurements of Programs or Services in the United States. In the event that Client Entity orders Programs or Services for

which Oracle ***** during the User Agreement Term, Oracle will provide ***** * to Client Entities during the User Agreement Term. ***** The term ***** shall not include any entity where it is acting as a third party re-seller or where the entity is a federal, state or local government or is an educational institution or a charitable organization. This Section states Oracle's sole liability and Client Entities' exclusive remedy for this obligation.

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* *****Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed with the Securities and Exchange Commission.

The Effective Date of this User Agreement is November 30, 1993.

THE NASDAQ STOCK MARKET, INC.	ORACLE CORPORATION
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed with the Securities and Exchange Commission.

SOFTWARE LICENSE AND SERVICES AGREEMENT

This Software License and Services Agreement (the "Agreement") is between Oracle Corporation, a Delaware corporation with its principal place of business at 500 Oracle Parkway, Redwood City, California 94065 ("Oracle") and The Nasdaq Stock Market, Inc., a Delaware corporation (hereinafter "Client"), which is a wholly owned subsidiary of the National Association of Securities Dealers, Inc. (a Securities Self-Regulatory Organization, registered with the United States Securities and Exchange Commission and subject to the Securities and Exchange Act of 1934 (NASD)), with its principal place of business at 1735 K Street, N.W., Washington, D.C. 20006. The terms of this Agreement shall apply to each Program license granted, and to all services provided under this Agreement and any Order Form placed under this Agreement. When completed and executed by both parties, an Order Form shall evidence the Program licenses granted and the services that are to be provided by Oracle.

This Agreement is being signed by The Nasdaq Stock Market, Inc. The Nasdaq Stock Market, Inc., the National Association of Securities Dealers, Inc., Nasdaq International, Ltd., Securities Dealers Insurance Company, Ltd., National Clearing Corporation, and any majority owned subsidiary of Client or the NASD (i.e. a subsidiary in which Client or NASD owns, directly or indirectly, more than fifty percent of the voting stock) in existence as of the Effective Date of this Agreement (each hereinafter referred to as a "Client Entity") may acquire a Program license(s) and/or service(s) as a Client in accordance with the terms and conditions of this Agreement, for installation in the United States or the United Kingdom as applicable, provided that the Client Entity agrees in writing to be bound by the terms of this Agreement and the applicable Order Form. By placing an Order Form under this Agreement for a Program license(s) and/or service(s) the Client Entity agrees that the Program license(s) and service(s) is subject to this Agreement and the relevant Order Form and that the Client Entity shall perform its obligations in accordance with the terms of this Agreement and the relevant Order Form. Any United States or United Kingdom majority owned subsidiary of Client or NASD (i.e. a subsidiary in which Client or NASD owns, directly or indirectly, fifty percent) and any joint venture of Client or NASD (i.e. a United States or United Kingdom joint venture fifty percent of which is owned, directly or indirectly, by Client or NASD) may be added to the Client Entities specified in this paragraph upon prior written notice to Oracle provided that the subsidiary or joint venture is not a competitor of Oracle in the areas of the Programs and associated technical support services, however a subsidiary or joint venture which is a competitor may be added to the Client Entities with Oracle's prior written consent which consent will not be unreasonably withheld. If a Client Entity's name is changed and/or a Client Entity is merged with another Client Entity, and the name change or merger does not include a merger with any other entity, then the renamed Client Entity and/or survivor of the merged Client Entities shall be deemed to be a Client Entity under this Agreement.

I. DEFINITIONS

1.1. "Program" or "Programs" shall mean the computer software in object code form owned or distributed by Oracle for which Client is granted a license under this Agreement; the user guides and manuals for use of the software ("Documentation"); and Updates.

1.2. "Order Form" shall mean Oracle's standard form for ordering Program licenses and services. When placing orders under this Agreement, Client shall reference the Oracle Agreement number above and the Effective Date of this Agreement.

1.3 "Price List" shall mean Oracle's standard commercial fee schedule that is in effect when a Program license or any other products or services are ordered by Client.

1.4 "Designated System" shall mean the computer hardware and operating system designated on the relevant Order Form or as set forth in the relevant business arrangement on the Order Form.

1.5 "Supported Program License" shall mean a Program license for which Client has ordered Technical Support for the relevant time period. "Technical Support" shall mean Program support as provided under Oracle's policies in effect on the date Technical Support is ordered, but in any event in accordance with this Agreement.

1.6 "Commencement Date" shall mean the date on which the Programs are delivered to Client, or if no delivery is necessary, the Effective Date set forth on the relevant Order Form.

1.7 "Update(s)" shall mean subsequent releases of the Programs which are generally made available for Supported Program Licenses at no additional charge, other than media and handling charges. Updates shall not include any options or future products which Oracle licenses separately.

1.8 USER

A. "User", unless otherwise specified in the Order Form, shall mean a specific individual employed by Client who is authorized by Client to use the Programs licensed on the Designated System, regardless of whether the individual is actively using the Programs at any given time.

B. Notwithstanding the preceding Paragraph, Client may train or

authorize an individual, in addition to one employed by Client, to use the Programs licensed by Client subject to the following conditions:

(i) the individual is either: (a) an employee of a Client Entity ("Entity Employee"); (b) furnished by a third party, who is not a competitor (i.e. each of the following companies, any subsidiary or affiliate of any of the companies, and any joint venture in which any of the companies is a participant is a competitor: Sybase, Informix, Ingres/ASK, and other direct RDBMS competitors (except Unisys) and GAIN Inc.) of Oracle, under contract to perform computer programming or data processing services for Client or a Client Entity ("Agent Individual"). Client shall have a sixty (60) day grace period from the Effective Date of this Agreement to determine if any of its third parties are competitors; or (c) a person authorized by a third party under contract to receive services from Client or a Client Entity ("Subscriber Designee");

(ii) the individual uses the Programs in accordance with this Agreement and the applicable Order Form as further limited by this Paragraph B.;

(iii) use of the Programs by: (a) an Entity Employee is solely for Client's own internal data processing; (b) an Agent Individual is solely to develop applications and process data for Client's own internal data processing; and (c) a Subscriber Designee is through a front end application furnished by a Client Entity via remote communications access and solely to read and input data into a Client Entity's database in the ordinary course of the services received from a Client Entity and neither the third party nor the Subscriber Designee can copy, download, or transfer the Programs;

(iv) Client remains the licensee of the Programs and the Programs are only installed on the Designated System (or "Hardware" if so defined in the applicable Order Form) and at Client's location (and such other Client or Client Entity location, if any, stated in the applicable Order Form);

(v) the individuals are deemed, for the purposes of this Paragraph B., to be employees of Client when using the Programs;

(vi) each individual is counted as a User as defined herein (or as defined in the applicable Order Form if User is defined differently therein) and is subject to the limitations, if any, regarding the number of Users in the applicable Order Form;

(vii) the Client Entity and third party shall protect Oracle's rights in the Programs and Confidential Information in accordance with this Agreement. If a Client Entity or a third party fails to do so then Client shall terminate use of the Programs by any Client Entity (including Entity Employees) or third party (including Agent Individuals and/or Subscriber Designees) who fails to do so or who fails to use the Programs in accordance with this Paragraph 1.8 B. Cure of such failure shall be in accordance with Paragraph 4.3. Oracle will provide reasonable assistance to Client for the enforcement of Oracle's rights in the Programs and Confidential Information;

(viii) the Client Entity and third party have agreed, in a written agreement with Client (as to a third party the written agreement may be with a Client Entity), to terms substantially equivalent to those in items (i) through (vii) of this Paragraph B.; and

(ix) Client shall indemnify and hold Oracle harmless from breach of this Agreement and/or the applicable Order Form whether by a Client Entity or Entity Employee. Client shall indemnify and hold Oracle harmless from breach of this Agreement and/or the applicable Order Form whether by a third party, as defined in (i) (c) of this Paragraph 1.8 B, or a Subscriber Designee if there is not an agreement with such third party which complies with (viii) of this Paragraph 1.8 B, or Client or a Client Entity fails to terminate such third party's and the Subscriber Designee's use of and access to the Programs in accordance with (vii) of this Paragraph 1.8 B. Client and Client Entities shall use reasonable security measures to prevent third parties and Agent Individuals from violating the provisions of this Paragraph 1.8 B.

C. Client may temporarily relocate the Programs licensed pursuant to this Agreement for installation on the Designated System to a CPU of the same operating system as the Designated System ("Temporary CPU"), which is owned or under the sole control of a third party, under contract to perform computer programming services for Client or a Client Entity, and located at the third party's address in the United States ("Agent"), provided that:

(i) Client remains the licensee of the Programs;

(ii) Prior to installing the Programs on the Temporary CPU, Client and the Agent enter into a written agreement which: (a) restricts

the Agent's use of the Program(s) in accordance with this Paragraph C. and Paragraph 1.8 B. above; (b) does not include warranties, express or implied, made on behalf of Oracle or with respect to Oracle products; (c) prohibits transfer or duplication of

the any Program(s), except for backup or archival copies to provide the services to Client; (d) prohibits causing or permitting the reverse engineering, disassembly or decompilation of the Program(s); (e) states that all rights, title, and interest in the Program(s) shall at all times remain the property of Oracle or Oracle's licensor; (e) disclaims Oracle's liability, whether direct, indirect, incidental, special, or consequential arising from the use of the Program(s); (f) requires the Agent to protect Oracle's rights and interests in the Program(s) and Confidential Information in accordance with this Agreement; and which (g) specifies Oracle as a third party beneficiary of said agreement for the purposes of enforcing the provisions of this Paragraph C.;

(iii) The Agent uses the Program(s) in accordance with this Agreement and the applicable Order Form as further limited by this Paragraph C. and Paragraph 1.8 B. above and not for any other purposes. Access to the Program(s) is limited to those individuals who are performing computer programming or data processing services for Client or a Client Entity;

(iv) The Programs may be installed and operated on both Client's Designated System and the Agent's Temporary CPU for a period of fifteen (15) days ("Switch-over Period") to facilitate relocation to the Temporary CPU. Client shall discontinue use of the Programs on the Designated System located at Client's site upon expiration of the Switch-over Period. Notwithstanding the preceding sentence and after expiration of the Switch-over Period, Client may continue to maintain a backup or archival copy(ies) of the Program(s) while the Programs are installed and used on the Temporary CPU, provided that the Program(s) are not installed or used by Client on the Designated System during the period the Programs are installed or used on the Temporary CPU. (Note - If an Order Form contains a fixing date and the number of computers is not limited, then this subparagraph (iv) shall not apply until the fixing date.);

(v) The Agent discontinues use of the Program(s) immediately upon the termination or expiration of: (a) its agreement with Client; (b) the Order Form or the Program licenses; or (c) this Agreement and promptly returns the Program(s), and any copy thereof, to Client in accordance with Paragraph 4.5 of this Agreement. Client shall use reasonable means available, both contractual and technical, to ensure that each Program(s) supplied to the Agent is installed, used, and protected in accordance with the provisions of this Paragraph C. If the Agent fails to comply with the provisions of this Paragraph C., Client shall immediately notify the Agent and Oracle of same. If the Agent fails to promptly correct the noncompliance following such notification Client shall terminate the Agent's right to use the Program(s);

(vi) ORACLE MAKES NO REPRESENTATIONS NOR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NOR ASSUMES ANY OBLIGATIONS OR RESPONSIBILITIES WHATSOEVER WITH RESPECT TO PERFORMANCE OF THE PROGRAM(S) WHICH ARE INSTALLED ON THE TEMPORARY CPU AND/OR USED BY THE AGENT. Notwithstanding anything to the contrary in the preceding sentence, the parties agree that the warranty between Oracle and Client shall remain as stated in this Agreement; AND

(vii) IN NO EVENT SHALL ORACLE BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA, OR USE INCURRED BY CLIENT OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, ARISING EITHER DIRECTLY OR INDIRECTLY FROM AN AGENT'S USE OF THE PROGRAM(S), EVEN IF ORACLE OR ANY OTHER PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Notwithstanding anything to the contrary in the preceding sentence, the parties agree that Infringement Indemnity in Paragraph 5.1 shall remain as stated in this Agreement.

1.9 "Oracle Application Programs" shall be Programs designated as application software by Oracle.

1.10 "Limited Production Programs" shall be Programs not specified on the Price List or specified as Limited Production, Tier 3 or with special restrictions on the Price List.

II. PROGRAM LICENSE

2.1 Rights Granted

A. Oracle grants to Client a nonexclusive license to use the Programs Client obtains under this Agreement, as follows:

i. to use the Programs solely for Client's own internal data processing operations on the Designated System or on a backup system if the Designated System is inoperative or on a hot-site backup system operated by a Client Entity, up to any applicable maximum number of designated Users (if any User limitation applies). Client may not use the Programs for third-party training, commercial time-sharing, rental, or service bureau use. Notwithstanding the prohibition against use of the Programs for "third party training" and "service bureau" activities, "Client's own internal data processing" shall: (a) not prohibit use of the Programs by a Client Entity Employee, Agent Individual, or Subscriber Designee under Paragraphs 1.8 B and C above; (b) include the internal business data of Client or a Client Entity or data, received from a third party by Client or a Client Entity, that is related to entities regulated by the Client Entities, issuers, issues, markets (e.g. financial, commodity, or barter but not wholesale or retail stores), financial instruments, professional testing, identification or verification products, insurance, and news referring to or related to the above, including those markets operated and regulated by a Client Entity; and (c) not prohibit training of Client Entity Employee, Agent Individual, or Subscriber Designee Users;

ii. to use the Documentation provided with the Programs in support of Client's authorized use of the Programs;

iii. to copy the Programs for archival or backup purposes; no other copies shall be made without Oracle's prior written consent. All titles, trademarks, copyright and restricted notices shall be reproduced in such copies. All archival and backup copies of the Programs are governed by the terms of this Agreement; and

iv. to modify the Programs, or combine them with other software products. The Programs or such portions thereof included in such software products shall remain the property of Oracle and shall be governed by the terms of this Agreement. A software application developed by Client or a Client Entity or by an Agent (other than Oracle) for Client or a Client Entity, using a Program(s) that is licensed by Oracle to provide a licensee with a programming language for the development of software applications, will be the property of Client except for any Program code and/or works derivative, if any, of any Program contained in such software application. Ownership of a software application, other than a Program, developed by Oracle for Client or a Client Entity will be determined in the Services Agreement.

Client shall not copy or use the Programs (including the Documentation) except as otherwise specified in this Agreement.

B. Client agrees not to cause or permit the reverse engineering, disassembly, or decompilation of the Programs.

C. Oracle shall retain all title, copyright, and other proprietary rights in the Programs and all modifications, enhancements, and other works derivative of the Programs. A software application developed by Client or a Client Entity or by an Agent (other than Oracle) for a Client or a Client Entity, using a Program(s) that is licensed by Oracle to provide a licensee with a programming language for the development of software applications, will be the property of Client except for any Program code and/or works derivative, if any, of any Program contained in such software application. Ownership of a software application, other than a Program, developed by Oracle for Client or a Client Entity will be determined in the Services Agreement. Client does not acquire any rights, express or implied, in the Programs, other than those specified in this Agreement.

D. The Programs are not intended for use in any nuclear, aviation, mass transit, medical, or other inherently dangerous applications. It shall be Client's responsibility to take all appropriate measures to ensure the safe use of such applications if the Programs are used for such purposes, and Oracle disclaims liability for any damages caused by such use of the Programs.

E. Other Oracle Programs may be embedded in or delivered with Oracle Programs licensed under this Agreement. Client shall be limited to use of Oracle Programs licensed under this Agreement. Client's right to use any Oracle Programs embedded within or delivered with or as part of an Oracle Application Program shall be limited to use necessary to implement the Oracle Application Program; Client shall have no right to use such Programs outside the scope of the Oracle Application Program, including development or any other uses.

2.2 Acceptance of Program

A. For each Program License for which delivery is required under this Agreement, Client shall have a 15 day Acceptance Period, beginning on the Commencement Date, in which to evaluate the Program. During the Acceptance Period, Client may cancel the license by giving written

notice to Oracle and returning the Program in accordance with Paragraph 4.5 below. Unless such cancellation notice is given, the license will be deemed to have been accepted by Client at the end of the Acceptance Period. If Client is granted a right to copy license and no delivery is necessary, subsequent copies shall be deemed accepted upon acceptance of the master copy.

B. Notwithstanding the foregoing, Client may license a Program(s) at no charge under a Trial License Agreement prior to ordering such Program(s) under this Agreement. If a license for the Program(s) is subsequently purchased by Client there shall be no Acceptance Period under Paragraph 2.2 A. above for the Program.

2.3 Transfer and Assignment

A. Within the United States, a Program license may be transferred to another computer system of like configuration (same model and operating system), or the Designated System may be transferred to another location within Client's organization, upon written notice to Oracle. All other transfers, including transfer of a Program license outside the United States, shall be permitted only with Oracle's prior written consent, which consent shall not be unreasonably withheld, and shall be subject to a transfer fee, if any, as specified in Oracle's Price List and policies in effect at the time of the transfer.

B. The rights granted herein are restricted for use solely by Client, except as provided in Paragraph 1.8 B. above. Client may not authorize or allow the use or the remarketing of the Programs by a third party, and may not assign or transfer the Programs or the Agreement to a third party without the prior written consent of Oracle, which shall not be withheld unreasonably. However, Client may, upon written notice to Oracle, assign this Agreement to a Client Entity, provided that prior to such assignment the Client Entity agrees in writing to be bound by the terms of this Agreement.

2.4 Verification

On Oracle's written notice, not more frequently than annually, Client shall furnish Oracle with a signed certification (a) stating whether or not the Programs are being used pursuant to the terms of this Agreement, including any User limitations; and (b) listing the number of Users (including Agents, Subscribers and employees of Client and Client Entities), location, types, and serial numbers (except serial numbers for personal computers) of the Designated Systems of Client and each Client Entity on which the Programs are run. Such certification will be to the best of Client's knowledge and belief.

Oracle may, at its expense, audit from Client's and Client Entities' records the number of copies of the Programs in use by Client and Client Entities, the Designated System(s) on which the Programs are installed, and the number of Users using the Programs. Any such audit shall be scheduled in advance and shall be conducted at a mutually agreeable time at Client's and/or Client Entities' facilities and shall not unreasonably interfere with Client's and Client Entities' business activities. If an audit reveals that Client has underpaid fees to Oracle, Client shall be invoiced for such underpaid fees based on the terms in effect at the time the audit is completed. Audits shall be conducted no more than once annually. The parties agree that Client's signed certification prepared under this Paragraph, and/or the results of an audit of Client's use of the Programs, shall be Confidential Information under Paragraph 7.1 of this Agreement and is subject to applicable securities regulations.

III. TECHNICAL SERVICES

3.1 Technical Support Services

Technical Support services ordered by Client will be provided under Oracle's Technical Support policies in effect on the date Technical Support is ordered, but in any event in accordance with this Agreement, subject to the payment by Client of the applicable fees. Client may terminate Technical Support Services without terminating any Program licenses. Provided Client is currently under Technical Support services, upon Client's identification of a problem with a Program which significantly affects the operation of the Program, Oracle shall ***** *. At Client's request, Oracle will provide remote assistance in the installation of each Supported Program license. Reinstatement of lapsed Technical Support services is subject to Oracle's Technical Support reinstatement fees in effect on the date Technical Support is re-ordered. Limited Production Programs and pre-production releases of Programs may not be eligible for standard Technical Support Services; Client may obtain Technical Support Services for Limited Production Programs on a time and materials basis.

3.2 Consulting and Training Services

Oracle anticipates that it will provide off-site training services agreed to by the parties under the terms of this Agreement and consulting services and on-site training agreed to by the parties under the terms of a separate consulting services agreement. Any consulting services acquired from Oracle shall be bid separately from the Program licenses and Client may acquire the Program licenses

without acquiring any consulting services.

3.3 Incidental Expenses

For any on site services requested by Client, Client shall reimburse Oracle for actual, reasonable travel and out-of-pocket expenses incurred as agreed upon by the parties.

IV. TERM AND TERMINATION

4.1 Term

Each Program license granted under this Agreement shall remain in effect perpetually (if not otherwise specified on the Order Form), unless terminated as provided in Paragraph 4.2 or 4.3 below.

4.2 Termination by Client

Client may terminate this Agreement or any license upon written notice if Oracle breaches a material term of this Agreement and fails to correct the breach within thirty (30) days following receipt of written notice specifying the breach. If such breach, except one involving a Client Entity's proprietary rights or Confidential Information, is not reasonably curable within such thirty (30) day period, Client shall not unreasonably withhold approval of a longer cure period provided that Oracle promptly commences to cure such breach and diligently pursues the curing of such breach.

4.3 Termination by Oracle

Oracle may terminate this Agreement or any license upon written notice if Client breaches a material term of this Agreement and fails to correct the breach within 30 days following written notice specifying the breach. If such breach, except one involving Oracle's proprietary rights or Confidential Information, is not reasonably curable within such thirty (30) day period, Oracle shall not unreasonably withhold approval of a longer cure period provided that Client promptly commences to cure such breach and diligently pursues the curing of such breach.

4.4 Effect of Termination

Termination of this Agreement or any license shall not limit either party from pursuing any other remedies available to it, including injunctive relief, nor shall such termination relieve Client's obligation to pay all fees that have accrued or that Client has agreed to pay under any Order Form or other similar ordering document under this Agreement unless so ordered or determined by a court. The parties' rights and obligations under Paragraphs 2.1.B, 2.1.C, 2.1.D, and 2.3.B, and Articles IV, V, VI and VII shall survive termination of this Agreement.

If Client materially breaches this Agreement, including failing to make any payments required hereunder when due under any Order Form or other similar ordering document to this Agreement, then Oracle may declare all sums due and to become due hereunder immediately due and payable. Notwithstanding the previous sentence, Oracle may not declare all sums due and payable for a breach which Client is curing in accordance with Paragraph 4.3 above.

4.5 Return of Programs Upon Termination

If a license granted under this Agreement expires or otherwise terminates, Client shall (a) cease using the applicable Programs, and (b) certify to Oracle within one month after expiration or termination that Client has destroyed or has returned to Oracle the Programs and all copies. If Client inadvertently fails to provide such certification, Client shall have a cure period in accordance with Paragraph 4.3 of this Agreement. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials. Notwithstanding the foregoing, Client may retain copies of the Programs in archived media and may use the archived copies to retrieve data provided that the Programs are not used to retrieve the data and that all partial and complete copies of the Programs on the archived media are destroyed in the regular course of eliminating archival copies. Before returning Programs to Oracle, Client shall acquire a Return Material Authorization ("RMA") number from Oracle at (415) 506-1500.

V. INDEMNITY, WARRANTIES, REMEDIES, LIMITATION OF LIABILITY

5.1 Infringement Indemnity

Oracle will defend and indemnify and hold Client, Client Entities, and Agents (only for a claim under this Paragraph in which the claimed infringement is alleged to have occurred during the term of this Agreement while a Program is temporarily installed at the Agent's site in accordance with this Agreement) employees, officers, and directors of Client, Client Entities, and Agents (as limited above in this Paragraph) harmless against a claim that Programs furnished and used within the scope of this Agreement misappropriate a trade secret or trademark, or infringe a copyright or patent, of any country which is a signatory to the Berne Convention or the Universal Copyright Convention and which has executed implementing legislation, provided that: (a) Client notifies Oracle in writing within 30 days of its receipt of written notice of the claim; (b) Oracle has sole control of

the defense and all related settlement negotiations; and (c) Client provides Oracle with the reasonable assistance, information, and authority necessary to perform Oracle's obligations under this paragraph, however, Client shall not be required to waive, nor shall this clause be construed as a waiver of, any privileges under the attorney work product or attorney-client privilege doctrines. Reasonable out-of-pocket expenses incurred by Client in providing such assistance will be reimbursed by Oracle.

Oracle shall have no liability for any claim of infringement to the extent it is based on: (a) use of a superseded or altered release of Programs if such infringement would have been avoided by the use of a current unaltered release of the Programs that Oracle provides to Client; or (b) the combination, operation, or use of any Programs furnished under this Agreement with software, hardware, or other materials not furnished by Oracle if such infringement would have been avoided by the use of the Programs without such software, hardware, or other materials unless the combination, operation, or use is the normal use (e.g. the operating system under which a Program runs) of the Programs in accordance with this Agreement and the applicable Order Form.

In the event the Programs are held or are believed by Oracle to infringe, Oracle shall have the option, at its expense, to (a) modify the Programs to be noninfringing; (b) obtain for Client a license to continue using the Programs; or (c) terminate the license for the infringing Programs and refund the license fees paid for those Programs. As of the Effective Date of this Agreement, to the best of Oracle's knowledge, there exist no claims or encumbrances which, in Oracle's opinion, would preclude Client's right to use the Programs in accordance with this Agreement. This Paragraph 5.1 states Oracle's entire liability and Client's exclusive remedy for infringement.

Oracle's obligations under this Paragraph shall survive termination or expiration of this Agreement or the relevant Program license only for claims of infringement in which the claimed infringement is alleged to have occurred during the term of this Agreement or the relevant Program license.

5.2 Warranties and Disclaimers

A. Warranties

i. Program License Warranties

For each Supported Program License and each Update received for a Supported Program License, Oracle warrants for a period of one year from the Commencement Date that the Programs, unless modified by Client, will perform the functions described in the Documentation provided by Oracle when operated on the Designated System. Oracle will undertake to correct any reported error condition in accordance with its technical support policies but in any event in accordance with this Agreement.

Oracle does not warrant that the Programs will meet Client's requirements, that the Programs will operate in the combinations which Client may select for use, that the operation of the Programs will be uninterrupted or error-free, or that all Program errors will be corrected.

If Client does not obtain Technical Support services, the Programs are distributed "as is."

ii. Media Warranty

Oracle warrants that: (a) the media and software Programs will not be returned material (this shall not prohibit Oracle from using recycled media which has been magnetically degaussed); (b) the Programs will be the production release current as of the effective date of the applicable Order Form, unless otherwise agreed by the parties; and (c) the tapes, diskettes or other media will be free of defects in materials and workmanship under normal use for 90 days from the Commencement Date.

iii. Services Warranty

Oracle warrants that its Technical Support and consulting services will be performed consistent with generally accepted industry standards. This warranty shall be valid for 90 days from performance of each Technical Support or consulting service even if a subsequent service is the same as a service performed prior to it.

iv. Virus Warranty

Provided that Client is under contract to receive Technical Support from Oracle for a licensed Program, Oracle warrants that it will use reasonable efforts to provide the Program to Client without viruses (i.e. code embedded in a Program whose purpose is to halt effective operation or use of the Program on conditions set by or triggered by an event or a person other than Client, Oracle, or Oracle's licensor) (Oracle will provide, upon receipt of Client's written request, Oracle's then current procedures to prevent introduction of viruses.) or trap doors (i.e. circumvention of the Program's documented security enforcing mechanisms by means of the Program itself by a person in order to obtain unauthorized access to the Program) (collectively referred to as "Virus"). Client acknowledges that a Program's documented security mechanisms are dependent on the environment in which the Program is executed (e.g. the capability of security mechanisms in the operating system, network, and hardware) and Client's

implementation of the Program's documented security mechanisms (e.g. the setting of options, privileges and parameters for the Program). For the purpose of this Subparagraph the term Virus shall not include Embedded Devices under Paragraph 7.10 of this Agreement. Oracle will use reasonable efforts to notify Client's Technical Contact if a Virus that equates to an Oracle Priority One/Critical Condition is discovered in a Program. Client will use reasonable efforts to notify Oracle's Technical Support if Client discovers a Virus in a Program. If Client discovers a Virus in a Program, then Client will use reasonable efforts to provide Oracle with reasonable information to help identify and isolate the Virus. Oracle will use reasonable efforts to work with Client to classify and resolve the Virus in accordance with the Technical Support Services Section of this Agreement. If Oracle requests return of the infected Program, Client shall label the media as Virus infected and return it to Oracle and Oracle shall send Client a replacement copy of the Program at no additional charge. As used in this Subparagraph "reasonable efforts" shall mean reasonable efforts relative to the seriousness of the problem.

B. Limitations on Warranties

i. The warranties above are exclusive and in lieu of all other warranties, whether express or implied, including the implied warranties of merchantability and fitness for a particular purpose.

ii. As an accommodation to Client, Oracle may supply Client with Limited Production Programs or with pre-production releases of Programs (which may be labeled "Alpha" or "Beta"). These products are not suitable for production use. Oracle does not warrant Limited Production Programs, pre-production releases or computer based training products; these products are distributed "as is."

5.3 Exclusive Remedies

For any breach of warranties contained in Paragraph 5.2 above, Client's exclusive remedy, and Oracle's entire liability, shall be:

A. For Programs

The correction of Program errors which cause breach of the warranty, or if Oracle is unable, within a reasonable time, to make the Program operate as warranted, Client shall be entitled to recover the fees paid to Oracle for the Program license or Update (for an Update the recoverable fees will be one half of the annual Technical Support fee paid by Client for the twelve month Technical Support period in which the Update was provided), as applicable.

B. For Media

The replacement of defective media returned within 90 days of the Commencement Date.

C. For Services

The reperformance of the services, or if Oracle is unable to perform the services as warranted, Client shall be entitled to recover the fees paid to Oracle for the deficient services.

5.4 Limitation of Liability

***** * in no event shall either party be liable for any indirect, incidental, special or consequential damages or damages for loss of profits, revenue, data, or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party or any other person has been advised of the possibility of such damages***** each party's liability for damages hereunder shall in no event exceed the amount of fees paid by Client under this Agreement, and if such damages result from Client's use of the Program or services, such liability shall be limited to fees paid for the relevant Program or services giving rise to the liability.

The provisions of this Article V allocate the risks under this Agreement between Oracle and Client. Oracle's pricing reflects this allocation of risk and the limitation of liability specified herein.

VI. PAYMENT PROVISIONS

6.1. Invoicing and Payment

Invoices for payment of license fees shall be payable on the Commencement Date. Technical Support fees shall be payable annually in advance; such fees will be those in effect at the beginning of the period for which the fees are paid. All other applicable fees shall be payable when invoiced. All fees shall be deemed overdue if they remain unpaid 31 days after they become payable. Any amounts payable by Client hereunder, during the first year from the Effective Date of this Agreement, which remain unpaid ninety (90) days after the due date shall be subject to late penalty fees equal to 1.5% per month from the due date until such amount is paid. Any amounts payable by Client hereunder, after the first year from the Effective Date of this Agreement, which remain unpaid sixty (60) days after the due date shall be subject to late penalty fees equal to 1.5% per month from the due date until such amount is paid. If Client's procedures require that an invoice be submitted against a purchase order before payment can be made, Client will be responsible for issuing the purchase order at the time of order. Oracle will use reasonable efforts to invoice

Client within six (6) months of the date that the charges were due to have been invoiced, failure to invoice Client within that period shall not relieve Client of its obligations to pay the charges. Client agrees to pay actual shipping charges.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

6.2. Taxes

The fees listed in this Agreement do not include taxes; if Oracle is required to pay sales, use, property, value-added, or other federal, state or local taxes based on the licenses or services granted in this Agreement or on Client's use of Programs or services, then such taxes shall be billed to and paid by Client. This paragraph shall not apply to taxes based on Oracle's net or gross income or corporate franchise taxes.

VII. GENERAL TERMS

7.1 Nondisclosure

For the purposes of this Paragraph "party" and "Client" shall also include Client Entity and Agent. By virtue of this Agreement, the parties may have access to information that is confidential to one another ("Confidential Information"). Confidential Information shall be limited to the Programs and information which is: (a) disclosed by the Discloser in writing and marked "confidential" at the time of disclosure; (b) disclosed by the discloser and identified as confidential at the time of disclosure in a manner which would put a reasonable person on notice that such information is Confidential Information; (c) information relating to strategic business, financial, product planning or development, personnel, computer system development, or computer system operation; or (d) information relating to investigatory matters, regulatory matters, matters involving broker/dealers, issues, or issuers. Client shall use reasonable efforts to disclose to Oracle only Confidential Information that is necessary for Oracle's performance under this Agreement. Client's failure to use reasonable efforts to so limit disclosure of Confidential Information will not necessarily excuse Oracle's breach of this Paragraph but may reduce Oracle's potential liability to Client depending on the extent to which Client's failure contributed to Oracle's breach.

A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain or is publicly known, through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on disclosure; or (d) is independently developed by the other party. Client shall not disclose the results of benchmark tests of the Programs to any third party without Oracle's prior written approval. The parties agree, both during the term of this Agreement and for a period of two years after termination of this Agreement and of all licenses granted hereunder, to hold each other's Confidential Information in confidence, except for Confidential Information, as defined in item (d) of the first subparagraph of this Paragraph 7.1, for which the obligation of non-disclosure shall survive until the Confidential Information is publicly known. The parties agree, that unless required by law, not to make each other's Confidential Information available in any form to any third party or to use each other's Confidential Information for any purpose other than the implementation of Programs, licenses, or services under this Agreement or discussions related thereto. Each party agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its employees or agents in violation of the provisions of this Agreement using the same standard of care such party takes with respect to their own confidential information of like nature and value, but no less than a reasonable standard of care.

In the event either party receives a subpoena or other validly issued administrative or judicial process demanding Confidential Information of the other party, the recipient shall promptly notify the owner of Confidential Information and tender to it the defense of such demand. Unless the demand shall have been timely limited, quashed or extended, the recipient shall thereafter comply with such demand, but only to the extent required by law. If requested by the party to whom the defense has been tendered, the recipient shall cooperate (at the expense of the requesting party) in the defense of such demand.

Oracle shall not use the names National Association of Securities Dealers, Inc., The Nasdaq Stock Market, Inc. or "NASD" or "Nasdaq" in any written advertising or promotional media without the prior written consent of Client. Client shall not use the name Oracle Corporation or "Oracle", or any mark beginning with the letters "Ora" where its use would be likely to cause confusion in the marketplace over the source being Oracle, in any written advertising or promotional media without the prior written consent of Oracle. Neither party shall use any trademark, service mark, copyright or patent of the other party's corporations listed in this paragraph, without the written consent of the other party. Notwithstanding the firegoing, either party may use the name(s) of the other party orally in conversations or in writing with customers or prospects to indicate that Client is a licensee of

Oracle Programs. However, Oracle may not describe Client's implementation of the Programs or services or Client Entity application without prior written consent which will not be unreasonably withheld. The parties' obligations under this paragraph shall survive expiration or termination of this Agreement.

Nothing contained in this Paragraph shall be construed to prohibit Client from: (i) submitting evaluations of the Programs to its Board of Directors or an Agent in order that the Board may compare competitive products, provided that each Agent and member of the Board is bound by the obligations of confidentiality set forth herein; and/or (ii) permitting representatives of a government agency having regulatory jurisdiction over Client or a Client Entity to audit Client's database systems, but only to the extent required for such government agency to determine whether Client or a Client Entity is in compliance with applicable government regulations; nor shall it be construed to prohibit either party from permitting auditors, lawyers, or entities with a fiduciary duty to either party, or Agent Individuals under Paragraph 1.8 or management consultants who have signed a nondisclosure agreement which obligates them to provisions substantially equivalent to those of this Agreement with respect to Confidential Information, to review this Agreement and Client's implementation of the Programs.

7.2 Reserved

7.3 Reserved

7.4 Notice

"All notices, including notices of address change, required to be sent hereunder shall be in writing and shall be deemed to have been given when mailed, postage prepaid, by registered or certified mail, return receipt requested, or any other delivery method that actually obtains a signed delivery receipt, when addressed to the person named below at the appropriate addresses below or to such other address as any party hereto shall specify by written notice to the other party or parties hereto:

If to Oracle for notices of default of dispute:
Oracle Corporation

Corporate Legal Department
500 Oracle Parkway
Mail Code 659507
Redwood Shores, CA 94065

If to Client for notices of default or dispute:
The Nasdaq Stock Market,Inc.

1735 K Street N.W.
Washington, D.C. 20006
Attn. Office of General Counsel
(NASDAQ Contracts Group).

If to Oracle for notice other then above: If to Client for notice other then above:

Oracle Corporation

Contract Administration
***** Mail Code 659315
Redwood Shores, CA 94065

***** *

*****
*****

500 Oracle Parkway
80 Merritt Boulevard
Trumbull, CT 06611

Invoices, purchase orders, and Order Forms shall be mailed by first class mail to the first address listed in the relevant Order Form (if to Client) or to the Oracle address on the Order Form (if to Oracle).

To expedite order processing, Client acknowledges Transmitted Copies as binding documents equivalent to original documents. "Transmitted Copies" shall mean Order Forms and other ordering documents which: (i) contain no modifications or amendments to this Agreement; (ii) are copied or reproduced and transmitted to Oracle via photocopy, facsimile, or any other process which accurately reproduces and transmits the original documents; and (iii) are accepted by Oracle.

7.5 Severability

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect.

7.6 Waiver

The waiver by either party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach. Except for actions for nonpayment or breach of either party's proprietary rights, no action, regardless of form, arising out of this Agreement may be brought by either party more than two years after the cause of action has accrued.

7.7 Export Administration

Client agrees to comply fully with all relevant export laws and regulations of the United States to assure that neither the Programs, nor any direct product thereof, are exported, directly or indirectly, in violation of United States law.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

7.8. General Indemnification

Each party ("Indemnifying Party") shall defend and indemnify the other party and its employees, officers, and directors (Indemnified Party") against any liability, damage or expense which the Indemnified Party may sustain, incur, or be required to pay, arising out of or in connection with claims for personal bodily injury or wrongful death or damage to tangible personal property resulting from any negligent act or omission of the Indemnifying Party or a person employed by the Indemnifying Party acting within the scope of his/her employment in the performance of this Agreement while on a party's premises; provided that:

(a) The Indemnifying Party is notified in writing of any claim promptly after the Indemnified Party becomes aware of it;

(b) The Indemnifying Party has sole control of the defense of such claim and of all negotiations for its settlement or compromise (Notwithstanding anything to the contrary in this item (b), if in the Indemnified Party's reasonable judgement the claim may exceed ***** * then the Indemnified Party may, at its own expense and upon prior written notice to the Indemnifying Party, have counsel of its choice participate in the defense of such claim and all negotiations for its settlement or compromise. In such event the Indemnifying Party and the Indemnified Party shall cooperate with each other to the extent that their interests do not conflict.); and

(c) The Indemnified Party gives the Indemnifying Party information reasonably available and assistance necessary to facilitate the settlement or defense of such claim and, to the extent permitted by law, the Indemnified Party makes any defenses available to it available to the Indemnifying Party; however, the Indemnified Party shall not be required to waive, nor shall this clause be construed as a waiver of, any privileges under the attorney work product or attorney-client privilege doctrines.

The Indemnifying Party's indemnity obligation under this Paragraph shall be reduced to the extent by which the liability, damage, or expense results from the willful misconduct, negligent act or omission of employees, agents, or subcontractors of the Indemnified Party, or a third party(s). For the purpose of this Paragraph, "tangible personal property" shall not include software, documentation, data or data files nor shall the indemnity obligation stated in this Paragraph apply to damages incurred by use of any software.

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The Indemnifying Party's obligations under this Paragraph shall survive termination or expiration of this Agreement only for claims involving personal bodily injury, wrongful death, or damage to tangible personal property where the act is alleged to have occurred during the term of this Agreement. If a claim under this Paragraph is solely between Oracle and Client (e.g. there are no other parties to the claim or action) then item (c) of this Paragraph shall not apply. The parties agree that they may not sue each other for the loss of an employee's services. The Indemnifying Party's indemnity obligation, except that for personal injury, shall be limited to the ***** * or to the amount of the applicable Order Form which gave rise to the claim.

7.9. Security Regulations

Oracle personnel may be instructed, while on site, to comply with reasonable security regulations pertinent to each Nasdaq location. If any Oracle personnel refuses to comply with such security regulations then the personnel may be escorted out of or refused admittance to the location. Oracle personnel also may be issued a visitor identification card by Client. Such identification cards will be surrendered upon Client's demand therefor.

7.10 Embedded Devices

For the purpose of this Paragraph 7.10, (i) a "Disabling Device" shall mean code embedded in a Program, by Oracle or its licensor, if its purpose is to halt all or substantially impede use of the Program, on conditions set by Oracle or its licensor and (ii) a "Compliance Device" shall mean code embedded in a Program, by Oracle or its licensor, if its purpose is to limit use of the Program(s), hardware, and/or user(s) to, and/or to monitor use of same for compliance with, the rights granted in this Agreement and/or the applicable Program license. Oracle warrants, as of the Effective Date below, that the Programs licensed by Client do not contain a Disabling Device or Compliance Device. ***** If Oracle or its licensor subsequently embeds a Compliance Device in the Program, Oracle shall notify Client of same provided that Client is under contract to receive Technical Support from Oracle for the Program. If a Compliance Device does not function correctly, Client shall report it to Oracle and provide Oracle with reasonable information to help identify and isolate the Compliance

Device and Oracle shall correct the Compliance Device provided that Client is under contract to receive Technical Support from Oracle for the Program.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Any attempt by Oracle (or any entity claiming by, through, or on behalf of Oracle) to take possession of the Programs from Client or to use Programs or Services to prevent all or substantially impede use of the Programs by Client (not including correctly functioning Compliance Devices under the first subparagraph of this Paragraph 7.10) must be pursuant to court order. In such event, except for breach of Oracle's proprietary rights in the Programs, Client retains the right to substitute collateral of equal value (including the right to substitute an escrow account for the disputed amount) in the event of a foreclosure.

7.11 IP Bankruptcy Protection Act

In the event of Oracle's bankruptcy pursuant to the Bankruptcy Act and an attendant rejection of this Agreement or any license hereunder pursuant to Section 365n thereof, the parties intend that the provisions of the IP Bankruptcy Protection Act shall apply and that Client shall be entitled to retain possession of all Embodiments of Intellectual Property delivered to it by Oracle under this Agreement subject to the terms and conditions of this Agreement.

7.12 Insurance

Both parties shall provide the following insurance coverage during the term of this Agreement:

(a) Worker's Compensation Insurance as required by the laws of the relevant state;

(b) Employer's Liability Insurance in such customary amounts carried by employers in like business; and

(c) Comprehensive General Liability and Property Damage Insurance including Contractual Liability coverages as follows:

General Liability	$5,000,000 per occurrence
Employer's Liability	$5,000,000 per accident
Automobile Liability	$5,000,000 combined single limit

Either party shall supply the other party with a certificate(s) of insurance evidencing such coverages, within a reasonable time of receipt of a written request for same.

7.13 Subsequent Parties; Limited Relationship

This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective permitted successors, or assigns. Nothing in this Agreement, express or implied, is intended to or shall (a) confer on any person, other than the parties hereto (and any of the Corporations) or their respective permitted successors or assigns, any rights to remedies under or by reason of this Agreement; (b) constitute the parties hereto partners or participants in a joint venture; or (c) appoint one party the agent of the other.

7.14 Headings

Section headings are included for convenience only and are not to be used to construe or interpret the Agreement.

7.15 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts together shall constitute but one and the same instrument.

7.16 Releases of Foreign Programs

Client may purchase a license for a foreign release of a Program if the foreign release of the Program is available in production release on Oracle's Price List in effect at the time Client orders the Program and at such fees as are agreed upon by the parties for use outside the United States, except in countries where Oracle legally cannot, or chooses not to, do business.

7.17 Entire Agreement

This Agreement constitutes the complete agreement between the parties and supersedes all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement. This Agreement may not be modified or amended except in a writing signed by a duly authorized representative of each party (i.e. a duly authorized officer of Client on behalf of Client and a

duly authorized signatory on behalf of Oracle); no other act, document, usage or custom shall be deemed to amend or modify this Agreement.

All orders will be on Order Forms. It is expressly agreed that all terms of any Client purchase order or other ordering document shall be superseded by the terms of this Agreement. This Agreement shall also supersede the terms of any unsigned license agreement included in any package for Oracle-furnished software, except terms contained in such unsigned license agreement that limit usage of the Programs (e.g. such as the number and type of Users of a Program(s), the type of computer and operating system on which the Programs may be installed, the license type, and the installation and number of copies of the Program that can be made).

The Effective Date of this Agreement shall be November 30, 1993.

Executed by Client:

Authorized Signature: ----------

Name: ----------

Title: ----------

Executed by Oracle Corporation:

Authorized Signature: ----------

Name: ----------

Title: ----------

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ORACLE (R)
[Graphic Omitted]

For Publicly Traded Companies. Nasdaq and its affiliates (Corporations) have an internal policy of monitoring or restricting trading by certain of its employees in publicly traded stocks where the granting, renewal, or termination of the agreement is considered by the publicly traded company to be a "significant" event (one that could affect the price of your company's stock or require a public announcement). While the Corporations offer no representation or warranty about the enforcement of its policy or the securities activities of anyone associated with the Corporations, if your company believes its contracts with the Corporations may be "significant", please initial here ---------- .

Oracle has reviewed the paragraph above and does not believe that this contract with NASD is "significant".

Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
(415) 506-7000

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Oracle is a registered trademark of Oracle Corporation.

EXHIBIT A
TECHNICAL SUPPORT LEVELS

Oracle's current Technical Support Services are set forth below and are subject to change without notice:

a. Basic Annual Support includes:

- Telephone Technical Assistance
  - 5:00 a.m. to 6:00 p.m. (Pacific Time), Monday through Friday
  - Problem solving, bug reporting, documentation clarification, technical guidance
  - Program updates and associated documentation
    - Real Time Support System (RTSS) dial-in access
  - Log/Update/Review TARs
  - Review Bugs
  - Access the Support Bulletin Board
    - Quarterly newsletter and Technical Bulletins

b. Standard Support includes:

- Basic Support
- Telephone Technical Assistance 24 hours a day/7 days a week

c. Extended Support includes:

- Standard Support
- Telephone Technical Assistance

- Toll-free 800 number
- 24 hours a day/7 days a week
    - Monthly Technical Assistance Request (TAR) reports

d. PC Standard Support includes:

    - Telephone Technical Assistance

- 5:00 a.m. to 6:00 p.m. (Pacific Time), Monday through Friday

- Problem solving, bug reporting, documentation clarification, technical guidance

- Software Product Updates

e. PC Updates includes:

    - Software Updates shipped with associated documentation

In the event, Client permits Technical Support Services to lapse, reinstatement of such Services shall be subject to a fee which is currently calculated at ***** * of the list price license fees for the Program on which Technical Support has lapsed, as set forth in the Price List in effect when the Technical Support Services are reinstated.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Exhibit 10.5

REGULATORY SERVICES AGREEMENT

between

NASD REGULATION, INC.

and

THE NASDAQ STOCK MARKET, INC.

Dated as of June 28, 2000

TABLE OF EXHIBITS

THIS REGULATORY SERVICES AGREEMENT (Agreement), dated as of June 28, 2000 (Effective Date), is by and between NASD Regulation, Inc., a Delaware nonprofit corporation with its principal place of business located at 1735 K Street, N.W., Washington, D.C. 20006 (NASD Regulation) and The Nasdaq Stock Market, Inc. (Nasdaq), a Delaware corporation with its principal place of business presently located at 1735 K Street, N.W., Washington, D.C. 20006 [

W I T N E S S E T H:

WHEREAS, Nasdaq desires to procure effective and fair regulatory services;

WHEREAS, NASD Regulation is uniquely qualified to provide such services to Nasdaq; and

WHEREAS, NASD Regulation desires to provide to Nasdaq, and Nasdaq desires to obtain from NASD Regulation, the regulatory and related services described in this Agreement on the terms and conditions set forth in this Agreement for Nasdaq.

NOW, THEREFORE, for and in consideration of the agreements set forth below, Nasdaq and NASD Regulation hereby agree as follows:

SECTION 1 DEFINITIONS AND CONSTRUCTION.

1.01 Definitions. The following defined terms used throughout this Agreement will have the meanings specified below. Additional definitions of specific terms used in this Agreement may be found in subsequent Sections.

Affiliate will mean, as to any entity, any other entity that, directly or indirectly, Controls, is Controlled by or is under common Control with such entity.

Agreement will mean this Regulatory Services Agreement by and between Nasdaq and NASD Regulation.

Century Compliant will mean, with respect to Software and Systems, that such Software and Systems, respectively, will (1) operate and produce data on and after January 1, 2000 (including taking into effect that such year is a leap year), accurately and without delay, interruption or error and (2) accept, calculate, process, maintain, write and output, accurately and without delay, interruption or error, all dates, whether before, on or after 12:00 a.m. January 1, 2000 (including taking into effect that such year is a leap year), and any time periods determined or to be determined based on any such dates.

Change(s) will mean any change in (1) the Services, (2) the Systems that would materially alter the functionality, performance standards or technical environment of the Systems, (3) the manner in which the Services are provided, (4) the composition of the

Services or an applicable Service Tower, (5) the Fees, or (6) relevant operating and security procedures.

Change Control Procedures will mean the written description that defines how Changes will be implemented.

Change in Control will mean the (1) consolidation or merger of a Party with or into any entity pursuant to which that Party is not the surviving entity (2) sale, transfer or other disposition of all or substantially all of the assets of a Party, (3) acquisition by any entity, or group of entities acting in concert, of beneficial ownership of 51 percent or more (or such lesser percentage that constitutes Control) of the outstanding voting securities or other ownership interests of a Party or (4) other reorganization of a Party.

Claim will mean any (1) written demand or (2) civil, criminal, administrative or investigative action or proceeding by a third party against either Nasdaq or NASD Regulation.

Control will mean, with respect to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities (or other ownership interest), by contract or otherwise.

Fees will mean the amounts payable by Nasdaq to NASD Regulation under the terms of this Agreement for: (i) for the Services provided; and (ii) any other amounts payable by Nasdaq to NASD Regulation pursuant to NASD Regulation's performance of this Agreement.

Governmental Authority will mean any Federal, state, municipal, local, territorial, or other governmental department, regulatory authority, judicial or administrative body, whether domestic, foreign or international.

Intellectual Property. shall mean patents, patent applications, registered and unregistered trade marks and service marks, registered and unregistered copyrights, trade names, computer programs, data bases, trade secrets, proprietary information and include all rights in information created under laws governing patents, copyrights, mask works, trade secrets, trademarks, publicity rights, or any other law that permits a person, independently of contract, to control or preclude another person's use of the information on the basis of the rights holder's interest in the information.

Interest will mean the prime commercial rate plus one percent per annum as announced from time to time by Chase Manhattan Bank, or its successors or assigns, at its principal office in the United States.

Law will mean any declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction of or by any Governmental Authority.

Losses will mean any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any Claim, default or assessment) but not expenses of the indemnified party (except those of cooperation set forth in Section 21.04(3)) if the indemnifying Party is defending the indemnified Party.

Machines will mean computers and related equipment, including central processing units and other processors, controllers, modems, communications and telecommunications equipment (voice, data and video), cables, storage devices, printers, terminals, other peripherals and input and output devices, and other tangible mechanical and electronic equipment intended for the processing, input, output, storage, manipulation, communication, transmission and retrieval of information and data and Related Documentation used by the Parties in their performance of this Agreement.

Nasdaq will mean The Nasdaq Stock Market, Inc. and its subsidiaries and affiliated entities.

Nasdaq Data will mean Nasdaq Market Data, but shall not include: (1) data that NASD Regulation has obtained elsewhere or by regulatory mandate, or is able to obtain elsewhere (including, but not limited to, data obtained from NASD member firms on a voluntary or prescribed basis) notwithstanding having obtained such data from Nasdaq; (2) data derived by NASD Regulation using Nasdaq Market Data; (3) NASD Regulation Confidential Information; or (4) NASD Regulation proprietary information.

Nasdaq Market Data will mean certain data and other information relating to: (i) securities or other financial instruments, products, vehicles or devices traded in the Nasdaq Stock Market or other markets operated by Nasdaq (including over-the-counter Bulletin Board and any other third market facility) (ii) Persons regulated by Nasdaq or the activities of such Persons; or (iii) information gathered by Nasdaq from other sources that is reasonably required by NASD REGULATION to provide the Services..

NASD Regulation will mean NASD Regulation, Inc. and other present

or future subsidiaries and affiliated organizations of the National Association of Securities Dealers, Inc. (NASD) that assist or facilitate NASD Regulation's provision of regulatory services to Nasdaq.

Parties will mean Nasdaq and NASD Regulation, collectively.

Party will mean either Nasdaq or NASD Regulation, as the case may be.

Person will mean a natural person, proprietorship, corporation, partnership or other entity whatsoever.

Related Documentation will mean, with respect to Software, Systems and Machines and related tools and utilities, all materials, documentation, specifications, technical manuals, user manuals, flow diagrams, file descriptions and other written information that describes the function and use of such Software, Systems or Machines, as applicable.

Services will mean, collectively, the regulatory and related services provided by NASD Regulation to Nasdaq pursuant to this Agreement, and any assistance provided to Nasdaq by NASD Regulation after the termination or expiration of this Agreement.

Software will mean the object code and the source code versions of any applications programs, operating system software, computer software languages, utilities, other computer programs and Related Documentation, in whatever form or media, including the tangible media upon which such applications programs, operating system software, computer software languages, utilities, other computer programs and Related Documentation are recorded or printed, together with all corrections, improvements, updates, upgrades, versions and releases thereof used by the Parties in their performance of this Agreement.

Systems will mean the Software, Machines and related tools, utilities and equipment, collectively, used by a Party to perform this Agreement.

Term will mean the Initial Term and any renewal of this Agreement pursuant to Section 3.02 herein and, if applicable, the Extension Period.

1.02 Incorporation and References. In this Agreement and the Exhibits to this Agreement:

(1) the Exhibits to this Agreement are hereby incorporated into and deemed part of this Agreement and all references to this Agreement will include the Exhibits to this Agreement;

(2) references to an Exhibit, Section or Article will be to such Exhibit to, or Section or Article of this Agreement unless otherwise provided;

(3) references to any Law will mean references to such Law in changed or supplemented form or to a newly adopted Law replacing a previous Law; and

(4) references to and mentions of the word "including" or the phrase "e.g." will mean "including, without ---- limitation."

1.03 Headings. The Article and Section headings, Table of Contents and Table of Exhibits are for reference and convenience only and will not be considered in the interpretation of this Agreement.

1.04 Interpretation of Documents. Except as otherwise expressly set forth in the body of this Agreement or in any of the Exhibits, in the event of a conflict between the provisions in the body of this Agreement and the Exhibits, the provisions in the body of this Agreement will prevail.

SECTION 2 SERVICES.

2.01 Designated Services. Commencing as of the Commencement Date and continuing throughout the Term and any period of termination assistance pursuant to Section 20 herein, NASD Regulation will provide to Nasdaq:

(1) full regulatory services including, without limitation, those services currently being performed by NASD Regulation plus specified Member Operations as set forth in the Statement of Work between the Parties, a copy of which is attached hereto as Exhibit 1 and made a part of this Agreement;

(2) NASD Regulation administrative functions reasonably related necessary for NASD Regulation's performance in connection with any of the foregoing; and

(3) any services or responsibilities not specifically described in this Agreement that are mutually agreed upon by the Parties. These Services, however, will not include any services that are provided by NASD Regulation pursuant to agreements governed by Section 17(d), Rule 17d-1, or Rule 17d-2 of the Securities Exchange Act of 1934.

2.02 Service Towers. NASD Regulation will organize all of the Services that it provides to Nasdaq in performance of this Agreement into a series of towers. Each tower will represent a collection of services that NASD Regulation has determined to be related due to interrelationships

among the types of services to be provided and the different skill requirements required to perform them (Service Tower). Nasdaq must purchase all of the Services in a Service Tower from NASD Regulation. Nasdaq cannot purchase some Services, but not others in the same Service Tower. The existing Service Towers upon the Effective Date of this Agreement are: (i) Member Operations; (ii) Surveillance, Examinations and Investigations; (iii) Formal Disciplinary Process; and (iv) Dispute Resolution. A more detailed description of each of these Service Towers is set forth in Exhibit 1 attached hereto. Notwithstanding the attachment of Exhibit 1, the Parties shall undertake a review of the Exhibit after the execution of the Agreement to ensure the Exhibit's accuracy in anticipation of the commencement of the provision of Services. Services shall commence upon the effectiveness of Nasdaq's registration as a national securities exchange ("Commencement Date"). The Parties will, thereafter, amend Exhibit 1 as often as may be reasonably necessary to accurately reflect the Services being provided by NASD Regulation to Nasdaq.

2.03 ***** *

2.04 Nasdaq Services. Nasdaq will provide such specific Nasdaq services to NASD Regulation as NASD Regulation may require to provide the Services to Nasdaq under this Agreement. Nasdaq will provide such services to NASD Regulation on such terms as the Parties may agree upon.

SECTION 3 TERM.

3.01 Initial Term. The initial term of this Agreement will commence on the Commencement Date and continue for a period of ten (10) years from the Commencement Date (Initial Term) unless this Agreement is terminated by the Parties prior to that date in accordance with the provisions of Section 19 herein.

* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

3.02 Renewal. Unless this Agreement is terminated earlier pursuant to Section 19 herein, Nasdaq will provide NASD Regulation with written notice of its intent to renew this Agreement at least one (1) year prior to the expiration of the Initial Term of this Agreement. If Nasdaq does not intend to renew this Agreement, this Agreement will expire at the end of the Initial Term. The Parties may renew this Agreement for such length of time and upon such revised terms as they may mutually agree upon.

3.03 Extension Period. If the notice from Nasdaq made pursuant to Section 3.02 herein indicates that Nasdaq desires to renew this Agreement and the Parties have not agreed on the terms and conditions applicable to the renewal of this Agreement within thirty (30) days prior to the expiration of the Initial Term of this Agreement then, upon notice by Nasdaq delivered prior to the expiration of the Initial Term, the term of this Agreement will be extended for such period as may be mutually agreed upon by the Parties (Extension Period), upon the same terms and conditions and charges as are in effect as of the expiration of the Initial Term of this Agreement. If during the Extension Period the Parties are unable to reach agreement on the terms and conditions applicable to a renewal of this Agreement, this Agreement will expire at the end of the Extension Period unless the Parties mutually agree in writing to a continuation of the Extension Period.

SECTION 4 PROVISION OF SERVICES.

4.1 ***** *

4.02 *****

4.02.1 *****

4.02.2 Independent Report. Upon receipt of a proposal pursuant to Section 4.02.1 herein, NASD Regulation may request that the Parties retain an independent third party to analyze whether the services being proposed are comparable in scope and quality to those being performed by NASD Regulation. The Parties will share the cost of this analysis equally. Such independent third party will have sixty (60) days to provide a written analysis of its findings to the Parties.

4.02.3 *****

4.02.4 *****

4.02.5 ***** .

4.03 Bidding on Services. NASD Regulation will have the right to bid on the provision of regulatory services to Nasdaq during the Term of this Agreement.

Section 5 SHARING OF RESOURCES.

5.01 Use of Facilities. Either Party may allow the other Party to use a portion of any of its office facilities to further the performance of this Agreement. Such facilities may be either leased or owned by the Parties. The use of such facility by another Party does not constitute a leasehold interest in favor of such Party. The Parties further agree that they will adhere to the following guidelines when using another Party's facility:

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(1) the facilities will be used in an efficient manner.

(2) the Party using the facility will keep the facilities in good order, not commit or permit waste or damage to such facility, not use such facility for any unlawful purpose and will comply with all of the other Party's standard policies and procedures for the use of the facility that are in effect from time to time, including procedures for the physical security of the facility.

(3) the Party using the facility will not make any improvements or changes involving structural, mechanical or electrical alterations to it without the other Party's prior approval.

(4) when the facility is no longer required for performance of the Services, the facility will be returned to the other Party in the same condition as when such usage began, ordinary wear and tear excepted.

(5) the Parties will evaluate whether such usage should continue on a quarterly basis. If the Parties agree to increase the amount of space to be allocated and the Party providing the facility is unable to provide such additional space, then the Party using such space will: (i) allocate the required amount of additional space at one of its own facilities; or (ii) if the Party is unable to provide such space at one of its own facilities, it may procure it from a third party. The Party procuring such space from a third party may request that the pricing methodology for the Services provided through that space be adjusted to incorporate the incremental cost of such space. All such requests must be submitted for approval by the Operations Committee created pursuant to Section 9.03 herein.

5.02. Use of Other Resources. The Parties may also agree to provide any of their other respective resources to the other Party on a temporary basis, upon such terms and conditions as the Parties may mutually agree upon, to further the performance of this Agreement.

SECTION 6 SERVICE LEVELS.

6.01 Service Levels. NASD Regulation will perform the Services in accordance with Section 2.03. NASD Regulation further agrees that it will conform to the performance standards mutually agreed upon by the Parties for any new Services.

6.02 Adjustment of Service Levels. NASD Regulation and Nasdaq will review the performance standards for the provision of the Services at least annually and make such adjustments as they deem reasonably necessary. Either Party may, however, at any time upon notice to the other Party: (i) initiate a review and propose adjustments to any performance standard that such Party in good faith reasonably believes is incorrect; and (ii) propose that the feasibility of specific cost reduction or limitation strategies be considered by the Parties. Any modification or elimination of an existing performance standard or addition of a new standard will not become effective until agreed upon in writing by the Parties. Any disagreement between the Parties about an existing or proposed performance standard will be resolved through the dispute resolution procedures set forth in Section 18 herein.

6.03 Measurement Reporting. NASD Regulation will implement such reporting mechanisms or tools or provide such reports as the Parties believe may be reasonably necessary to effectively monitor NASD Regulation's performance of the Services against applicable performance standards. Such mechanisms will: (i) permit reporting at a level of detail sufficient to verify NASD Regulation's compliance with applicable performance standards; and (ii) be subject to audit by Nasdaq or its designee pursuant to the provisions of Section 15 herein. NASD Regulation will provide Nasdaq and its designees with access to such mechanisms and procedures upon request, for inspection and verification purposes. The cost of implementing and maintaining such mechanisms will be included in the pricing methodologies for the Services.

SECTION 7 NASD REGULATION SERVICE LOCATIONS.

7.01 Service Locations. NASD Regulation will give Nasdaq prior notice of any proposed addition, deletion, rearrangement or relocation of the facilities used by NASD Regulation to provide the Services to Nasdaq.

7.02 Security Procedures. NASD Regulation will maintain and enforce security procedures at the facilities used by NASD Regulation to provide the Services that are at least equal to industry standards for locations similar to the NASD Regulation facilities.

7.03 Data Security. NASD Regulation will establish and maintain safeguards to protect the integrity and confidentiality of Nasdaq Data (Data Safeguards) that will be no less rigorous than data security policies in effect at comparable Nasdaq facilities within thirty (30) days after the Commencement Date of this Agreement. NASD Regulation will revise and maintain these Data Safeguards at Nasdaq's reasonable request. In the event NASD Regulation intends to implement a change to the Data Safeguards that was not requested by Nasdaq it will first notify Nasdaq and obtain its written consent. In the event NASD Regulation discovers or is notified of a breach or potential breach of security relating to Nasdaq Data, NASD Regulation will immediately: (i) notify the Nasdaq Program Executive (as defined in Section 9.02 herein) of such breach or potential breach; and

(ii) if the applicable Nasdaq Data was in the possession of NASD Regulation at the time of such breach or potential breach, NASD Regulation will: (a) investigate and remediate the effects of the breach or potential breach; and (b) provide Nasdaq with reasonable assurances that such breach or potential breach will not recur.

SECTION 8 PERSONNEL.

8.01 Conduct of Personnel. Each Party warrants that while on-site at a facility of the other Party, its personnel (including independent contractors) will comply with the sections of the other Party's Employee Handbook related to Equal Employment Opportunities, Sexual Harassment, and Substance Abuse Policies. Each Party will provide the other Party with current copy of its Employee Handbook within ten (10) days after the Commencement Date of this Agreement. Each Party will also promptly provide the other Party with copies of any updates to its Employee Handbook. Each Party will indemnify and hold the other harmless (including its officers, directors, employees, subcontractors, and other agents) against any third party claims related to violations of the indemnified party's Equal Employment Opportunities, Sexual Harassment, and Substance Abuse Policies.

8.02 Security. Each Party will instruct its personnel to comply with the security regulations pertinent to each of the other Party's facilities that they visit. Each Party will indemnify and hold the other harmless (including its officers, directors, employees, subcontractors, and other agents) against any Losses occurring as a result of failure to comply with the indemnified party's security regulations.

8.03 Removal of Personnel. If either Party notifies the other Party that it is not satisfied with the performance of an employee of that Party, that Party will promptly (a) investigate the matter and take appropriate action which may include: (i) removing the applicable person from the provision of the services related to that Party's performance of this Agreement and providing the notifying Party with prompt written notice of such removal; and (ii) replacing the applicable person with a similarly qualified individual; or (b) take such other action as it deems appropriate to prevent a recurrence. For alleged breaches of security and violations of confidentiality while a Party's personnel is on the other Party's site or in instances where a Party reasonably believes that the other Party's personnel poses a risk to the operation of its business while on that Party's site, the Party may remove the personnel in question, provided, that, it first notifies the other Party of its concerns if it is reasonably feasible for it to do so. The Party whose personnel were removed will promptly replace such personnel at its own cost.

8.04 Improper Securities Transactions and Holdings. In the event that either Party suspects that any employee of the other Party who has been involved in the performance of this Agreement has been involved in improper, illegal or unethical use of any data or information gained from such performance, it may notify the other Party of such involvement and request that it conduct an investigation of such individual. The Party requesting such investigation will provide such assistance to the other Party in such Party's conduct of this investigation as that Party may reasonably request.

SECTION 9 MANAGEMENT AND CONTROL. The Parties will: (i) each appoint their representatives to the committees set forth in this Section 9 within thirty (30) days after the Commencement Date of this Agreement; and (ii) promptly notify the other Party of their selected representatives to each of these committees. Each Party will have one vote on each committee. Either the President of each Party or a Party's Program Executive may designate issues for resolution on a "fast track" in committees, in mediation, and in arbitration. The Parties will then undertake all reasonable efforts to resolve such issues within thirty (30) days (within each phase) of the other Party's receipt of notice that such issues have been designated as "fast tracked."

9.01 Periodic Meetings. Each Party will appoint a manager who will act as its liaison to the other Party. This individual will: (i) attend periodic or ad hoc, but at least monthly, meetings, to resolve any daily operational issues that may have arisen during the performance of this Agreement; (ii) attend weekly and monthly status meetings; (iii) serve as the Party's primary contact for the receipt of relevant information about the performance of this Agreement; and (iv) report monthly to his or her Party's Program Executive (as hereinafter defined) on any material issues related to the performance of the Agreement that may have arisen between the Parties. The Parties may change their representatives to this committee at any time by providing the other Party with written notice of such change.

9.02 Program Executives. Each Party will also appoint an Executive Vice President level manager (Program Executive) who will serve as the primary representative of that Party under this Agreement. Each Party may, in its sole discretion, change its Program Executive at any time upon notice to the other Party. Each Program Executive will: (i) have overall responsibility for managing and coordinating the daily performance of his or her Party's obligations under this Agreement; and (ii) be authorized to act for and on behalf of his or her Party with respect to all matters relating to this Agreement. Notwithstanding the foregoing, a Program Executive may, upon notice to the other Party, delegate such of his or her responsibilities to other employees of his or her Party as the Program Executive deems appropriate. The Parties may change their representatives to this committee at any time by providing the other Party with written notice of such change.

9.03 Operations Committee. A committee will be formed by the Parties that will be composed of each Party's Program Executive and such other individuals as each Party may appoint to this Committee (Operations

Committee). This committee will meet at least monthly and will have responsibility for: (i) overseeing the Parties' performance of this Agreement; (ii) evaluating proposals for new Services; (iii) determining reporting requirements; (iv) approving expense variances related to the provision of the Services; (v) evaluating and implementing Change Control Procedures (as hereinafter defined); and (vi) such other functions as the members of the committee deem necessary to ensure the effective performance of this Agreement. The Program Executive of each Party will brief the Executive Steering Committee (as hereinafter defined) about the issues considered by the Operations Committee at least quarterly. The Parties may change their representatives to this committee at any time by providing the other Party with written notice of such change.

9.04 Executive Steering Committee. A Committee composed of the President of each Party and/or their designees will meet at least quarterly to: (i) resolve any material issues that may have arisen between the Parties during the performance of this Agreement; and (ii) evaluate and, if necessary, alter any existing policies or procedures of the Parties to enhance their effectiveness in performing this Agreement. (Executive Steering Committee). The members of the Executive Steering Committee may, upon notice to the other Party, delegate such of their responsibilities arising from their participation on this Committee to such other of their employees as they deem appropriate.

9.05 Internal Committees. Each Party may be allowed to provide representatives to such internal committees of the other Party as the Parties may mutually agree upon. Each Party may, for example, be represented on and consult with such internal committees of the other Party as may be directly related to its performance of this Agreement.

9.06 Product Development Process. Each Party will be represented and involved in the product development process of the other Party for products that are directly related to the performance of this Agreement. Each Party may also contract directly with the other Party for the provision of specific additional services that are necessary for the development of such products.

9.07 Change Control Procedures. NASD Regulation will notify Nasdaq of any material non-emergency change in the provision of the Services. NASD Regulation further agrees that it will follow the procedures set forth in Exhibit 2 (Change Control Procedures) in notifying Nasdaq of such material changes. The Parties will develop Exhibit 2 within ninety (90) days after the Commencement Date of this Agreement and the Exhibit will be attached hereto. Emergency changes will be implemented in accordance with the procedures set forth in Section 9.08 herein. NASD Regulation will submit any material change that is projected to result in a direct and documented increase in NASD Regulation's cost of providing the Services to the Operations Committee for its review and approval prior to implementing such change.

9.08 Emergency Changes. NASD Regulation may make such emergency changes to the Services, allocate such resources, and provide such additional Services as it, in its reasonable judgment, determines must be made immediately to ensure that: (i) the provision of the Services remains fully operational; or (ii) other Services provided by NASD Regulation that are critical to the operation of Nasdaq continue to be provided without interruption. NASD Regulation may make such emergency changes without following the procedures set forth in Exhibit 2, provided, that, it notifies Nasdaq that it has made such changes, if material, as soon as it is reasonably able to do so, but in no case more than two (2) business days after NASD Regulation makes such changes. The Parties will consult as to the need for such emergency changes if it is feasible for them to do so.

9.09 Management Reports. NASD Regulation will provide Nasdaq with such documentation and written reports as may be mutually agreed upon by the Parties as reasonably required to efficiently monitor NASD Regulation's provision of the Services.

SECTION 10 PROPRIETARY RIGHTS.

10.01 ***** *

10.02 *****

10.03 *****

10.04 Trademarks. Each Party will retain all right, title and interest in and to its trademarks and service marks, registered or unregistered (collectively, the Marks). Within sixty (60) days after the Commencement Date of this Agreement, each Party will provide the other Party with a then-current list of its Marks and further agrees to provide the other Party with an updated list of its Marks on a periodic basis during the Term of this Agreement. Neither Party will use the Marks of the other Party in any of its materials, whether in printed or electronic format, without the prior written consent of the other Party. Each Party further agrees that it will use the other Party's Marks in a dignified manner, consistent with the general reputation of the Marks and the other Party, and in accordance with good trademark practice.

SECTION 11 DATA.

11.01 Ownership of Nasdaq Data. All Nasdaq Data is, or will be, and will remain the property of Nasdaq and will be deemed Confidential Information (as hereinafter defined) of Nasdaq.

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* ***** Confidential Treatment has been requested for the redacted

portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

11.02 ***** *

11.03 Use of Nasdaq Market Data. NASD Regulation may use the Nasdaq Market Data for regulatory purposes and to comply with any requests for information from governmental agencies that oversee its operations. NASD Regulation may also manipulate or process the Nasdaq Market Data to produce such derivative information as may be necessary for NASD Regulation's regulatory purposes. NASD Regulation will be the sole owner of such derivative information. Nasdaq shall also be able to create such derivative information and be the owner of such derivative information.

11.04 Nasdaq's Obligation to Correct Errors. With respect to errors, gaps, or inaccuracies in the data and the reports delivered to NASD Regulation under this Agreement, Nasdaq will monitor the data that it provides to NASD Regulation and, and as promptly as reasonably practicable, will correct such errors, gaps, or inaccuracies in such data and the reports delivered to NASD Regulation under this Agreement that are identified by NASD Regulation and communicated to Nasdaq. Nasdaq will be solely responsible for the cost of such corrections. Nasdaq will also, as promptly as reasonably practicable: (i) correct any other errors, gaps, or inaccuracies in the Nasdaq Market Data or such reports upon its becoming aware of such errors, gaps, or inaccuracies even if it has not been notified of such items by NASD Regulation; and (ii) notify NASD Regulation that it has undertaken such corrections at Nasdaq's expense.

11.05 MDS Information. Pursuant to the provisions of Section 10.03 herein, Nasdaq will be responsible for maintaining, supporting, and, if necessary, changing such Nasdaq Systems as may be required by Nasdaq to furnish such data to NASD Regulation as NASD Regulation may require for regulatory purposes. Nasdaq will also allow representatives from NASD Regulation to participate in any decisions involving the modification or replacement of such Systems. Nasdaq will be solely responsible for the cost of the maintenance and support of such Systems.

SECTION 12 CONTINUED PROVISION OF SERVICES.

12.01 Disaster Recovery Plan. Each Party will develop a disaster recovery plan and provide a copy of such plan to the other Party upon its completion.

12.02 Force Majeure. Neither Party will be liable for delay or failure in performance of any of the acts required by this Agreement when such delay or failure arises from circumstances beyond its reasonable control (including, without limitation, acts of God, flood, war, explosion, sabotage, terrorism, embargo, civil commotion, acts or omissions of any government entity, supplier delays, communications failure, equipment or software malfunction, or labor disputes), and without the gross negligence or willful misconduct, of the Party. The Party prevented from performing its obligations under this Agreement by such force majeure event will be excused from such performance for as long as such: (i) force majeure event continues; and (ii) such Party continues to use its best efforts to recommence performance of its obligations under this Agreement whenever and to whatever extent possible without delay, including through the use of alternate sources, workaround plans or other means. If the period of non-performance exceeds thirty (30) calendar days, then the party to whom the performance is due shall have the right to terminate this Agreement on fifteen (15) additional calendar days prior written notice.

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12.03 Payment for Unperformed Services. If NASD Regulation fails to provide the Services in accordance with this Agreement due to the occurrence of a force majeure event, the Fees will be adjusted in a manner such that Nasdaq is not responsible for the payment of any Fees for Services that NASD Regulation failed to provide.

SECTION 13 PAYMENTS AND INVOICING.

13.01 ***** *

13.02 *****

13.03 *****

13.04 *****

13.05 Payment Procedures. NASD Regulation will invoice Nasdaq monthly for the cost of Services provided to Nasdaq during the preceding month. NASD Regulation will also include the cost of specific disbursements and incidental expenses incurred by NASD Regulation in its provision of the Services to Nasdaq during the same period. The format of such invoices will be mutually agreed upon by the Parties within sixty (60) days after the Commencement Date of this Agreement. Nasdaq will pay all invoices not in dispute within thirty (30) days of its receipt of such invoice. If Nasdaq disputes any amount, it will notify NASD Regulation of its disagreement within 10 business days of its receipt of such invoice. Each Party's Program Executive will then attempt to resolve such disagreement. If the Parties are unable to resolve any such disagreement within 15 business days of Nasdaq's receipt of such invoice, then Nasdaq will pay all amounts not

then in dispute. The Parties will then resolve any remaining disagreements through the dispute resolution procedures set forth in Section 18 herein. Nasdaq will have no right of set-off for amounts due or alleged to be due Nasdaq from NASD Regulation. All invoices may be paid by electronic funds transfer.

13.06 Overdue Invoices. NASD Regulation may charge Nasdaq Interest on any invoices that Nasdaq fails to pay within forty-five (45) days of its receipt of such invoice. Such Interest may be assessed monthly.

13.07 Cost Savings. The parties will review and consider cost saving measures at least annually during the term of the Agreement.

SECTION 14 TAXES.

14.01 Generally. The Fees paid to NASD Regulation for Services in the United States will be inclusive of any applicable sales, use, gross receipts, excise, or other taxes attributable to periods on or after the Commencement Date based upon or measured by NASD Regulation's cost in providing the Services to Nasdaq. Nasdaq, however, will not be responsible for the payment of any tax assessed on the personal property or net income of NASD Regulation. All other taxes for the Services (including any non-United States tax) are the full liability of Nasdaq, and Nasdaq will pay to NASD Regulation, or reimburse NASD Regulation for the payment of, or pay directly to the taxing authority, any such taxes however designated, imposed or levied. To the extent that any sales, use, gross receipts, excise, value-added or services tax is required by Law to be separately identified in NASD Regulation's billings to Nasdaq, NASD Regulation will separately identify such tax.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

14.02 Taxes, Assessments and Real Property-Related Levies. Nasdaq and NASD Regulation will each bear sole responsibility for all taxes, assessments and other real property-related levies on its owned or leased real property, unless NASD Regulation leases or buys property at the request of Nasdaq, in which event, Nasdaq will be responsible for applicable taxes.

SECTION 15 AUDITS.

15.01 Services. Upon reasonable prior notice from the other Party, each Party will provide the other Party or its designee, and any of the other Party's regulators with reasonable access to and any reasonable assistance that they may require for the purpose of performing audits or inspections of the Services and the business of the other Party relating to the Services. The Party conducting an audit will do so in a manner that is consistent with the provisions of Section 16 herein.

15.02 ***** *

15.03 Records. NASD Regulation will maintain complete and accurate records in connection with this Agreement and all transactions related thereto, including all records and supporting documentation that is reasonably appropriate or necessary to document the Services and the Fees paid or payable by Nasdaq under this Agreement.

15.04 Facilities. Each Party that is being audited under this Section 15, will temporarily provide the Party conducting the audit and its representatives with: (i) a reasonable amount of work space on its premises; (ii) office furnishings (including lockable cabinets if possible); (iii) telephone and facsimile services; (iv) utilities; and (v) such office-related equipment and duplicating services as the Party conducting the audit or its designated representatives may reasonably require to perform the audits described in this Section.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

SECTION 16 CONFIDENTIALITY. The Parties will remain bound by the confidentiality provisions set forth in this Section 16 unless they each establish reasonable procedures to protect the confidential and proprietary information of the other Party, that are acceptable to the other Party, within thirty (30) days after the Commencement Date of this Agreement.

16.01 General Obligations. The Parties acknowledge and agree that they may each be given access to confidential or proprietary information of the other in performing their obligations under this Agreement (Confidential Information). The prices charged by NASD Regulation for the Services, the pricing structure, and the pricing methodology will be deemed to be Confidential Information. Each Party will use such information only in performance of its obligations under this Agreement; will hold such information in confidence; and will not disclose, copy or publish any such information without the prior written approval of the owner of such information, provided, however, that each Party may disclose such Confidential Information as may be required to comply with applicable regulatory requirements or requests for information from governmental agencies having oversight responsibilities over such Party. Any Party disclosing such information in compliance with applicable regulatory or

oversight requirements will request confidential treatment of such information. Notes, documents, summaries or reports which either Party prepares from Confidential Information to the extent such specifically refer or relate to Confidential Information are themselves Confidential Information. The obligations of this Section will survive for a period of ten (10) years after the expiration or termination of the Agreement.

16.02 Standard of Care. The Parties acknowledge the sensitive and secret nature of the Confidential Information they will have access to and agree that they will treat each such Confidential Information as strictly confidential and will exercise the same degree of care in the protection of the Confidential Information as they each exercise with respect to their own proprietary property and trade secrets, but in no event less than a reasonable degree of care given the nature of the Confidential Information.

16.03 Permitted Disclosures. 18.2 The Party receiving Confidential Information (Receiving Party) will be permitted to disclose relevant aspects of the disclosing Party's (Disclosing Party) Confidential Information to its officers, directors, agents, professional advisors, subcontractors and employees and to the officers, directors, agents, professional advisors, subcontractors and employees of its Affiliates, to the extent that such disclosure is not restricted under this Agreement. Such disclosure will only be permittedto the extent that it is reasonably necessary for the performance of the Receiving Party's duties and obligations or the determination, preservation or exercise of the Receiving Party's rights and remedies under this Agreement; provided, that, the Receiving Party will take all reasonable measures to ensure that Confidential Information of the Disclosing Party is not disclosed or duplicated in contravention of the provisions of this Agreement by such officers, directors, agents, professional advisors, contractors, subcontractors and employees. Notwithstanding the taking of such reasonable measures, each Party will be responsible for the acts and omissions of its officers, directors, agents, professional advisors, contractors, subcontractors and employees. The Receiving Party may, however, lawfully disclose such Confidential Information without the prior written approval of the owner of such information if such information is: (1) lawfully within the Receiving Party's possession prior to the Effective Date of this Agreement; (2) voluntarily disclosed by a third party so long as that party does not breach any obligation not to reveal such information; (3) voluntarily disclosed to the public by the Disclosing Party; (4) is generally known to the public; or (v) is independently developed by the Receiving Party.

16.04 Compliance with Legal Process. The obligations in this Section will not restrict any disclosure pursuant to any Law (provided that the Receiving Party gives prompt notice to the Disclosing Party of such order). In the event the Receiving Party receives a subpoena or other validly issued administrative or judicial process requesting the Disclosing Party's Confidential Information, the Receiving Party will provide prompt actual notice of receipt and a copy of the subpoena or other document(s) to the Disclosing Party. The Disclosing Party will have the opportunity to intervene in the proceeding before any deadline for complying with the subpoena or other process. The Receiving Party will not comply with such subpoena or other process until the earlier to occur of receiving written notification from the Disclosing Party that it may proceed, receiving an order from a court or other administrative or judicial body not to disclose, or the deadline for complying with any portion or all of the process.

16.05 Unauthorized Acts. Without limiting either Party's rights in respect of a breach of this Article, the Receiving Party will:

(1) promptly notify the Disclosing Party of any unauthorized possession, use or knowledge, or attempt thereof, of the Disclosing Party's Confidential Information by any person or entity that may become known to Receiving Party;

(2) promptly furnish to the Disclosing Party full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the Disclosing Party in investigating or preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of the Disclosing Party's Confidential Information;

(3) reasonably cooperate with the Disclosing Party (at the Disclosing Party's expense) in any litigation and investigation against third parties deemed necessary by the Disclosing Party to protect its proprietary rights (such cooperation will not require, nor shall be deemed to be, a violation of any legal privilege); and

(4) promptly use its commercially reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge, or attempt thereof, of Confidential Information.

16.06 Return of Confidential Information. Each Party agrees that all Confidential Information, including any copies thereof, will be returned to the owner of such Confidential Information or destroyed within ten (10) calendar days of the expiration or termination of the obligations of the Parties pursuant to Section 16.01 herein. The Parties acknowledge and agree that their obligations will continue for a period of ten (10) years after the termination or expiration of the Agreement pursuant to Section 16.01 herein. Notes and other documents referencing or relating to Confidential Information may be made and kept by the Parties, but will continue to be governed by the provisions of this Section 16 until they are destroyed.

16.07 Intellectual Property. All intellectual property rights associated with the Confidential Information, including without limitation,

patent, trademark, copyright, trade secret rights, and moral rights will remain in the Party owning the Confidential Information.

16.08 Costs. Each Party will bear the cost it incurs as a result of its compliance with this Section 16.

SECTION 17 REPRESENTATIONS AND WARRANTIES.

17.01 By Nasdaq. Nasdaq represents and warrants that:

(1) Nasdaq is a corporation duly incorporated, validly existing and in good standing under the Laws of Delaware;

(2) Nasdaq has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

(3) the execution, delivery and performance of this Agreement by Nasdaq (a) has been duly authorized by Nasdaq and (b) will not conflict with, result in a breach of or constitute a default under any other agreement to which Nasdaq is a party or by which Nasdaq is bound;

(4) Nasdaq is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on Nasdaq's ability to fulfill its obligations under this Agreement;

(5) Nasdaq is, to the best of its knowledge, in compliance in all material respects with all Laws applicable to Nasdaq, the violation of which would have a material impact on Nasdaq's or NASD Regulation's ability to fulfill its obligations under this Agreement, and has obtained all applicable permits and licenses required of Nasdaq in connection with its obligations under this Agreement;

(6) except as permitted by Section 16 herein, Nasdaq has not disclosed any Confidential Information of NASD Regulation;

(7) there is no outstanding litigation, arbitrated matter or other dispute to which Nasdaq is a party which, if decided unfavorably to Nasdaq, would reasonably be expected to have a material adverse effect on NASD Regulation's or Nasdaq's ability to fulfill their respective obligations under this Agreement;

(8) it has the right, free and clear of any liens or encumbrances to grant the rights and deliver the Nasdaq Market Data (except that part of the Nasdaq Market Data not initially compiled by Nasdaq, for which Nasdaq will obtain the right prior to the commencement of Services) to NASD Regulation and perform its obligations under this Agreement. Further, Nasdaq warrants and represents that none of the Nasdaq Market Data (except that part of the Nasdaq Market Data not initially compiled by Nasdaq) provided to NASD Regulation or other right granted violates any patent, copyright, trade secret, trademark, trade dress, or other intellectual property right of any third party. Nasdaq will defend NASD Regulation against any and all third party claims relating to the infringement of any patent, copyright, trade secret, trademark, trade dress, or other proprietary right related to any item or right granted by Nasdaq under this Agreement (except that part of the Nasdaq Market Data not initially compiled by Nasdaq) and agrees to hold harmless and indemnify NASD Regulation and its officers, directors, subcontractors, employees and agents, against any and all judgments finally awarded to and settlements reached with such third party. Notwithstanding anything otherwise set forth in this Agreement, if as a result of such third party claim, Nasdaq can no longer provide the Nasdaq Market Data or provide a regulatory System for providing regulatory Services to Nasdaq, but Nasdaq is still receiving Services that require such Nasdaq Market Data or such regulatory System, then, notwithstanding anything otherwise set forth in this Agreement, Nasdaq shall, at its option either replace such Nasdaq Market Data or such regulatory System or be responsible to NASD Regulation for the cost of such replacement. Indemnification will also extend to claims and losses against NASD Regulation as an aider, abetter or contributing infringer. Indemnification will be NASD Regulation's sole remedy and Nasdaq's sole liability as to claims of infringement.

(9) Nasdaq will inform NASD Regulation of any known defects in any of the Nasdaq Market Data or any System used by Nasdaq in the performance of this Agreement which might interfere with the data and services provided to NASD Regulation by Nasdaq during the term of this Agreement. Nasdaq warrants and represents that it knows of no defect in its Systems' security mechanisms, of any "Trojan Horses" (code inserted by a manufacturer or Nasdaq, which is not described in the documentation, whose purpose is to provide a person or computer other than Nasdaq the ability to gain control of all or some of the system on conditions set by or triggered by any event or an unauthorized person), viruses (code embedded in the system whose purpose is to halt effective operation or use of the system on conditions set by or triggered by an event or an unauthorized person), trap doors (means by which an unauthorized user may circumvent the security protections of Nasdaq's Systems or gain unauthorized access), and similar devices. Nasdaq will use reasonable efforts to promptly notify NASD Regulation of any later discovered defects in its security mechanisms, such as "Trojan

Horses," viruses, trap doors, or similar devices for a period of the term of this Agreement plus ten (10) years thereafter.

(10) Nasdaq shall comply in all material respects with all Laws applicable to Nasdaq and, except as otherwise provided in this Agreement, will obtain all applicable permits and licenses required of Nasdaq in connection with its obligations under this Agreement.

(11) Nasdaq's ability to furnish the Nasdaq Market Data or otherwise perform its obligations under this Agreement that are required by NASD Regulation to provide the Services will not be adversely affected by the failure of any Nasdaq System, or third party System used by Nasdaq, to be Century Compliant.

17.02 By NASD Regulation. NASD Regulation represents and warrants that:

(1) it is a corporation duly incorporated, validly existing and in good standing under the Laws of Delaware;

(2) it has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

(3) the execution, delivery and performance of this Agreement by it (a) has been duly authorized by it and (b) will not conflict with, result in a breach of or constitute a default under and other agreement to which it is a party or by which it is bound;

(4) it is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on its ability to fulfill its obligations under this Agreement;

(5) it, to the best of its knowledge, is in compliance in all material respects with all Laws applicable to it, the violation of which would have a material impact on Nasdaq's or its ability to fulfill its obligations under this Agreement, and it has obtained all applicable permits and licenses required of it in connection with its obligations under this Agreement;

(6) except as permitted by Section 16 herein, it has not disclosed any Confidential Information of Nasdaq; and

(7) there is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to have a material adverse effect on Nasdaq's or NASD Regulation's ability to fulfill their respective obligations under this Agreement.

(8) it has the right, free and clear of any liens or encumbrances to grant the rights and deliver the Services to Nasdaq and perform its obligations under this Agreement. Further, NASD Regulation warrants and represents that none of the Services provided to NASD Regulation or other right granted violates any patent, copyright, trade secret, trademark, trade dress, or other intellectual property right of any third party. NASD Regulation will defend Nasdaq against any and all third party claims relating to the infringement of any patent, copyright, trade secret, trademark, trade dress, or other proprietary right related to any Service provided or right granted by NASD Regulation under this Agreement and agrees to hold harmless and indemnify Nasdaq and its officers, directors, subcontractors, employees and agents, against any and all judgments finally awarded to and settlements reached with such third party Notwithstanding anything otherwise set forth in this Agreement, if as a result of such third party claim, NASD Regulation can no longer provide the Services or provide the Intellectual Property in Section 10.02 to Nasdaq, but, in the case of Services, Nasdaq is still receiving Services and, in the case of said Intellectual Property, Nasdaq is still using the Intellectual Property, then, notwithstanding anything otherwise set forth in this Agreement, NASD Regulation shall, at its option either replace such Services or Intellectual Property or be responsible to Nasdaq for the cost of such replacement. Indemnification will also extend to claims and losses against Nasdaq as an aider, abetter or contributing infringer. Indemnification will be Nasdaq's sole remedy and NASD Regulation's sole liability as to claims of infringement.

(9) NASD Regulation will inform Nasdaq of any known defects in any System or other software developed or acquired by NASD Regulation in providing the Services to Nasdaq which might materially interfere with the Services provided to Nasdaq by NASD Regulation during the term of this Agreement. NASD Regulation warrants and represents that it knows of no defect in its Systems, that are used to support the Services, security mechanisms, of any "Trojan Horses" (code inserted by a manufacturer or NASD Regulation, which is not described in the documentation, whose purpose is to provide a person or computer other than NASD Regulation the ability to gain control of all or some of the system on conditions set by or triggered by any event or an unauthorized person), viruses (code embedded in the system whose purpose is to halt effective operation or use of the system on conditions set by or triggered by an event or an unauthorized person), trap doors (means by which an unauthorized user may circumvent the security protections of

the systems or gain unauthorized access), and similar devices. NASD Regulation will use reasonable efforts to promptly notify Nasdaq of any later discovered defects in its security mechanisms, such as "Trojan Horses," viruses, trap doors, or similar devices for a period of the term of the Agreement plus ten (10) years thereafter.

(10) NASD Regulation will comply in all material respects with all Laws applicable to NASD Regulation and, except as otherwise provided in this Agreement, will obtain all applicable permits and licenses required of NASD Regulation in connection with its obligations under this Agreement

(11) NASD Regulation's ability to furnish the Services or otherwise perform its obligations under this Agreement will not be adversely affected by the failure of any NASD Regulation System, or any third party System used by NASD Regulation, to be Century Compliant.

17.03 DISCLAIMER. EXCEPT AS SPECIFIED IN SECTION 17.01 AND SECTION 17.02 HEREIN, NEITHER NASDAQ NOR NASD REGULATION MAKES ANY OTHER WARRANTIES WITH RESPECT TO THE SERVICES PROVIDED UNDER THIS AGREEMENT AND EACH EXPLICITLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.

SECTION 18 DISPUTE RESOLUTION.

18.01 Dispute Resolution. This Section governs any dispute, disagreement, claim and/or controversy (hereinafter collectively referred to as a Dispute) between the Parties arising out of or relating to this Agreement, or breach thereof. A Party must file with the other, written notice of any Dispute prior to the institution of the following dispute resolution process:

18.02 Negotiation. In the event any Dispute arises out of or relates to this contract, or the breach thereof, the Parties to this Agreement shall use their best efforts to settle any Dispute through negotiation. If the Parties do not reach a resolution of the Dispute through negotiation within a period of thirty (30) business days from the initial notification of this Dispute, then upon written notice by either Party, all disputes will be submitted to mediation. The Parties will adhere to the following procedures in conducting these negotiations:

18.02.1 Program Executive Negotiation. First, the Dispute will be considered by the Program Executives selected by each Party pursuant to Section 9 herein. These executives will meet and attempt to resolve the Dispute within ten (10) business days of their being notified of such matter. Each Dispute that is not settled within such ten (10) day period will be referred to Operations Committee Negotiations pursuant to the provisions of Section 18.02.2 herein.

18.02.2 Operations Committee Mediation. Second, the Dispute will be considered by the Operations Committee created by the Parties pursuant to Section 9 herein which will meet in an attempt to resolve the Dispute within ten (10) business days of the completion of the Program Executive Negotiation. Each Dispute that is not settled within such ten (10) business day period will then be referred to Executive Steering Committee Negotiations pursuant to the provisions of Section 18.02.3 herein.

18.02.3 Executive Steering Committee Negotiation. The Dispute will then be considered by the Executive Steering Committee of the Parties that was created pursuant to Section 9 herein. This committee will meet in an attempt to resolve the Dispute within ten (10) business days of the Operations Committee Negotiation. If the Dispute cannot be resolved by the Executive Steering Committee, it will then be referred to mediation pursuant to the provisions of Section 18.03 herein. The Program Executive, Operations Committee, Executive Steering Committee Negotiations and the NASD Board Option, as set forth below, will have been without prejudice to the legal position of either Party, and will be considered settlement discussions under applicable rules of evidence.

18.02.4 NASD Board Option. For Disputes involving material new changes to the Services, if the Dispute cannot be resolved by the Executive Steering Committee, a Party may then refer the Dispute to the NASD Board in an attempt to resolve the Dispute.

18.03 Mediation. In the event that any Dispute fails to settle through negotiation or the NASD Board Option, the Parties agree that the Dispute will be submitted to mediation administered under the American Arbitration Association's (AAA) Commercial Mediation Rules. If within thirty (30) days after service of a written demand for mediation the Parties fail to settle their dispute to their mutual satisfaction, any remaining Dispute(s) shall be settled by arbitration. Any Dispute submitted to mediation shall suspend the requirements for filing a notice of claim until the conclusion of the mediation process.

18.04 Binding Arbitration. Absent settlement by negotiation or mediation, the Parties agree that compulsory, binding arbitration will be the exclusive means of dispute resolution. The Parties may not commence arbitration of a Dispute until they have exhausted all reasonable efforts to resolve such Dispute through negotiation and mediation pursuant to Sections 18.02 and 18.03 herein The parties further agree that any arbitration shall be held in Washington, DC, and will be administered by the AAA in accordance with its Commercial Arbitration Rules, and that judgment on the award of the arbitrator(s) may be rendered in any court having jurisdiction thereof. Unless otherwise agreed by the Parties, the arbitration shall be conducted using the following procedure:

(1) Either Party may serve upon the other a notice specifying the nature of the Dispute, and demanding that the Dispute be submitted to arbitration. The notice shall be made no later than the expiration of the time set forth in Section 18.03 herein, or within thirty (30) days from the date of the last mediation session. The Parties will not file a notice after the date where applicable statutes of limitations or laches would bar the institution of any proceedings. Each Party will use commercially reasonable efforts (and shall allow the other Party to join) any third party that the Parties have agreed is indispensable to the arbitration. The arbitration shall proceed even if the third party refuses jurisdiction.

(2) In any Dispute involving aggregate damages of up to $500,000 (exclusive of Interest, attorneys' fees, and costs), the Parties will attempt to agree on a single arbitrator within ten (10) days after receipt of service of the notice referenced in Section 18.04(1) herein, or such longer period as the Parties may agree. Absent such agreement, the arbitrator will be selected by the AAA from its large and complex case pool. Any Dispute in excess of $500,000 shall be decided by three (3) arbitrators selected by the AAA from its large and complex case pool.

(3) The arbitrator(s) selected will have a background in, and knowledge of, the subject matter of the Dispute. If arbitrator(s) with such experience are not available, the arbitrator(s) will be selected by the AAA from available arbitrators on its retired federal judge's pool.

(4) Consistent with the expedited nature of arbitration and this Agreement, discovery shall be limited to requests for production of documents, depositions and interrogatories. All discovery shall be completed within ninety (90) days following the appointment of arbitrator(s). The arbitrator(s) shall rule on any discovery disputes, and their determination shall be conclusive.

(5) Interrogatories shall be limited to the identification by name, last known address and telephone number of: (a) all persons having knowledge of the Dispute and a brief summary of their knowledge; (b) any experts who may be called as witnesses and a summary of their testimony; and (c) any expert(s) used for consultation if such expert(s)' opinions and/or impressions will be used by an expert witness.

(6) Depositions will be limited in time to three (3) hours for each Party. All objections shall be reserved for the arbitration hearing except for those based on privilege and proprietary or confidential information.

(7) The Agreement will not prohibit either Party from seeking judicial review or confirmation of the arbitrator(s)' award. A Party shall file a written request for judicial review or confirmation of the arbitrator(s)' decision within 30 days of receipt of service of the award. Notice of filing shall comply with requirements set forth in the Federal Rules of Civil Procedure and the Federal Arbitration Act.

18.05 Continuity of Services. Each Party acknowledges that the timely and complete performance of its obligations pursuant to this Agreement is critical to the business and operations of the other Party. In the event of a dispute between Nasdaq and NASD Regulation, the Parties will continue to perform their respective obligations under this agreement in good faith during the resolution of such dispute unless and until this Agreement expires or is terminated in accordance with its provisions. Nothing in this Section 18.06 will interfere with a Party's right to terminate this Agreement as set forth in this Agreement.

SECTION 19 TERMINATION.

19.01 Termination for Breach. Either Party may terminate this Agreement due to a material breach by the other Party. The Party aggrieved by the breach will give written notice to the other Party that this Agreement will be terminated not earlier than thirty (30) calendar days from receipt of such notice, and such notice will state with specificity the grounds for termination. If the breach is curable, without adversely affecting the performance of this Agreement, the Party in breach will have the right to cure such breach, at its own expense, prior to the date stated for termination, and, should the breach be cured and written notice of such cure served on the aggrieved Party prior to the date stated for termination, such notice will vacate the notice to terminate. If the breach is not reasonably curable within this period, then termination will not occur if the Party receiving the notice promptly commenced, and diligently continued, to cure the default. Nasdaq will have 90 days from its written receipt of a notice from NASD Regulation of its failure to provide the Nasdaq Market Data under this Agreement to cure such failure. Nasdaq's failure to provide the Nasdaq Market Data will not constitute a material breach of this Agreement if such failure is cured within 90 days from its written receipt of a notice from NASD Regulation as to its failure to provide the Nasdaq Market Data. If the breach is not reasonably curable within that 90 day period, then termination will not occur if Nasdaq promptly has commenced, and diligently continued, to cure the default. Disputes between the Parties as to whether Nasdaq's provision of Nasdaq Market Data breaches this Agreement will be resolved through the dispute resolution procedures set forth in Section 18 herein.

19.02 ***** *

19.03 Financial Weakness. If either Party's financial condition at any time does not, in the reasonable judgment of the other Party, justify continuance of this Agreement on the terms of payment set forth in Section 13 herein, the Party that is concerned will be entitled to request that the other Party provide it with adequate assurances of its intent and ability to perform its obligations hereunder. If the Party that has been requested to provide such assurances fails to provide such reasonable assurances within thirty (30) days of the other Party's request,

the Party requesting such assurances will be entitled to terminate this Agreement upon (15) additional calendar days prior written notice to the other Party.

19.04 Bankruptcy or Insolvency. In the event of the bankruptcy or insolvency of a Party, or in the event any proceeding is brought against a Party and not dismissed within ninety (90) days, whether voluntary or involuntary under the bankruptcy or insolvency laws, the other Party will be entitled to terminate this Agreement upon thirty (30) calendar days prior written notice at any time during the period for filing claims against the estate.

19.05 Performance Until Termination. Notwithstanding the delivery of a notice of default or notice of termination by either Party to the other, all obligations to perform Services and to pay for such Services will continue in effect and be duly observed and complied with by both Parties until the effective date of any termination.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

19.06 Return of Documents. Upon termination of this Agreement for any reason, each Party will, without additional cost to or demand from the other Party, return to the other Party in an orderly and expeditious manner all information, records, documentation, data, and other property supplied to it by the other Party, and will certify in writing that it has done so, provided, that, if any payments to a Party remain unpaid upon the termination of this Agreement, the Party who is owed payment will place all such property into escrow with an independent escrow agent until such payments have been made. The Parties will each pay half of the cost of such escrow arrangements. The Parties further agree that their return of Confidential Information to the other Party will be governed by the provisions of Section 16 herein.

19.07 ***** *

SECTION 20 TERMINATION FEES.

20.01 *****

20.02 Pricing Adjustment for Partial Termination. If either Party terminates a portion of the Services pursuant to Section 19.02 herein or any other provision of this Agreement, then NASD Regulation will make a corresponding reduction in the future Fees that it charges Nasdaq pursuant to Section 13 herein to reflect the termination of such Services.

20.03 Termination Fees. Except as otherwise specifically set forth in this Section 20, no termination fees will be payable by Nasdaq in connection with the expiration of this Agreement.

20.04 Termination Assistance Services. After the termination or expiration of this Agreement, unless such termination is due to the material breach of Nasdaq, NASD Regulation will provide such Services to Nasdaq as Nasdaq may require at NASD Regulation's then-current rates on the effective date of such termination. NASD Regulation will not be obligated to provide such Services to Nasdaq if the cause of such termination is Nasdaq's internalization of such Services.

SECTION 21 INDEMNIFICATION.

21.01 Indemnification. Each Party agrees to indemnify and hold harmless the other Party against all judgments awarded to, or settlements with, any third party relating to the breach of any terms, provisions, covenants, warranties or representations contained herein and/or in connection with the performance of this Agreement or any provision hereof. NASD Regulation further agrees that it will indemnify and hold harmless Nasdaq from and against all direct costs and expenses incurred by Nasdaq (including Nasdaq's reasonable attorney's fees) resulting from, related to or arising out of the Services furnished by NASD Regulation under this Agreement to the extent that such costs and expenses are incurred as a result of the negligence or willful misconduct of NASD Regulation. NASD Regulation agrees to indemnify and hold harmless Nasdaq against any and all claims, damages, losses and expenses (including reasonable attorneys' fees) arising from or in connection with any claim, demand or legal action by a third party, related directly to: (i) NASD Regulation's misuse of Nasdaq Data or information furnished to NASD Regulation by Nasdaq pursuant to the provisions of Section 11 herein.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

21.02 Physical Injuries. NASD Regulation will be solely responsible for any physical injuries, including death, to persons and any damage to tangible personal or real property occurring on account of or in connection with its operations and in performance of the Agreement and will indemnify and hold harmless Nasdaq from any and all loss and liability related thereto, including: (i) liability for the payment of workers compensation and disability benefits; (ii) any and all claims on account of such injuries to persons or physical damage to property; and (iii) all costs and expenses in suits (including reasonable attorney's fees and costs) that may be brought against Nasdaq on account of any such injuries

to persons or physical damage to property, provided, however, that NASD Regulation will not be obligated to indemnify and hold harmless Nasdaq from any loss or liability arising out of injuries or damage caused by or resulting from the negligence of Nasdaq, its agents. employees, officers or subcontractors. Nasdaq will be solely responsible for any physical injuries, including death, to persons and any damage to tangible personal or real property occurring on account of or in connection with its operations and will indemnify and hold harmless NASD Regulation from any and all loss and liability related thereto, including, but not limited to, liability for the payment of workers compensation and disability benefits, any and all claims on account of such injuries to persons or physical damage to property, and all costs and expenses in suits (including reasonable attorney's fees and costs) that may be brought against NASD Regulation on account of any such injuries to persons or physical damage to property, provided, however, that Nasdaq will not be obligated to indemnify and hold harmless NASD Regulation from any loss or liability arising out of injuries or damage caused by or resulting from the negligence of NASD Regulation, its agents. employees, officers or subcontractors.

21.03 This section intentionally left blank.

21.04 Procedures. (1). The Party claiming indemnification under this Section 21 will promptly notify the other Party (and, in the case of any action, suit, arbitration, or judicial or administrative proceeding, will so notify no later than fifteen (15) calendar days after the Party claiming indemnification has received notice thereof or has been served with a complaint or other process) when it has knowledge of circumstances or the occurrence of any events that are likely to result in an indemnification obligation under this Section 21 or when any action, suit, arbitration, or judicial or administrative proceeding is pending or threatened that is covered by this subsection.

(2). Upon request, and to the extent permitted by applicable law, the indemnifying Party will have the right to defend, settle, or compromise any such suit or proceeding, at its expense, provided that: (A) it demonstrates to the satisfaction of the Party claiming indemnification that it is financially able to defend such action and to pay any settlement, award or judgment; (B) counsel retained by it are reasonably satisfactory to the Party claiming indemnification; and (C) that no settlement will be made which imposes any obligations on (other than the payment of money which is made by the indemnifying Party on behalf of the indemnified Party), or is prejudicial to, the Party claiming indemnification, without the prior consent of the Party claiming indemnification, which consent will not be unreasonably withheld.

(3). The Party claiming indemnification will reasonably cooperate with the other Party in the defense of any such suit or proceeding, and the other Party will reimburse the Party claiming indemnification for its reasonable expenses with respect thereto. Such cooperation will include, but not be limited to, the making of statements and affidavits, attendance at hearings and trials, production of documents, assistance in securing and giving evidence and obtaining the attendance of witnesses. The Party claiming indemnification will not be required to waive its attorney-client or other privileges.

(4). Failure by the Party claiming indemnification to promptly notify the other Party as required by this subsection will not invalidate the claim for indemnification, unless such failure has a material adverse effect on the settlement, defense, or compromise of the matter that is the subject of the claim for indemnification. In addition, the Party claiming indemnification will be responsible for any claims or losses which could have been avoided or mitigated by prompt notice as required by this subsection.

21.05 No Third Party Beneficiaries. Nothing in this Agreement will entitle any person or entity to any rights as a third-party beneficiary under this Agreement.

SECTION 22 DAMAGES.

22.01 Direct Damages. Neither of the Parties will be liable to the other for any direct damages arising out of or relating to its performance or failure to perform under this Agreement; provided, however, that, notwithstanding anything otherwise set forth below in this Section 22.01, each of the Parties will continue to be liable for Claims or Losses arising from or related to (i) damage to persons or property ; (ii) gross negligence or willful misconduct; or (iii) the gross negligence or willful misconduct of their officers, directors, employees, agents or subcontractors.

Except as otherwise set forth in this Agreement for indemnifying NASD Regulation from third party judgments or settlements and for the exceptions set forth above, if Nasdaq is for any reason held liable to NASD Regulation or to any other individual or entity, whether in contract or in tort, the liability of Nasdaq within a single year of the Agreement (from the Commencement Date of the Agreement) is limited to $500.00.

22.02 Consequential Damages. Except as set forth in Sections 17.01 (8) and 17.02 (8), neither Nasdaq nor NASD Regulation will be liable for the other`s, nor will the measure of damages include any, punitive, indirect, incidental, special or consequential damages, including lost profits or savings, arising out of or relating to its performance or failure to perform under this Agreement, even if such Party has been advised of the possibility of such losses or damages.

22.03 Exclusions. The limitations or exculpations of liability set forth in Sections 22.01 and 22.02 herein will not apply to: (i) reimbursable amounts; (ii) indemnification Claims, as set forth in

Section 21 herein; or (iii) breaches of Sections 14 or 16 herein.

22.04 Allocation of Risk. THE PARTIES UNDERSTAND AND AGREE THAT THE PRICING UNDER THIS AGREEMENT, INCLUDING THE PRICING FOR THE SERVICES AND THE NASDAQ MARKET DATA, REASONABLY REFLECTS THE ALLOCATION OF RISK AND LIMITATION OF LIABILITY SET FORTH IN THIS AGREEMENT.

22.05. Nasdaq Data Not Initially Compiled by Nasdaq. NASDAQ SHALL NOT BE LIABLE TO NASD REGULATION OR TO ANY OTHER INDIVIDUAL OR ENTITY FOR THE UNAVAILABILITY, INTERRUPTION, DELAY, INCOMPLETENESS OR INACCURACY OF NASDAQ MARKET DATA NOT INITIALLY COMPILED BY NASDAQ, EXCEPT AS SET FORTH IN THIS AGREEMENT FOR THE PROVISION OF SERVICES.

SECTION 23 INSURANCE.

23.01 General Insurance Requirements. Within ten days of execution of this agreement, each Party will furnish the Other with certificate(s) of insurance on standard Accord forms, executed by a duly authorized representative of each insurer evidencing compliance with the insurance requirements set forth herein. Manuscript certificates of insurance shall not be deemed acceptable evidence of insurance. All certificates shall provide for thirty (30) days' written notice to prior to the cancellation or material change of any insurance referred to therein. Failure of either Party to demand a certificate of insurance or other evidence of full compliance with these insurance requirements or failure of either Party to identify a deficiency from evidence provided will not be construed as a waiver of the obligation to maintain the requisite insurance. Each Party will keep in full force and effect during the term of the agreement the required insurance coverage.

23.01.1 Adequacy of Coverage. By requiring insurance herein, neither Party represents that coverage and limits will necessarily be adequate to protect the other, and such coverage and limits shall not be deemed as a limitation on each Party's liability under the indemnities granted in this contract.

23.01.2 Cross-Liability Coverage. If each Party's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

23.01.3 Deductibles & Self-Insured Retention Levels. Each Party alone will determine the appropriate deductible or self-insured retention level for each of its required insurance policies. Each party is responsible for paying the full amount for the self-insured retention level or reimburse the insurer for any deductibles. If the other Party incurs any cost due to the first's deductible or self-insured retention level, the first party will reimburse the other for the full amount incurred. Deductibles and self-insured retention levels will be provided on the Accord form for the required insurance.

23.01.4 Acceptability of Insurers. Insurers must be licensed in the state where service is provided and have a policy holder rating ("Best Rating") of at least a "A- minus" and a financial size category of at least a "Class VII" as rated in the most recent edition of "Best's Key Rating Guide" for insurance companies. During the term of the agreement, if the insurer's Best ratings are revised below the minimum carrier ratings, the appropriate Party must obtain acceptable insurance within ninety (90) days. Self-insurance by either Party is not deemed acceptable.

23.02 NASD Regulation Insurance Requirements. NASD Regulation will maintain the following insurance coverage during the Term of this Agreement:

Commercial General and Umbrella Liability Insurance.

a) NASD Regulation shall maintain Commercial General Liability (CGL) insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than $10,000,000 each occurrence.

i) CGL insurance will cover liability arising from premises, operations, independent contractors, T products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract.

ii) Nasdaq shall be included as an additional insured under the CGL and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to Nasdaq. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.

iii) Waiver of Subrogation. NASD Regulation waives all rights against the Nasdaq and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to this paragraph.

b) Automobile and Umbrella Liability Insurance

i) NASD Regulation shall maintain automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than $2,000,000 each accident.

ii) Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).

iii) Coverage shall be written on Insurance Standards Office Form CA 0001, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 0001.

(iv) Waiver of Subrogation. NASD Regulation waives all rights against Nasdaq and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by NASD Regulation pursuant to this Agreement or under any applicable auto physical damage coverage.

c) Workers Compensation Insurance.

i) NASD Regulation shall maintain workers compensation and employers liability insurance. The commercial umbrella and/or employers liability limits shall not be less than $5,000,000 each accident for bodily injury by accident or $5,000,000 each employee for bodily injury by disease.

ii) Waiver of Subrogation. NASD Regulation waives all rights against Nasdaq and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability or commercial umbrella liability insurance obtained by Tenant pursuant to this Agreement.

d) Fidelity/Crime Policy

i) NASD Regulation shall maintain a fidelity bond or commercial crime policy in the amount of $25,000,000 for each loss or series of related losses to cover the dishonest acts of its employees. The policy will include coverage for fidelity, on premises, in transit, forgery or alterations and securities coverages to include endorsements for independent contractors, facsimile transmission, unauthorized signatures, and wire transfers.

ii) NASD Regulation's fidelity bond shall be endorsed to name Nasdaq as a Loss Payee as its interests may apply. However, losses otherwise payable to Nasdaq under such Crime insurance will be reduced by fifty percent (50%) whenever such covered dishonest acts involve both NASD Regulation employees and Nasdaq employees.

e) Computer Crime Policy

i) NASD Regulation shall maintain a Computer Crime policy in the amount of $10,000,000 to cover its employees, agents and third party for computer systems fraud, data processing service operations fraud, voice initiated transfer fraud, facsimile transfer fraud, destruction of data or programs by hacker, destruction of data or programs by virus .

ii) NASD Regulation's Computer Crime policy shall be endorsed to name Nasdaq as a Loss Payee as its interests may apply. However, losses otherwise payable to Nasdaq under such insurance will be reduced by fifty percent (50%) whenever such covered dishonest acts involve both NASD Regulation employees and Nasdaq employees.

f) Professional Liability Insurance

i) NASD Regulation shall maintain a professional liability insurance covering the errors and omissions of NASD Regulation, its officers, directors, employees and agents, committed in connection with this Agreement in an amount not less than $10,000,000.

g) Commercial Property Insurance.

i) NASD Regulation will maintain Property insurance to cover the replacement cost of its personal property, decorations, trade fixtures, furnishings, improvements and betterments, and supplies without deduction for depreciation, and business interruption/extra expense for a period of indemnity not less than twelve(12) months. Nasdaq shall not be liable for any damage to or loss of personal property sustained by NASD Regulation, whether or not it is insured, unless such loss was

caused by the gross negligence or willful misconduct of Nasdaq, its employees, officers, directors, or agents.

ii) Waiver of Subrogation. NASD Regulation hereby waives any recovery of damages against Nasdaq, its employees, officers, directors, agents, or representatives for loss or damage to the building, tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance.

23.03 Nasdaq Insurance Requirements.

Commercial General and Umbrella Liability Insurance.

a) Nasdaq shall maintain CGL insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than $10,000,000 each occurrence.

i) CGL insurance will cover liability arising from premises , operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract.

ii) NASD Regulation shall be included as an additional insured under the CGL and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to NASD Regulation. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.

iii) Waiver of Subrogation. Nasdaq waives all rights against the NASD Regulation and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to this paragraph.

b) Automobile and Umbrella Liability Insurance

i) Nasdaq shall maintain automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than $2,000,000 each accident.

ii) Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).

iii) Coverage shall be written on Insurance Standards Office Form CA 0001, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 0001.

iv) Waiver of Subrogation. Nasdaq waives all rights against NASD Regulation and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by Nasdaq pursuant to this Agreement or under any applicable auto physical damage coverage.

c) Workers Compensation Insurance.

i) Nasdaq shall maintain workers compensation and employers liability insurance. The commercial umbrella and/or employers liability limits shall not be less than $5,000,000 each accident for bodily injury by accident or $5,000,000 each employee for bodily injury by disease.

ii) Waiver of Subrogation. Nasdaq waives all rights against NASD Regulation and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability or commercial umbrella liability insurance obtained by Tenant pursuant to this Agreement.

d) Fidelity/Crime Policy

i) Nasdaq shall maintain a fidelity bond or commercial crime policy in the amount of $5,000,000 for each loss or series of related losses to cover the dishonest acts of its employees. The policy will include coverage for fidelity, on premises, in transit, forgery or alterations and securities coverages to include endorsements for independent contractors, facsimile transmission, unauthorized signatures, and wire transfers.

e) Computer Crime Policy

i) Nasdaq shall maintain a Computer Crime policy in the amount of $10,000,000 to cover its employees, agents and third party for computer systems fraud, data processing service operations fraud, voice initiated transfer fraud, facsimile transfer fraud, destruction of data or programs by hacker, destruction of data or programs by virus.

ii) Nasdaq's Computer Crime policy shall be endorsed to name NASD Regulation as a Loss Payee as its interests may apply. However, losses otherwise payable to NASD Regulation under such insurance will be reduced by fifty percent (50%) whenever such covered dishonest acts involve both NASD Regulation employees and Nasdaq employees.

f) Professional Liability Insurance

i) Nasdaq shall maintain a professional liability insurance covering the errors and omissions of Nasdaq, its officers, directors, employees and agents committed in connection with this Agreement in an amount not less than $10,000,000.

g) Commercial Property Insurance.

i) Nasdaq will maintain Property insurance to cover the replacement cost of its personal property, decorations, trade fixtures, furnishings, improvements and betterments, and supplies without deduction for depreciation, and business interruption/extra expense for a period of indemnity not less than twelve(12) months. NASD Regulation shall not be liable for any damage to or loss of personal property sustained by Nasdaq, whether or not it is insured, unless such loss was caused by the gross negligence or willful misconduct of NASD Regulation, its employees, officers, directors, or agents.

ii) Waiver of Subrogation. Nasdaq hereby waives any recovery of damages against NASD Regulation, its employees, officers, directors, agents, or representatives for loss or damage to the building, tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance.

23.04 Subcontractors Insurance Requirements. Each Party is responsible for ensuring that its agents, third parties (but not those third parties which initially compile Nasdaq Market Data) or subcontractors used in the performance of this Agreement are adequately insured. The contracting Party with the agent will ensure that its insurance is excess of the agent's insurance to provide adequate coverage to the other Party. Each party will ensure that its agents maintain the following minimum insurance coverages and limits:

Workers Compensation - Statutory limits required in the state where services are performed.

Employers Liability - $500,000 per accident, $500,000 per employee disease and $500,000 policy limit for disease.

Automobile Liability - $1,000,000 each person/each accident including owned, hired, and non-owned autos).

Commercial General Liability Policy will include Broad Form Contractual Liability, Bodily Injury, Property Damage, Personal Injury and Completed Operations with a minimum limit of $1,000,000 combined single limit per occurrence and $2,000,000 aggregate.

Umbrella Liability - Minimum required coverage is $5,000,000. Higher umbrella limits may be used to offset lower levels of underlying insurance requirements. The policy must reference each of the above policies.

SECTION 24 MISCELLANEOUS PROVISIONS.

24.01 Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed, provided, however, that either Party may assign this Agreement to a corporation controlling, controlled by or under common Control with the assigning Party. The consent of a Party to any assignment of this Agreement will not constitute such Party's consent to further assignment. This Agreement will be binding on the Parties and their respective successors and permitted assigns. Any assignment in contravention of this subsection will be void.

24.02 Notices. All notices and other communications required or permitted to be given under this Agreement will be in writing and will be deemed to have been duly given upon (i) actual receipt by the notified

Party or (ii) constructive receipt (as of the date marked on the return receipt) if sent by certified mail or overnight delivery service, return receipt requested, to the following addresses:

(a) If to NASD Regulation:

***** *

With, in the case of notice of breach or default, a required copy to: *****

(b) If to Nasdaq:

*****

With, in the case of notice of breach or default, a required copy to: *****

Either Party may change its address for notification purposes by giving the other Party ten (10) days prior written notice of its new address.

24.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the Parties.

24.04 Relationship. The Parties intend to create an independent contractor relationship and nothing contained in this Agreement will be construed to make either Nasdaq or NASD Regulation partners, joint venturers, principals, agents or employees of the other. NASD Regulation and its personnel, in performance of this Agreement, are acting as independent contractors and not as employees or agents of Nasdaq. Neither Party will have any right, power or authority, express or implied, to bind the other. NASD Regulation will provide all insurance coverage required by applicable laws, regulations, or employment agreements, including, without limitation, medical and workman's compensation. NASD Regulation will be responsible for payment of all unemployment, social security, and other payroll taxes and all benefits of all individuals who are engaged in the performance of the Services. If, at any time, any liability is asserted against Nasdaq for unemployment, social security or any other payroll tax related to NASD Regulation or any individuals or subcontractors employed by or associated with NASD Regulation, then NASD Regulation will indemnify and hold harmless Nasdaq from any such liability, including, without limitation, any such taxes, any interest or penalties related thereto, and reasonable attorney's fees and costs.

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

24.05 Consents, Approvals and Requests. Except as specifically set forth in this Agreement, all consents and approvals to be given by either Party under this Agreement will not be unreasonably withheld, conditioned or delayed.

24.06 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to Law, then the remaining provisions of this Agreement, if capable of substantial performance, will remain in full force and effect.

24.07 Waiver. No failure on the part of NASD Regulation or Nasdaq to exercise, no delay in exercising, and no course of dealing with respect to any right, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any such right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege under this Agreement.

24.08 Remedies Cumulative. No right or remedy herein conferred upon or reserved to either Party is intended to be exclusive of any other right or remedy, and each and every right and remedy will be cumulative and in addition to any other right or remedy under this Agreement, or under applicable law, whether now or hereafter existing.

24.09 Entire Agreement. This Agreement and the Exhibits to this Agreement represent the entire agreement between the Parties with respect to its subject matter, and there are no other representations, understandings or agreements between the Parties relative to such subject matter.

24.10 Amendments. No amendment to, or change, waiver or discharge of, any provision of this Agreement will be valid unless in writing and signed by an authorized representative of each of the Parties.

24.11 Survival Of Provisions. The terms of this Agreement apply to those rights that survive any cancellation, termination, or rescission, namely-- Confidentiality, Intellectual Property rights and Indemnification sections of this Agreement, the provision and receipt of Nasdaq Data, disclaimers of warranties, limitations of liability and any warranties. Payment obligations of one Party to the other arising prior to the cancellation, termination or recession of this Agreement will survive the expiration of termination of this Agreement.

24.12 Governing Law. This Agreement will be deemed to have been made in the State of New York and will be construed and enforced in

accordance with, and the validity and performance hereof will be governed by, the laws of the State of New York, without reference to its principles of conflicts of laws. The Parties hereby consent to submit to the jurisdiction of the federal or state courts of or for the State of New York in connection with any action or proceeding instituted relating to this Agreement.

24.13 Covenant of Further Assurances. Nasdaq and NASD Regulation covenant and agree that, subsequent to the execution and delivery of this Agreement and, without any additional consideration, each of Nasdaq and NASD Regulation will execute and deliver any further legal instruments and perform any acts that are or may become necessary to effectuate the purposes of this Agreement.

24.14 Export. Nasdaq and NASD Regulation agree that they each will comply with all applicable export laws and regulations of the United States. Each Party will cooperate with the other Party in connection the requirements of this Section, including promptly furnishing any end-user certificates, affidavits regarding re-export or other applicable certificates or documents.

24.15 ***** *

24.16 Approvals. Each Party warrants that it will, at its sole expense, comply with all applicable laws, regulations, and requirements, and that its performance of the Agreement will not cause it to violate any State, Federal or local Laws. Each Party will at all times exercise due care, prudence and diligence in carrying out its duties and responsibilities under the Agreement. Each Party will 24.1 obtain and maintain all necessary licenses, permits or government approvals as may be necessary for it to perform the Agreement. Each Party further warrants that it will cooperate with and assist the other Party in obtaining and maintaining any such approvals as applicable, to the extent reasonably possible if: (i) requested to do so by the other party in writing; and (ii) without limiting the requesting Party's obligations under this Agreement.

24.17 Publicity. Each Party will: (i) submit to the other Party all advertising, written sales promotions, press releases and other publicity matters relating to this Agreement in which the other Party's name or Mark(s) is/are mentioned or which contains language from which the connection of said name or marks may be inferred or implied (in each instance, including the Marks); and (ii) not publish or use such advertising, sales promotions, press releases or publicity matters without the other Party's prior written consent.

24.18 Error Correction. The Fees are based on information and data furnished by the Parties during the negotiation of this Agreement. The Parties acknowledge that they have to the extent possible, verified and validated such information and data and that the Parties believe that it is reflective of conditions in existence as of the Effective Date of this Agreement. If, however, at any time during the first twelve (12) months after the Commencement Date of this Agreement, either Party identifies a material error in the information or data used to calculate these Fees, then the Parties will negotiate an equitable adjustment to the Fees. In addition, if in the time period stated above either Party identifies a material error in an assumption in the description of a tower of NASD Regulation Services that was approved by Nasdaq prior to the Commencement Date of this Agreement that would have a material impact on NASD Regulation's costs to provide the Services included in such tower, then the parties will negotiate an equitable adjustment to the Fee for NASD Regulation's provision of the Services in such tower to Nasdaq.

24.19 Authorization. This Agreement will not be binding upon the Parties unless executed by an authorized officer of NASD Regulation and Nasdaq. Nasdaq and NASD Regulation and the persons executing this Agreement represent that such persons are duly authorized by all necessary and appropriate corporate or other action to execute this Agreement on behalf of NASD Regulation and Nasdaq.

* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

24.20 Interpretation. The masculine, feminine or neuter gender and the singular or plural number will be deemed to include the other gender or numbers where the context so indicates or requires. Unless otherwise expressly provided, references to days, months or years are to calendar days, months or years. Person or persons includes individuals, partnerships, corporations, government agencies or other entities.

IN WITNESS WHEREOF, the Parties hereto have each caused this Agreement to be signed and delivered by their duly authorized representative.

NASD Regulation, Inc. (NASD Regulation)	The Nasdaq Stock Market, Inc. (Nasdaq)
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

EXHIBIT 1

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* ***** Confidential Treatment has been requested for the redacted portions. The confidential redacted portions have been filed separately with the Securities and Exchange Commission.

Exhibit 10.6

SEPARATION AND COMMON SERVICES AGREEMENT

THIS SEPARATION AND COMMON SERVICES AGREEMENT (AGREEMENT), dated as of June 28, 2000 (EFFECTIVE DATE), is by and between the National Association of Securities Dealers, Inc., a Delaware nonprofit corporation with its principal place of business located at 1735 K Street, N.W., Washington, D.C. 20006 (NASD), and The Nasdaq Stock Market, Inc. (NASDAQ), a Delaware corporation with its principal place of business located at 1735 K Street, N.W., Washington, D.C. 20006.

WHEREAS, NASD desires to provide to Nasdaq, and Nasdaq desires to obtain from NASD, the services described in general terms in this Agreement, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the agreements set forth below, Nasdaq and NASD hereby agree as follows:

1. Term. This Agreement will commence on the Effective Date and continue through December 31, 2001 (TERM). The Parties intend to continue to negotiate a more detailed agreement (MASTER AGREEMENT) on this subject matter that, upon execution by the Parties, will supercede this Agreement. In the event the Parties do not execute such Master Agreement prior to January 1, 2002, this Agreement will automatically renew upon the expiration of its Term for an additional 12 months. The Parties will diligently and with their best efforts attempt to negotiate the Master Agreement as quickly as possible.

2. Services. Commencing as of the Effective Date and continuing throughout the Term, including any renewal of the Term, NASD will provide to Nasdaq (a) the same administrative, corporate and infrastructure services that are currently provided by NASD for Nasdaq's benefit; and (b) any services or responsibilities not currently provided that may be mutually agreed upon by the Parties. (clauses (a) and (b) of this Section are hereinafter collectively referred to as the SERVICES). Notwithstanding the foregoing, in the event that Nasdaq determines prior to December 31, 2000, that it will not utilize certain Services, it may provide written notice of that decision to NASD. Any such notice must be received by NASD prior to December 31, 2000. Following such notice, the parties will negotiate a transition period for NASD to cease rendering the unutilized Services and a reasonable termination fees and costs. Any transition period shall be not less than 60 days from receipt by NASD of the said notice.

3. Commitment to Amex. Nasdaq agrees to provide to NASD continued access to such Nasdaq technology as NASD requires to satisfy its obligation to the American Stock Exchange (AMEX) under the transaction agreement NASD entered into in connection with the 1998 acquisition of the assets of Amex, for so long as such obligations may continue. Nasdaq also agrees to provide all services it currently provides to Amex as of the date of this Agreement (e.g. Listing Qualifications), for so long as such obligations may continue. Nasdaq will recover from NASD its costs for rendering such services and access.

4. Ownership and Licensing of Intellectual Property.

(a) Each Party will remain the owner of its respective proprietary intellectual property as well any enhancements or derivative works related to such property prepared by either Party (collectively INTELLECTUAL PROPERTY). Each Party will grant to the other a royalty-free, fully paid-up, revocable, worldwide, non-exclusive, non-transferable license to use, copy or modify such Intellectual Property as necessary to carry out the terms of this Agreement. Nasdaq may not grant its venture partners a sublicense to use any Intellectual Property that it licenses from NASD without NASD's prior written approval.

(b) Jointly developed Intellectual Property developed for the Services shall be jointly owned by the Parties. Neither Party shall be required to obtain the consent of the other Party for any use of such jointly developed Intellectual Property, nor shall either Party need to account to the other for any revenue from such jointly developed Intellectual Property. Notwithstanding the foregoing, Nasdaq may not grant any other entity, including any of its venture partners, a sub-license to use any such jointly owned Intellectual Property without NASD's prior written approval.

5. Force Majeure. Neither Party will be liable for delay or failure in performance of any of the acts required by this Agreement when such delay or failure arises from circumstances beyond its reasonable control (including, without limitation, acts of God, fire, flood, war, explosion, sabotage, terrorism, embargo, civil commotion, acts or omissions of any government entity, supplier delays, communications or power failure, equipment or software malfunction, or labor disputes), and without the gross negligence or willful misconduct, of the Party.

6. Payment Procedures for NASD Services. NASD will invoice Nasdaq quarterly for the cost of the Services that NASD will provide to Nasdaq during the upcoming quarter, and will include the cost of specific disbursements and incidental expenses incurred by NASD in its provision of the Services to Nasdaq during the previous quarter. Rates and methodology shall be consistent with the past budget practices of the Parties.

7. Dispute Resolution.

7.1. Dispute Resolution. This Section 7 governs any dispute, disagreement, claim or controversy between the parties arising out of or relating to this Agreement, its breach or the arbitration provisions (the

DISPUTED MATTER). All Disputed Matters will be considered by an Executive Steering Committee to be established by the Parties. If the Disputed Matter cannot be resolved by the Executive Steering Committee, the Disputed Matter will then be referred to the binding arbitration as set forth immediately below.

7.2. Binding Arbitration. All claims, disputes, controversies and other matters in question between the parties to this Agreement arising out of or relating to this Agreement or the breach thereof that cannot be resolved by the parties will be settled by binding arbitration in accordance with the rules and procedures of the American Arbitration Association or such other rules and procedures as are agreed to by the arbitrators or the Parties. Although the Parties agree that compulsory and binding arbitration will be the exclusive means of dispute resolution, judicial review of any arbitration decision or proceeding (other than entry or enforcement of an arbitration award/judgment) or of any matter arising under the terms of this Agreement, whether or not submitted to the binding arbitration process required by this Agreement, will be brought solely in the federal or local courts of the State of New York. The foregoing procedures will not preclude either Party from pursuing all available remedies for infringement of a trademark, trade secret, registered patent or copyright.

8. Indemnification. Each Party agrees to indemnify and hold harmless the other Party against all losses, costs and expenses (including reasonable attorney's fees) that the other Party may incur by reason of the breach of any terms or provisions contained herein and/or in connection with the performance of this Agreement or any provision hereof. Each Party further agrees to indemnify and hold harmless the other against all losses, costs and expenses (including reasonable attorney's fees) that the other may incur by reason of any third party suit or the breach of any terms, provisions, covenants, warranties or representations contained herein and/or in connection with the performance of this Agreement or any provision hereof. Nothing in this Agreement will entitle any person or entity to any rights as a third-party beneficiary under this Agreement.

9. Damages. Neither of the Parties or their respective affiliates will be liable to the other (or any other entity) for any direct damages arising out of or relating to its performance or failure to perform under this Agreement; provided, however, that each of the Parties will continue to be liable for Claims or Losses arising from or related to: (i) its infringement of the other Party's Intellectual Property; (ii) damage caused by it to the persons or property of the other Party; (iii) its gross negligence or willful misconduct; or (iv) the gross negligence or willful misconduct of its officers, directors, employees, agents or subcontractors. Neither Nasdaq nor NASD will be liable for, nor will the measure of damages include, any punitive, indirect, incidental, special or consequential damages, lost profits or savings, lost opportunity or trading losses, arising out of or relating to its performance or failure to perform under this Agreement, even if such party has been advised of the possibility of such losses or damages. The limitations or exculpations of liability set forth herein will not apply to: (i) reimbursable amounts; (ii) indemnification Claims, as set forth in Section 9 herein; or (iii) any breaches of confidentiality.

10. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the Parties.

11. Entire Agreement. This Agreement and the Exhibits to this Agreement represent the entire agreement between the Parties with respect to its subject matter, and there are no other representations, understandings or agreements between the Parties relative to such subject matter.

12. Amendment. No amendment to, or change, waiver or discharge of, any provision of this Agreement will be valid unless in writing and signed by an authorized representative of each of the Parties.

13. Survivability. The terms of this Agreement apply to those rights that survive any cancellation, termination, or rescission, namely - Ownership of Intellectual Property, and Indemnification sections of this Agreement. Payment obligations of one Party to the other arising prior to the cancellation, termination or recession of this Agreement will survive the expiration of termination of this Agreement.

14. Governing Law. This Agreement will be deemed to have been made in the State of New York and will be construed and enforced in accordance with, and the validity and performance hereof will be governed by, the laws of the State of New York, without reference to its principles of conflicts of laws. The Parties hereby consent to submit to the jurisdiction of the federal or state courts of or for the State of New York in connection with any action or proceeding instituted relating to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have each caused this Agreement to be signed and delivered by their duly authorized representative.

National Association of Securities Dealers, Inc. (NASD)	The Nasdaq Stock Market, Inc. (Nasdaq)
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

THE NASDAQ STOCK MARKET, INC. 2000 EMPLOYEE STOCK PURCHASE PLAN
(AS AMENDED 2/14/01)

SECTION 1.

PURPOSE. The purpose of The Nasdaq Stock Market, Inc. 2000 Employee Stock Purchase Plan (the "Plan") is to provide employees of The Nasdaq Stock Market, Inc. (the "Company") and its subsidiaries with an opportunity to become part owners of the Company by purchasing Shares (as defined below) through semi-annual offerings financed by payroll deductions and/or lump sum payment contributions. It is the intention of the Company to have the Plan qualify as an "Employee Stock Purchase Plan" under Section 423 of Code (as defined below). The provisions of the Plan shall be construed accordingly.

SECTION 2.

DEFINITIONS. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company has a significant equity interest and (iii) an affiliate of the Company, as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act, in each case as determined by the Committee.

(b) "Board" shall mean the Board of Directors of the Company.

(c) "Change in Control" means the first to occur of any one of the events set forth in the following paragraphs:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (C) any entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares, and (D) the NASD), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates), of 25% or more of the Company's then outstanding Shares;

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board: individuals who, on the effective date (as provided in Section 12(a) of the Plan), were members of the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the effective date of the Plan or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of the Company with any other corporation or the Company issues Shares in connection with a merger or consolidation of any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation that would result in the Shares of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) more than 50% of the Company's then outstanding Shares or 50% of the combined voting power of such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "Person" (as defined below), directly or indirectly, acquired 25% or more of the Company's then outstanding Shares (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates); or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(e) "Committee" shall mean a committee of the Board designated by the Board to administer the Plan.

(f) "Compensation" shall mean the total earnings, prior to withholding, paid to an Employee during the applicable pay period, including overtime and cash bonus payments. Compensation shall exclude relocation expenses,

tax gross ups, referral bonuses, tuition reimbursement, the imputed value of group life insurance, car allowances, contest earnings, any employer contributions to a 401(k) plan, stock option gains, any amount included in income in respect of restricted shares, any unpaid deferred cash bonuses or other similar extraordinary remuneration received by such Employee.

(g) "Employee" shall mean any individual who is a regular employee of the Company or of any participating Subsidiary whose customary employment with the Company is at least 20 hours per week or five months in any calendar year (within the meaning of Sections 423(b)(4) and (c) of the Code, respectively). For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company. Where the period of leave exceeds 90 days and the Employee's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the ninety-first day of such leave.

(h) "Enrollment Date" shall mean the first day of each Offering Period.

(i) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(j) "Fair Market Value" with respect to the Shares, as of any date, shall mean the fair market value of a Share as determined by the Committee in its sole discretion; provided that (i) if the Shares are admitted to trading on a national securities exchange, fair market value shall be the closing sale price at the regular trading session reported for such share on such exchange on the last day preceding such date on which sale was reported or (ii) if the Shares are admitted to trading on the Nasdaq Stock Market or other comparable market system, fair market value shall be the closing sale price at the regular trading session reported on such system on the last date preceding such date on which a sale was reported.

(k) "NASD" shall mean the National Association of Securities Dealers, Inc.

(l) "Offering Period" shall mean a period of approximately six months, or such other period (not to exceed one year) as determined by the Committee.

(m) "Participant" shall mean an Employee who elects to participate in the Plan by filing an Enrollment Form (as defined herein).

(n) "Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(o) "Purchase Date" shall mean the date the Plan administrator shall acquire Shares for Participants (which shall be the last day of the Offering Period, unless otherwise determined by the Committee).

(p) "SEC" shall mean the Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

(q) "Shares" shall mean shares of the common stock, $0.01 par value, of the Company, or such other securities of the Company as may be designated by the Committee from time to time.

(r) "Subsidiary" shall mean a subsidiary of the Company as defined under Section 424(f) of the Code.

SECTION 3.

ADMINISTRATION.

(a) Authority of Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to construe and interpret the Plan and may from time to time adopt such rules and regulations for carrying out the Plan as it may deem necessary or desirable for the administration of the Plan, including, but not limited to, the determination of Offering Periods hereunder.

(b) Committee Discretion Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan, shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary, any Participant, any Employee, and any designated beneficiary.

(c) Delegation. Subject to the terms of the Plan and applicable law, the Committee may delegate to one or more officers or managers of the Company or any Subsidiary, or to a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to administer the Plan.

(d) No Liability. No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan.

(e) Agreements. The Committee may in its sole discretion determine from time to time that the Company shall offer to enter into Agreements hereunder ("Agreements") with all of the Participants, provided, however, that it shall be under no obligation to do so.

SECTION 4.

SHARES AVAILABLE FOR AWARDS.

(a) Shares Available. Subject to adjustment as provided in Section 4(b),

the number of Shares which may be sold under the Plan shall not exceed 2,000,000. Subject to such overall limit, the Committee may specify the maximum number of Shares that may be offered in any particular Offering Period. In the event that any Shares offered during an Offering Period are not purchased, such unpurchased Shares may again be sold under the Plan.

(b) Adjustments. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem appropriate make such equitable adjustments in the Plan and the then outstanding offerings as it deems necessary and appropriate, including but not limited to changing the number of Shares reserved under the Plan and the price of the current offering.

(c) Source of Shares. Shares which are to be delivered under the Plan may be obtained by the Company from its treasury, by purchases on the open market once a market has developed or from private sources, or by issuing authorized but unissued Shares. Any issuance of authorized but unissued Shares shall be approved by the Board or the Committee. Authorized but unissued Shares may not be delivered under the Plan if the purchase price thereof is less than the par value of the Shares.

(d) Oversubscription. If the number of Shares that Participants become entitled to purchase is greater than the number of Shares offered in a particular Offering Period or remaining available, the available Shares shall be allocated by the Committee among such Participants in such manner as it deems fair and equitable.

SECTION 5.

ELIGIBILITY. All Employees (including Employees who are directors) of the Company or of any Subsidiary designated by the Committee, will be eligible to participate in the Plan, in accordance with such rules as may be prescribed from time to time; provided, however, that such rules shall neither permit nor deny participation in the Plan contrary to the requirements of the Code (including, but not limited to, Section 423(b)(3), (4) and (5) thereof) and regulations promulgated thereunder. No Employee shall be eligible to participate in the Plan until the completion of six months of service as of the Enrollment Date with: (1) the Company; (2) a participating Subsidiary; or (3) for purposes of the first two Offering Periods, service with the NASD, NASD Regulation, Inc., or any other Affiliate designated by the Committee. For any subsequent Offering Period, the Committee may determine whether service with an entity other than the Company or a participating Subsidiary may count toward the six month period. During an Offering Period, no Employee may participate under the Plan if such Employee would own 5% or more of the outstanding Shares. For purposes of the preceding sentence, the rules of Section 424(d) of the Code shall apply in determining the Share ownership of an Employee, and Shares which the Employee would be permitted to purchase under the current Offering Period shall be treated as Shares owned by the Employee.

SECTION 6.

PARTICIPATION AND OFFERINGS.

(a) The Company may authorize one or more Offering Periods to Employees to purchase Shares under the Plan. The Committee may at any time suspend an Offering Period if required by law or if the Committee determines in good faith that it is in the best interests of the Company.

(b) Eligible Employees may become Participants in such Offering Periods at such time(s) as determined by the Committee by filing a form of enrollment ("Enrollment Form") with the Company authorizing specified regular payroll deductions or lump-sum payments. Subject to paragraph (c) below, payroll deduction for such purpose shall be in 1% increments of Compensation subject to a minimum of 1% and a maximum deduction of 10% of Compensation per pay period. Notwithstanding the foregoing, in no event may the sum of a Participant's lump-sum contributions and regular payroll deductions exceed 10% of a participant's Compensation for the applicable Offering Period, except in the case of any initial Offering Period during the calendar year 2000, in which case the total contributions cannot exceed 10% of the Participant's Compensation for the calendar 2000 year.

(c) Notwithstanding anything else contained herein, no Employee may purchase Shares under this Plan and any other qualified employee stock purchase plan (within the meaning of Section 423 of the Code) of the Company or its Subsidiaries at a rate which exceeds $25,000 of Fair Market Value of Shares for each calendar year in which a purchase is executed. For purposes of this Section 6, Fair Market Value shall be determined as of the first date of the applicable Offering Period.

(d) The Company and participating Subsidiaries will establish Participant recordkeeping accounts authorizing a payroll deduction pursuant to Section 6(b). The Committee may, in its discretion, authorize the payment of interest on Participant contributions.

(e) A Participant may, by written notice at any time during the Offering Period, direct the Company to reduce or increase payroll deductions (or, if the payment for Shares is being made through periodic cash payments, notify the Company that such payments will be increased, reduced, or terminated), subject to a maximum of one change per Offering Period.

(f) A Participant may elect to withdraw all of his or her entire account prior to the end of the Offering Period. Any such withdrawal will terminate such Participant's participation for the remainder of the Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the succeeding Offering Period unless the Participant delivers to the Company a new Enrollment Form.

As of the last day of the Offering Period, the record-keeping account of each Participant shall be totaled (including any accrued interest payments, if so authorized pursuant to section 6(d)). Subject to the provisions of this Section 6(f), if such account contains sufficient funds to purchase one or more Shares as of that date, the Employee shall be deemed to have purchased Shares at the price determined under Section 7 below; such Participant's account will be charged, on that date, for the amount of the purchase, and for all purposes under the Plan the Participant shall be deemed to have acquired the Shares on that date. Fractional shares shall be issued, as necessary. The registrar for the Company will make an entry on its books and records evidencing that such Shares have been duly issued as of that date; provided, however, that a Participant may, in the alternative, elect in writing prior thereto to receive a stock certificate representing the amount of such full Shares acquired, in which case any fractional shares credited to the Participant shall be settled by a cash payment.

(g) Each Participant may be requested to notify the Company of any disposition of Shares purchased pursuant to the Plan prior to the expiration of the holding periods set forth in section 423(a) of the Code.

SECTION 7.

PURCHASE PRICE. The purchase price of a Share pursuant to a transaction under the Plan shall be the lesser of: (a) 85% of the Fair Market Value of a Share on the Enrollment Date of the applicable Offering Period, and (b) 85% of the Fair Market Value of a Share on the Purchase Date of the applicable Offering Period.

SECTION 8.

TERMINATION OF EMPLOYMENT. Unless otherwise specified in an Agreement, upon a Participant's ceasing to be an Employee of the Company or a participating Subsidiary, for any reason, he or she shall be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such Participant's account (including interest) during the Offering Period, but not yet used, shall be returned to the Participant or, in the case of his or her death, to the person's designated beneficiary or estate.

SECTION 9.

TRANSFERABILITY. Neither payroll deductions credited to a Participant's account nor any rights with regard to the purchase of Shares under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, laws of descent and distribution, or beneficiary designation) by a Participant. Any such attempt at assignment, transfer, pledge, or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 6(f) hereof. SECTION 10.

CHANGE IN CONTROL. Unless otherwise specified in an Agreement, notwithstanding anything in the Plan to the contrary, in the event of a Change in Control of the Company, if the Committee determines that the operation or administration of the Plan could prevent Participants from obtaining the benefit of accrued purchase rights under the Plan, the Plan may be terminated in any manner deemed by the Committee to provide equitable treatment to Participants. Equitable treatment may include, but is not limited to, payment to each Participant of the amount of contributions and interest in such Participant's account as of the date of the Change in Control, plus an additional amount determined by (A) calculating the number of full Shares that could have been purchased for the Participant immediately prior to the Change in Control at the purchase price (determined under Section 7 at the beginning of the Offering Period (the "Purchase Price")) and (B) multiplying that number of Shares by the difference between the Purchase Price per Share and the highest price paid per Share in connection with the Change in Control of the Company.

SECTION 11.

GENERAL PROVISIONS.

(a) Amendments. The Board may, from time to time, alter, amend, suspend, discontinue or terminate the Plan or any portion thereof or alter or amend any and all Agreements; provided, however, that no such action of the Board may, without the requisite stockholder approval, make any amendment for which stockholder approval is necessary to comply with any tax or regulatory requirement, including for this purpose, any approval requirement which is a prerequisite for exemptive relief under Section 16(b) of the Exchange Act or Sections 423 and 424 of the Code. In addition, the Committee may, from time to time, amend the Plan or any portion thereof or amend any and all Agreements, in each case, to (i) cure any ambiguity or to correct or supplement any provision of the Plan or any Agreement which may be defective or inconsistent with any other provision of the Plan or any Agreement or (ii) make any other provisions in regard to matters or questions arising under the Plan or the Agreements which the Committee may deem necessary or desirable and which, in the judgment of the Committee, is not material; provided, however, that no such action of the Committee may, without the requisite stockholder approval, make any amendment for which stockholder approval is necessary to comply with any tax or regulatory requirement, including for this purpose, any approval requirement which is a prerequisite for exemptive relief under Section 16(b) of the Exchange Act

or Sections 423 and 424 of the Code.

(b) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employment of the Company or any Subsidiary. Further, the Company or a Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan.

(c) No Rights as Stockholder. Subject to the provisions of the Plan, no Participant or holder or beneficiary of any purchase shall have any rights as a stockholder with respect to any Shares to be distributed under the Plan until he or she has become the holder of such Shares.

(d) Obligatory Status. Participation in the Plan shall impose no obligation upon a Participant to purchase any Shares under the Plan.

(e) Application of Funds. The proceeds received by the Company from the sale of Shares pursuant to purchases under the Plan will be used for general corporate purposes.

(f) Severability. If any provision of the Plan becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person, or would disqualify the Plan or any purchase under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction, and the remainder of the Plan shall remain in full force and effect.

(g) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without giving effect to the conflict of law principles thereof.

(h) Other Laws. The Committee may refuse to issue or transfer any Shares if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation (including applicable non-U.S. laws or regulations) or entitle the Company to recover the same under Section 16(b), and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the purchase of such Shares shall be promptly refunded to the relevant Participant, holder, or beneficiary. Without limiting the generality of the foregoing, no Plan provision shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal or non-U.S. securities laws and any other laws to which such offer, if made, would be subject.

(i) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(j) Information Provided to Participants. The Company shall provide financial statements to Participants at least annually and such other information as may be required by law.

SECTION 12.

TERM OF THE PLAN.

(a) Effective Date. The Plan shall be effective December 12, 2000, subject to its approval by the stockholders of the Company as provided in Section 423(b)(2) of the Code and the regulations thereunder.

(b) Expiration Date. The Plan shall terminate on the tenth anniversary of the Effective Date or, subject to the provisions of Section 11(a) above, coincident with the completion of any offering under which the limitation on the total number of shares in Section 4(a) above has been reached, if earlier or as provided under Section 10.

THE NASDAQ STOCK MARKET, INC. EQUITY INCENTIVE PLAN
(AS AMENDED 2/14/01)

SECTION 1.

PURPOSE. The purposes of The Nasdaq Stock Market, Inc. Equity Incentive Plan (the "Plan") are to promote the interests of The Nasdaq Stock Market, Inc. (the "Company") and its stockholders by (i) attracting and retaining key employees, consultants and non-employee directors of the Company and its Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals, (iii) enabling such individuals to participate in the long-term growth and financial success of the Company and (iv) linking compensation to the long-term interests of stockholders. From and after the time the Company becomes "publicly-held" within the meaning of Section 162(m) of the Code, the Board may determine that the Plan is intended, to the extent applicable, to satisfy the requirements of Section 162(m) and the Plan shall be interpreted in a manner consistent with the requirements thereof.

SECTION 2.

DEFINITIONS. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company has a significant equity interest and (iii) an affiliate of the Company, as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act, in each case as determined by the Committee.

(b) "Award" shall mean any Option, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award granted under the Plan.

(c) "Award Agreement" shall mean any written agreement, contract, or other instrument or document evidencing any Award, which may, in the discretion of the Company, be transmitted electronically to any Participant, but need not be executed or acknowledged by a Participant.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Cause" shall mean, unless otherwise defined in the applicable Award Agreement or an employment agreement between the Participant and the Company, (i) the engaging by the Participant in willful misconduct that is injurious to the Company or its Affiliates, (ii) the embezzlement or misappropriation of funds or property of the Company or its Affiliates by the Participant, or the conviction of the Participant of a felony or the entrance of a plea of guilty or nolo contendere by the Participant to a felony, (iii) the willful failure or refusal by the Participant to substantially perform his or her duties or responsibilities that continues after being brought to the attention of the Participant (other than any such failure resulting from the Participant's incapacity due to Disability), or (iv) the violation by the Participant of any restrictive covenants entered into between the Participant and the Company or the Company's Guidelines for Appropriate Conduct as described in the Company's Employee Handbook, or the Company's Code of Conduct. Any determination of Cause shall be made by the Committee in its sole discretion. Any such determination shall be final and binding on a Participant.

(f) "Change in Control" means the first to occur of any one of the events set forth in the following paragraphs:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (C) any entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares, and (D) the National Association of Securities Dealers, Inc.), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates), of 25% or more of the Company's then outstanding Shares;

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board: individuals who, on the effective date (as provided in Section 13(a) of the Plan), were members of the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the effective date of the Plan or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of the Company with any other corporation or the Company issues Shares in connection with a merger or consolidation of any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation that would result in the Shares of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted

into voting securities of the surviving or parent entity) more than 50% of the Company's then outstanding Shares or 50% of the combined voting power of such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "Person" (as defined below), directly or indirectly, acquired 25% or more of the Company's then outstanding Shares (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates); or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

(h) "Committee" shall mean a committee of the Board designated by the Board to administer the Plan. From and after the time that the Shares are registered pursuant to Section 12 under the Exchange Act, unless otherwise determined by the Board, the Committee shall be composed of not less than the minimum number of persons from time to time required by Section 16 and Section 162(m), each of whom, to the extent necessary to comply with Section 16 and Section 162(m) only, is a "Non-Employee Director" and an "Outside Director" within the meaning of Section 16 and Section 162(m), respectively.

(i) "Disability" shall mean, unless otherwise defined in the applicable Award Agreement or an employment agreement between the Participant and the Company, a disability that would qualify as such under the Company's then current long-term disability plan.

(j) "Eligible Recipient" shall mean an officer, director, employee, consultant or adviser of the Company or of any Affiliate.

(k) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(l) "Fair Market Value" with respect to the Shares, as of any date, shall mean the fair market value of a Share as determined by the Committee in its sole discretion; provided that (i) if the Shares are admitted to trading on a national securities exchange, fair market value shall be the closing sale price at the regular trading session reported for such share on such exchange on the last day preceding such date on which sale was reported or (ii) if the Shares are admitted to trading on Nasdaq or other comparable market system, fair market value shall be the closing sale price at the regular trading session reported on such system on the last date preceding such date on which a sale was reported.

(m) "Incentive Stock Option" shall mean an option to purchase Shares from the Company that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(n) "Non-Qualified Stock Option" shall mean an option to purchase Shares from the Company that is granted under Section 6 of the Plan and that is not intended to be an Incentive Stock Option.

(o) "Option" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(p) "Other Stock-Based Award" shall mean any award granted under Section 8 of the Plan.

(q) "Parent" shall have the meaning set forth in Section 424(e) of the Code.

(r) "Participant" shall mean any Eligible Recipient who receives an Award under the Plan.

(s) "Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(t) "Restoration Option" shall mean a stock option granted pursuant to Section 6(f).

(u) "Restricted Stock" shall mean any Share granted under Section 7 of the Plan.

(v) "Restricted Stock Unit" shall mean any unit granted under Section 7 of the plan.

(w) "Retirement" shall mean, unless otherwise defined in the applicable Award Agreement or an employment agreement between the Participant and the Company, retirement of a Participant from the employ or service of the Company or any of its Affiliates in accordance with the terms of the applicable Company retirement plan or, if a Participant is not covered by any such plan, retirement on or after such date as the Participant has both attained the age of 55 years and has 10 years of employment with the Company.

(x) "SEC" shall mean the Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

(y) "Section 16" shall mean Section 16 of the Exchange Act and the rules promulgated thereunder and any successor provision thereto as in effect from time to time.

(z) "Section 162(m)" shall mean Section 162(m) of the Code and the rules promulgated thereunder or any successor provision thereto as in effect from time to time.

(aa) "Shares" shall mean shares of the common stock, $ .01 par value, of the Company, or such other securities of the Company as may be designated by the Committee from time to time.

(bb) "Subsidiary" shall have the meaning set forth in Section 424(f) of the Code.

(cc) "Substitute Awards" shall mean Awards solely granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

SECTION 3.

ADMINISTRATION.

(a) Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled, or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) Committee Discretion Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including any Eligible Recipient, Participant or any holder or beneficiary of any Award.

(c) Delegation. Subject to the terms of the Plan and applicable law, the Committee may delegate to one or more officers or managers of the Company or any Affiliate, or to a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to grant Awards to, or to cancel, modify or waive rights with respect to, or to alter, discontinue, suspend, or terminate Awards held by, Participants who are not officers or directors of the Company for purposes of Section 16 or who are otherwise not subject to Section 16.

(d) No Liability. No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

SECTION 4.

SHARES AVAILABLE FOR AWARDS.

(a) Shares Available. Subject to adjustment as provided in Section 4(b), the number of Shares with respect to which Awards may be granted under the Plan shall be 20,000,000 and the number of Shares with respect to which Awards (other than Options) may be granted under the Plan shall be 2,500,000. If, after the effective date of the Plan, any Shares covered by an Award granted under the Plan, or to which such an Award relates, are forfeited, or if such an Award is settled for cash or otherwise terminates or is canceled without the delivery of Shares, then the Shares covered by such Award, or to which such Award relates, or the number of Shares otherwise counted against the aggregate number of Shares with respect to which Awards may be granted, to the extent of any such settlement, forfeiture, termination or cancellation, shall again become Shares with respect to which Awards may be granted. In the event that any Option or other Award granted hereunder is exercised through the delivery of Shares or in the event that withholding tax liabilities arising from such Award are satisfied by the withholding of Shares by the Company, the number of Shares available for Awards under the Plan shall be increased by the number of Shares so surrendered or withheld. Notwithstanding the foregoing and subject to adjustment as provided in Section 4(b), from and after the date that the Plan is intended to comply with the requirements of Section 162(m), no Participant may receive Awards under the Plan in any calendar year that relate to more than 1,000,000 Shares, except during the first year of the Plan, in which case no Participant may receive Awards that relate to more than 2,000,000 Shares.

(b) Adjustments. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable: (i) adjust any or all of (A) the number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted, (B) the maximum number of Shares subject to an Award granted to a Participant pursuant to Section 4(a), (C) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards, and (D) the grant or exercise price with respect to any Award; (ii) if deemed appropriate, provide for an equivalent award in respect of securities of the surviving entity of any merger, consolidation or other transaction or event having a similar effect; or (iii) if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, in each case, that, unless otherwise determined by the Committee, (A) with respect to Awards of Incentive Stock Options no such adjustment shall be authorized to the extent that such authority would cause the Plan to violate Section 422(b)(1) of the Code, as from time to time amended, and (B) with respect to any Award no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of Section 162(m).

(c) Substitute Awards. Any Shares underlying Substitute Awards shall not be counted against the Shares available for Awards under the Plan.

(d) Sources of Shares Deliverable Under Awards. Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

SECTION 5.

ELIGIBILITY. Any Eligible Recipient shall be eligible to be designated a Participant.

SECTION 6.

STOCK OPTIONS.

(a) Grant. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Options shall be granted, the number of Shares to be covered by each Option, the option price and the conditions and limitations applicable to the exercise of the Option. The Committee shall have the authority to grant Incentive Stock Options, or to grant Non-Qualified Stock Options, or to grant both types of options; provided that only employees of the Company or any Parent or Subsidiary may be granted Incentive Stock Options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code, as from time to time amended, and any regulations implementing such statute.

(b) Exercise Price. The Committee in its sole discretion shall establish the exercise price at the time each Option is granted. Except in the case of Substitute Awards, the exercise price of an Option may not be less than the Fair Market Value on the date of grant of such Option.

(c) Exercise. Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee may impose such conditions with respect to the exercise of options, including without limitation, any relating to the application of federal, state or foreign securities laws or the Code, as it may deem necessary or advisable; provided that (to the extent required at the time of grant by California "blue sky" laws), Options granted to individuals other than officers, directors or consultants of the Company shall be exercisable at the rate of at least 20% per year over five years from the date of grant. Notwithstanding the foregoing, an Option shall not be exercisable after the expiration of 10 years from the date such Option was granted.

(d) Early Exercise. The Committee may provide at the time of grant or any time thereafter, in its sole discretion, that any Option shall be exercisable that otherwise would not then be exercisable, provided that, in connection with such exercise, the Participant enters into a form of Restricted Stock Award Agreement approved by the Committee.

(e) Payment. No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the option price is received by the Company. Such payment may be made in cash, or its equivalent, or by exchanging Shares owned by the Participant for at least six months (which are not the subject of any pledge or other security interest), or through any broker's cashless exercise procedure approved by the Committee, or by a combination of the foregoing, provided that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company as of the date of such tender is at least equal to such option price.

(f) Restoration Options. In the event that any Participant delivers Shares in payment of the exercise price of any Option granted hereunder in accordance with paragraph (e) above, the Committee shall have the authority to grant or provide for the automatic grant of a Restoration Option to such

Participant. A Restoration Option shall entitle the Participant to purchase a number of Shares equal to the number of Shares delivered upon exercise of the original Option and, in the discretion of the Committee, the number of shares, if any, tendered to the Company to satisfy any withholding tax liability arising in connection with the exercise of the original Option. A Restoration Option shall have a per share exercise price of not less than 100% of the Fair Market Value of a Share on the date of grant of such Restoration Option, a term not longer than the remaining term of the original Option at the time of exercise thereof, and such other terms and conditions (including provisions relating to forfeiture of such Restoration Options in the event that specified share ownership is not maintained) as the Committee in its sole discretion shall determine.

SECTION 7.

RESTRICTED STOCK AND RESTRICTED STOCK UNITS.

(a) Grant. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Shares of Restricted Stock and Restricted Stock Units shall be granted, the number of Shares of Restricted Stock and/or the number of Restricted Stock Units to be granted to each Participant, the duration of the period during which, and the conditions under which, the Restricted Stock and Restricted Stock Units may be forfeited to the Company, and the other terms and conditions of such Awards. Notwithstanding the foregoing (to the extent required at the time of grant by California "blue sky" laws), the purchase price per share of Restricted Stock, if any, shall not be less than 85% of the Fair Market Value per Share (100% in the case of 10% stockholders) on such date or at the time the purchase is consummated.

(b) Transfer Restrictions. Shares of Restricted Stock and Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered, except, in the case of Restricted Stock, as provided in the Plan or the applicable Award Agreements. Certificates issued in respect of Shares of Restricted Stock shall be registered in the name of the Participant and deposited by such Participant, together with a stock power endorsed in blank, with the Company. Upon the lapse of the restrictions applicable to such Shares of Restricted Stock, the Company shall deliver such certificates to the Participant or the Participant's legal representative.

(c) Payment. Each Restricted Stock Unit shall have a value equal to the Fair Market Value of a Share. Restricted Stock Units shall be paid in cash, Shares, other securities or other property, as determined in the sole discretion of the Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement.

(d) Dividends and Distributions. Dividends and other distributions paid on or in respect of Restricted Stock or Restricted Stock Units may be paid directly to the Participant, or may be reinvested in additional Shares of Restricted Stock or in additional Restricted Stock Units, as determined by the Committee in its sole discretion.

SECTION 8.

OTHER STOCK-BASED AWARDS. The Committee shall have authority to grant to Participants an Other Stock-Based Award, which shall consist of any right that is (i) not an Award described in Sections 6 or 7 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award.

SECTION 9.

TERMINATION OF EMPLOYMENT/SERVICE. The Committee shall have the full power and authority to determine the terms and conditions that shall apply to any Award upon a termination of employment/service, including a termination by the Company without Cause, by a Participant voluntarily, or by reason of death, Disability or Retirement. In addition, prior to the termination of all transfer restrictions applicable to the Shares described in the Private Placement Memorandum dated March 10, 2000, upon a termination of employment/service the Company shall have a repurchase right with respect to any Shares acquired upon exercise or settlement of an Award equal to the Fair Market Value on the date of repurchase.

SECTION 10.

CHANGE IN CONTROL. Upon a Change in Control occurring, all Awards of Options or Restricted Stock that would otherwise have become vested in the one-year period following the Change in Control had the Participant remained employed during that one year period shall vest immediately, and in the case of such vested Awards that are Options, become exercisable in accordance with their terms. In the event that the employment of the Participant is terminated by the Company other than for Cause within the one year period following the Change in Control, or in such other circumstances as provided in the Award, all other remaining Awards of Options or Restricted Stock, as the case may be, shall vest immediately upon such a termination and, in the case of such vested Awards that are Options, become immediately exercisable in accordance with their terms.

SECTION 11.

AMENDMENT AND TERMINATION.

(a) Amendments to the Plan. The Board may amend, alter, suspend,

discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without requisite stockholder approval if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Board deems it necessary or desirable to comply. In addition, the Committee may amend the Plan or any portion thereof at any time to (i) cure any ambiguity or to correct or supplement any provision of the Plan which may be defective or inconsistent with any other provision of the Plan or (ii) make any other provisions in regard to matters or questions arising under the Plan which the Committee may deem necessary or desirable and which, in the judgment of the Committee, is not material; provided that no such amendment shall be made without requisite stockholder approval if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Board or the Committee deems it necessary or desirable to comply.

(b) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder, or beneficiary; and provided further that the Committee shall not have the power to amend the terms of previously granted Awards to reduce, or cancel such Awards and grant substitute Awards which would have the effect of reducing the exercise price except pursuant to paragraph (c) below.

(c) Adjustment of Awards upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that, unless otherwise determined by the Committee, no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of Section 162(m) to the extent Section 162(m) applies to an Award.

SECTION 12.

GENERAL PROVISIONS.

(a) Dividend Equivalents. In the sole and complete discretion of the Committee, an Award may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis.

(b) Transferability. Except as provided below, no Award shall be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant, except by will or the laws of descent and distribution. Notwithstanding the foregoing, a Participant may transfer any vested Award, other than an Incentive Stock Option, to members of his or her immediate family (defined as his or her spouse, children or grandchildren) or to one or more trusts for the exclusive benefit of such immediate family members or partnerships in which such immediate family members are the only partners if the Award Agreement so provides, the transfer is approved by the Committee and the Participant does not receive any consideration for the transfer. Any such transferred Award shall continue to be subject to the same terms and conditions that were applicable to such Award immediately prior to its transfer (except that such transferred Award shall not be further transferable by the transferee).

(c) No Rights to Awards. No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Employees, Non-Employee Directors, consultants, Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each recipient.

(d) Share Certificates. All certificates for Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange or interdealer market system upon which such Shares or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(e) Stockholders Agreement. The Committee may require that a Participant, as a condition of the grant or exercise of an Award, execute a stockholders agreement containing terms and conditions generally applicable to some or all of the stockholders of the Company.

(f) Withholding. A participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding or other taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. The Committee may provide in an Award

Agreement that a Participant can satisfy the foregoing requirement by electing to have the Company withhold Shares having a Fair Market Value equal to the minimum amount of tax required to be withheld.

(g) Award Agreements. Each Award hereunder shall be evidenced by an Award Agreement that shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto. In the event of a conflict between the terms of the Plan and any Award Agreement, the terms of the Award Agreement shall prevail.

(h) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted stock, Shares and other types of Awards provided for hereunder (subject to stockholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(i) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(j) No Rights as Stockholder. Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a stockholder with respect to any Shares to be distributed under the Plan until he or she has become the holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Stock hereunder, the applicable Award shall specify if and to what extent the Participant shall not be entitled to the rights of a stockholder in respect of such Restricted Stock.

(k) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to the conflict of law principles thereof.

(l) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(m) Other Laws. The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder, or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal or non-U.S. securities laws and any other laws to which such offer, if made, would be subject.

(n) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(o) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(p) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(q) Information Provided to Participants. The Company shall provide financial statements to Participants at least annually and such other information as may be required by law.

SECTION 13.

TERM OF THE PLAN.

(a) Effective Date. The Plan shall be effective as of December 5, 2000.

(b) Expiration Date. No new Awards shall be granted under the Plan after the tenth anniversary of the Effective Date. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted

hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the authority for grant of new Awards hereunder has been exhausted.

Exhibit 10.9

SECURITIES PURCHASE AGREEMENT

dated as of

March 23, 2001

among

THE NASDAQ STOCK MARKET, INC.,

HELLMAN & FRIEDMAN CAPITAL PARTNERS IV, L.P.,

and

THE OTHER PURCHASERS LISTED ON THE SIGNATURE PAGES HEREOF

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EXHIBITS

SECURITIES PURCHASE AGREEMENT

AGREEMENT dated as of March 23, 2001 among The Nasdaq Stock Market, Inc., a Delaware corporation (the "Issuer"), Hellman & Friedman Capital Partners IV, L.P., a Delaware limited partnership ("HFCP IV") and the other purchasers listed on the signature pages hereof (together with HFCP IV, the "Purchasers").

WHEREAS, the Issuer has authorized the sale and issuance of $240,000,000 of its 4% Convertible Subordinated Debentures due 2006 in the form attached hereto as Exhibit A (the "Securities"); and

WHEREAS, the Purchasers desire to purchase the Securities, and the Issuer desires to issue and sell the Securities to the Purchasers, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this agreement, as the same may be amended from time to time.

"Balance Sheet" means the unaudited consolidated balance sheet of the Issuer and its Subsidiaries as of the Balance Sheet Date.

"Balance Sheet Date" means December 31, 2000.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized by law to close.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the common stock, par value $.01 per share, of the Issuer.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, any Person shall be deemed to own subject to Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Material Adverse Effect" means a material adverse effect on the business, assets, condition (financial or otherwise) or results of operations of the Issuer and its Subsidiaries, taken as a whole.

"Person" means an individual or a corporation, partnership, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" means the preferred stock, par value $.01 per share, of the Issuer.

"Regulation D" means Regulation D under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Securityholders Agreement" means the Securityholders Agreement among the Issuer, and the Purchasers, substantially in the form attached as Exhibit B hereto.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

"Transactions" means the transactions contemplated by the Transaction Documents.

"Transaction Documents" means this Agreement, the Securityholders Agreement, and the Securities.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Accredited Investor	4.01
Charter Amendment	5.04
Closing	2.02
Closing Date	2.02
Damages	9.04
HFCP IV	Preamble
Indemnified Person	9.04
Indemnifying Person	9.04
Issuer	Preamble
Issuer Securities	3.05
NASD	2.03
PPM	3.10
Purchase and Sale Agreement	2.03
Purchasers	Preamble
Subsidiary Securities	3.06

ARTICLE 2

PURCHASE AND SALE OF SECURITIES

SECTION 2.01. Commitment to Purchase. Upon the basis of the representations and warranties herein contained of each Purchaser, but subject to the terms and conditions hereinafter stated, the Issuer agrees to issue and sell to each Purchaser and each Purchaser, upon the basis of the representations and warranties herein contained of the Issuer, but subject to the terms and conditions hereinafter stated, agrees, severally but not jointly, to purchase from the Issuer the Securities in the amounts and for the aggregate purchase price set forth below the name of such Purchaser on the signature pages hereof.

SECTION 2.02. The Closing. (a) The purchase and sale of the Securities shall take place at a closing (the "Closing") at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York as soon as possible, but in no event later than five Business Days, after satisfaction of the conditions set forth in Article 8, or at such other time or location as the Issuer and the Purchasers shall agree. The date and time of Closing are referred to herein as the "Closing Date."

(b) At the Closing, each Purchaser shall deliver to the Issuer, by wire transfer to an account designated by the Issuer not later than five Business Days prior to the Closing Date, an amount, in immediately available funds, equal to the aggregate purchase price of the Securities being purchased by such Purchaser from the Issuer.

(c) At the Closing, the Issuer shall deliver to each Purchaser, against payment of the purchase price, certificates evidencing the Securities in definitive form and registered in such names as such Purchaser shall request not later than five Business Days prior to the Closing Date.

SECTION 2.03. Use of Proceeds. Concurrently with the Closing, the Issuer shall apply substantially all of the proceeds of the issuance of the Securities to repurchase shares of Common Stock held by the National Association of Securities Dealers, Inc. (the "NASD") pursuant to the Purchase and Sale Agreement to be entered into between the NASD and the Issuer substantially in the form of Exhibit D hereto (the "Purchase and Sale Agreement").

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants to each Purchaser as follows:

SECTION 3.01. Corporate Existence and Power. The Issuer is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted. The Issuer is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have a Material Adverse Effect. The

Issuer has heretofore delivered to the Purchasers true and complete copies of the certificate of incorporation and bylaws of the Issuer as currently in effect.

SECTION 3.02. Corporate Authorization. The execution, delivery and performance by Issuer of this Agreement and the consummation of the transactions contemplated hereby are within the Issuer's corporate powers and have been duly authorized by all necessary corporate action on the part of the Issuer. This Agreement constitutes a valid and binding agreement of the Issuer, and the Securities when issued will constitute valid and binding obligations of the Issuer. The shares of Common Stock issuable upon conversion of the Securities will, when issued, be validly issued, fully paid and nonassessable, free and clear of any Lien and free of any other restriction or limitation (including any restriction on the right to vote, sell or otherwise dispose of such shares of Common Stock) except as provided under applicable securities laws or as set forth in the Securityholders Agreement and the Issuer's certificate of incorporation and bylaws.

SECTION 3.03. Governmental Authorization. The execution, delivery and performance by the Issuer of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with, any governmental body, agency or official other than (i) compliance with any applicable requirements of the HSR Act; (ii) approval of the Charter Amendment by the Commission; and (iii) such other actions or filings which have been taken or made or shall be taken or made on or prior to the Closing Date.

SECTION 3.04. Noncontravention. The execution, delivery and performance by the Issuer of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate the certificate of incorporation or bylaws of the Issuer or any of its Subsidiaries, (ii) assuming compliance with the matters referred to in Section 3.03, violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) require any consent or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Issuer or any of its Subsidiaries or to a loss of any benefit to which the Issuer or any of its Subsidiaries is entitled under any provision of any material agreement or other instrument binding upon the Issuer or any of its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Issuer or any of its Subsidiaries.

SECTION 3.05. Capitalization. (a) The authorized capital stock of the Issuer consists of (i) 300,000,000 shares of Common Stock and (ii) 30,000,000 shares of Preferred Stock. As of the date hereof, there are (i) 128,692,543 shares of Common Stock outstanding, all of which were validly issued, fully paid and nonassessable and were issued free of preemptive rights; (ii) no shares of Preferred Stock outstanding; (iii) 22,000,000 shares reserved for issuance pursuant to the Issuer's equity incentive plan and employee stock purchase plan; and (iv) 10,165,040 shares of Common Stock (including shares underlying options to purchase shares of Common Stock) granted under the Issuer's equity incentive plan. As of the date hereof, the NASD owns 95,454,209 shares of Common Stock and assuming the full exercise of all outstanding warrants issued by the NASD to purchase outstanding shares of Common Stock owned by it, the NASD owns approximately 40.6% of the Issuer.

(b) Except as set forth in this Section 3.05, there are no outstanding (i) shares of capital stock or voting securities of the Issuer, (ii) securities of the Issuer convertible into or exchangeable for shares of capital stock or voting securities of the Issuer or (iii) options or other rights to acquire from the Issuer, or any other obligation of the Issuer to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Issuer (the items in clauses 3.05(b)(i), 3.05(b)(ii) and 3.05(b)(iii) being referred to collectively as the "Issuer Securities"). Except for the Purchase and Sale Agreement, there are no outstanding obligations of the Issuer or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Issuer Securities.

SECTION 3.06. Subsidiaries. (a) Each Subsidiary of the Issuer is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted. Each Subsidiary of the Issuer is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have a Material Adverse Effect. All Subsidiaries of the Issuer as of the date hereof and their respective jurisdictions of incorporation are identified on Schedule 3.06.

(b) Except as disclosed on Schedule 3.06, all of the outstanding capital stock or other voting securities of each Subsidiary of the Issuer (except for any directors' qualifying shares) is owned by the Issuer, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities). There are no outstanding (i) securities of the Issuer or any Subsidiary of the Issuer convertible into or exchangeable for shares of capital stock or voting securities of any Subsidiary of the Issuer or (ii) options or other rights to acquire from the Issuer or any Subsidiary of the Issuer, or other obligation of the Issuer or any Subsidiary of the Issuer to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of any Subsidiary of the Issuer (the items in clauses 3.06(b)(i) and 3.06(b)(ii) being referred to collectively as the "Subsidiary Securities"). There are

no outstanding obligations of the Issuer or any Subsidiary of the Issuer to repurchase, redeem or otherwise acquire any outstanding Subsidiary Securities.

(c) Except as set forth on Schedule 3.06, the Issuer has no ownership interest or other investment convertible into or exchangeable for an ownership interest in any Person.

SECTION 3.07. Financial Statements. The audited consolidated balance sheets as of December 31, 1998 and 1999 and the related audited consolidated statements of income and cash flows for each of the years ended December 31, 1998 and 1999 and the unaudited consolidated balance sheet for the nine months ended September 30, 2000 and the related unaudited consolidated statements of income and cash flows for the nine months ended September 30, 2000 as well as the unaudited consolidated balance sheet as of December 31, 2000 and the related unaudited consolidated statements of income and cashflows for the year ended December 31, 2000 of the Issuer and the Subsidiaries of the Issuer have been delivered by the Issuer to the Purchasers. Such financial statements fairly present, in all material respects, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto and except in the case of unaudited financials for the absence of footnotes and subject to normal year-end adjustments), the consolidated financial position of the Issuer and the Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended.

SECTION 3.08. Absence of Certain Changes. Except as set forth on Schedule 3.08, (x) since the Balance Sheet Date, the business of the Issuer and its Subsidiaries has been conducted in the ordinary course consistent with past practices and (y) there has not been:

(a) any event, occurrence or facts which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect;

(b) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Issuer, or any repurchase, redemption or other acquisition by the Issuer or any of its Subsidiaries of any outstanding shares of capital stock or other securities of the Issuer or any of its Subsidiaries;

(c) any amendment of any material term of any outstanding security of the Issuer or any of its Subsidiaries;

(d) any incurrence, assumption or guarantee by the Issuer or any of its Subsidiaries of any indebtedness for borrowed money other than in the ordinary course of business and in amounts and on terms consistent with past practices;

(e) any creation or other incurrence by the Issuer or any of its Subsidiaries of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

(f) any making of any loan, advance or capital contributions to or investment in any Person other than loans, advances or capital contributions to or investments in Subsidiaries of the Issuer set forth on Schedule 3.06 made in the ordinary course of business consistent with past practices; or

(g) any change in any method of accounting or accounting practice by the Issuer or any of its Subsidiaries except for any such change after the date hereof required by reason of a concurrent change in generally accepted accounting principles.

SECTION 3.09. Selling Documents. As of January 18, 2001, except as set forth in Schedule 3.09, the Private Placement Memorandum, dated November 15, 2000 of the Issuer (the "PPM") did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF EACH PURCHASER

Each Purchaser hereby represents and warrants to the Issuer as follows:

SECTION 4.01. Private Placement. (a) Such Purchaser understands that the offering and sale of the Securities is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act.

(b) The Securities to be acquired by such Purchaser pursuant to this Agreement are being acquired for its own account and without a view to the resale or distribution of such Securities or any interest therein other than in a transaction exempt from registration under the Securities Act.

(c) Such Purchaser is an "Accredited Investor" as such term is defined in Regulation D.

(d) Such Purchaser has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Securities and such Purchaser is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Securities.

(e) Such Purchaser has been given the opportunity to ask questions of, and receive answers from, the Issuer concerning the terms and conditions of the Securities and other related matters. Such Purchaser further represents and warrants that the Issuer has made available to such Purchaser or its agents all documents and information relating to an investment in the Securities requested by or on behalf of such Purchaser. In evaluating the suitability of an investment in the Securities, such Purchaser has not relied upon any other representations or other information (whether oral or written) made by or on behalf of the Issuer other than as set forth in this Agreement.

SECTION 4.02. Authority; No Other Action. (a) The execution, delivery and performance of this Agreement and the Securityholders Agreement are within such Purchaser's powers and have been duly authorized on its part by all requisite corporate or partnership action.

(b) No action by or in respect of, or filing with, any governmental authority, agency or official is required for the execution, delivery and performance by such Purchaser of this Agreement and the Securityholders Agreement other than compliance with the applicable requirements of the HSR Act.

SECTION 4.03. Binding Effect. Each of this Agreement and the Securityholders Agreement has been duly executed by such Purchaser and consti tutes a valid and binding agreement of such Purchaser.

ARTICLE 5

COVENANTS OF THE ISSUER

The Issuer agrees that:

SECTION 5.01. Conduct of the Company. Except as set forth in Schedule 5.01, from the date hereof until the Closing Date, the Issuer and each of its Subsidiaries shall conduct its businesses in the ordinary course consistent with past practice and to use its best efforts to preserve intact its business organizations and relationships with third parties and to keep available the services of its present officers and employees. Without limiting the generality of the foregoing, except as set forth in Schedule 5.01, from the date hereof until the Closing Date, neither Issuer nor any of its Subsidiaries will, without the prior written consent of the Purchasers:

(a) except for the Charter Amendment, adopt or propose any change in its certificate of incorporation or bylaws;

(b) merge or consolidate with any other Person, sell, transfer or otherwise dispose of all or substantially all of its assets, or acquire a material amount of assets from any other Person outside the ordinary course of business; or

(c) agree or commit to do any of the foregoing.

The Issuer will not, and will not permit any of its Subsidiaries to (i) take or agree or commit to take any action that would make any representation or warranty of the Issuer hereunder inaccurate in any material respect at, or as of any time prior to, the Closing Date or (ii) omit or agree or commit to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any material respect at any such time.

SECTION 5.02. Access to Information. (a) From the date hereof until the Closing Date, the Issuer will (i) give, and will cause each of its Subsidiaries to give, the Purchasers, their counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of the Issuer and its Subsidiaries, (ii) furnish, and will cause the Issuer and each of its Subsidiaries to furnish, to the Purchasers, their counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Issuer or any of its Subsidiaries as such Persons may reasonably request and (iii) instruct the employees, counsel and financial advisors of the Issuer or any of its Subsidiaries to cooperate with the Purchasers in their investigation of the Issuer or any of its Subsidiaries. Any investigation pursuant to this Section shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Issuer.

SECTION 5.03. Notices of Certain Events. The Issuer shall promptly notify the Purchasers of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened against, relating to or involving or otherwise affecting the Issuer or any of its Subsidiaries that, if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to have a Material Adverse Effect or that relate to the transactions contemplated by this Agreement.

SECTION 5.04. Voting Rights. At the 2001 annual meeting of stockholders of the Issuer, the Issuer shall present for stockholder approval, and shall recommend the approval and adoption of, an amendment to

its certificate of incorporation substantially in the form of Exhibit C, with such changes as may be required by the Commission that are reasonably acceptable to the Issuer and the Purchasers (the "Charter Amendment"). The Issuer shall use all reasonable best efforts to achieve the adoption of the Charter Amendment.

ARTICLE 6

COVENANTS OF THE PURCHASERS

The Purchasers agrees that:

SECTION 6.01. Confidentiality. The Purchasers and their Affiliates will hold, and will use their reasonable best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Issuer or any of its Subsidiaries furnished to the Purchasers or their Affiliates in connection with the transactions contemplated by this Agreement or the Securityholders Agreement, except to the extent that such information can be shown to have been (i) previously known on a nonconfidential basis by the Purchasers, (ii) in the public domain through no fault of the Purchasers or (iii) acquired by the Purchasers from sources other than the Issuer or any of its Subsidiaries which sources, to the Purchasers' knowledge lawfully acquired such information; provided that the Purchasers may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement so long as such Persons are informed by the Purchasers of the confidential nature of such information and are directed by the Purchasers to treat such information confidentially. The Purchasers will be responsible for the breach by any such persons of this Section 6.01. If this Agreement is terminated, the Purchasers and its Affiliates will, and will use their reasonable best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to the Issuer, upon request, all documents and other materials, and all copies thereof, obtained by the Purchasers or its Affiliates or on their behalf from the Issuer or any of its Subsidiaries in connection with this Agreement that are subject to such confidence.

ARTICLE 7

COVENANTS OF THE PURCHASERS AND THE ISSUER

The Purchasers and the Issuer agree that:

SECTION 7.01. Reasonable Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, the Purchasers and the Issuer will use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. The Issuer and the Purchasers agree, and the Issuer, prior to the Closing, and the Purchasers, after the Closing, agree to cause the Issuer and each of its Subsidiaries, to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

SECTION 7.02. Certain Filings. The Purchasers and the Issuer shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any governmental body, agency, official or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

SECTION 7.03. Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except for any press releases and public statements the making of which may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation. Notwithstanding the foregoing, the parties agree to issue a joint press release upon the Closing.

ARTICLE 8

CONDITIONS PRECEDENT TO CLOSING

SECTION 8.01. Conditions to Each Party's Obligations. The obligations of each party hereto to consummate the transactions contemplated hereby is subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) Any applicable waiting period under the HSR Act relating to the transaction contemplated hereby shall have expired or been terminated; and

(b) The purchase and sale of the Securities shall not be prohibited by any applicable law, court order or governmental regulation; and

SECTION 8.02. Conditions to Each Purchaser's Obligations. The obligation of each Purchaser to purchase the Securities to be purchased by it hereunder is subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) The representations and warranties of the Issuer contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on and as of such date; the Issuer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing Date; and such Purchaser shall have received a certificate dated the Closing Date signed by an authorized officer of the Issuer to the foregoing effect;

(b) The Securityholders Agreement shall have been executed and delivered by the Issuer;

(c) Such Purchaser shall have received duly executed certificates representing the Securities being purchased by such Purchaser pursuant hereto;

(d) Such Purchaser shall have received all documents reasonably requested by it relating to the existence of the Issuer, the corporate authority for entering into, and the validity of, this Agreement, the Securityholders Agreement and the Securities, all in form and substance reasonably satisfactory to it;

(e) The consents and approvals identified in Section 3.03 shall have been received and not withdrawn;

(f) F. Warren Hellman shall have been appointed to the Board of Directors of the Issuer effective as of the Closing; and

(g) The Issuer and the NASD shall have entered into the Purchase and Sale Agreement, the Purchase and Sale Agreement shall not have been amended in any manner adverse to the Purchasers, and concurrently with the Closing hereunder the Issuer shall apply all or substantially all of the proceeds of the issuance and sale of the Securities to repurchase shares of Common Stock held by the NASD on the terms and conditions set forth in the Purchase and Sale Agreement.

SECTION 8.03. Conditions to Issuer's Obligations. The obligations of the Issuer to issue and sell the Securities to the Purchasers pursuant to this Agreement are subject to the satisfaction, at or prior to the Closing Date, of the following conditions:

(a) The representations and warranties of each Purchaser contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on and as of such date; and each Purchaser shall have performed and complied in all material respects with all agreements required by this Agreement to be performed or complied with by such Purchaser at or prior to the Closing Date and the Issuer shall have received a certificate dated the Closing Date signed by an authorized officer of each of the Purchasers to the foregoing effect; and

(b) The Issuer shall have received all documents reasonably requested by it relating to the existence of the Purchasers, the authority for entering into, and the validity of this Agreement and the Securityholders Agreement, all in form and substance reasonably satisfactory to it.

ARTICLE 9

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopier or similar writing) and shall be given to such party at its address or telecopier number set forth on the signature page hereof, or such other address or telecopier number as such party may hereinafter specify for the purpose to the party giving such notice. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified pursuant to this Section 9.01 and confirmation of receipt is received or, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or, (iii) if given by any other means, when delivered at the address specified in this Section 9.01.

SECTION 9.02. No Waivers; Amendments. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by all parties hereto.

SECTION 9.03. Survival of Provisions. The representations and warranties contained in this Agreement shall survive and remain in full force and effect in accordance with their terms until the date which is three months after the date on which the Issuer delivers to the Purchasers full audited financial statements of the Issuer and its Subsidiaries for fiscal year 2001; provided that the representations and warranties contained in Section 3.02 and Article 4 shall survive indefinitely.

SECTION 9.04. Indemnification. (a) The Issuer hereby agrees to indemnify and hold harmless each Purchaser, any Affiliate of any Purchaser, any Person controlling any Purchaser or such Affiliate and their respective directors, officers, agents and employees from and against any losses, claims, damages, expenses and liabilities (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) ("Damages") to which such person may become subject as the result of any breach of representation, warranty or covenant made or to be performed on the part of the Issuer under this Agreement, the Securityholders Agreement, or the Securities or any third-party action, claim or proceeding directly resulting from the matters or transactions which are the subject of or contemplated by this Agreement or the Securityholders Agreement or the Securities (or any use made or proposed to be made by the Issuer of the proceeds from the sale of the Securities) and will reimburse any such person for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred by any such person in connection with any such breach of representation, warranty or covenant or investigating, preparing or defending any such action or proceeding, pending or threatened, whether or not such person is a party thereto; provided that with respect to indemnification or reimbursement by the Issuer pursuant to this Section, (i) the Issuer shall not be liable unless the aggregate amount of Damages exceeds $1,000,000, and the Issuer shall only be liable for Damages in excess of such amount, and (ii) the Issuer's maximum liability shall not exceed the purchase price of the Securities.

(b) Each Purchaser hereby agrees to indemnify, defend and hold harmless the Issuer and its Affiliates, any Person controlling the Issuer or its Affiliates and their respective directors, officers, agent and employees from and against any Damages to which such person may become subject as a result of any breach of any representation, warranty or covenant made or to be performed on the part of such Purchaser under this Agreement or the Securityholders Agreement and will reimburse any such person for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred by any such person in connection with any such breach of representation, warranty or covenant or investigating, preparing or defending any such action or proceeding, pending or threatened, whether or not such person is a party thereto; provided that with respect to indemnification or reimbursement by the Purchasers pursuant to this Section, (i) the Purchasers shall not be liable unless the aggregate amount of Damages exceeds $1,000,000, and the Purchasers shall only be liable for Damages in excess of such amount, and (ii) the Purchaser's maximum liability shall not exceed the purchase price of the Securities.

(c) Promptly after receipt by any person (the "Indemnified Person") of notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any action, proceeding or investigation in respect of which indemnity may be sought pursuant to Section 9.04(a) or (b), such Indemnified Person shall give notice thereof to the person against whom such indemnity may be sought (the "Indemnifying Person"). Notwithstanding the foregoing, the failure so to give prompt notice to such person will not relieve such Indemnifying Person from liability, except to the extent such failure or delay materially prejudices such Indemnifying Person. The Indemnifying Person shall be entitled to participate in any such action and to assume the defense thereof, at the Indemnifying Person's expense and with counsel reasonably satisfactory to the Indemnified Person. After notice from the Indemnifying Person to such Indemnified Person of its election so to assume the defense thereof, the Indemnified Person shall have the right to participate in such action and to retain its own counsel, but the Indemnifying Person shall not be liable to such Indemnified Person hereunder for any legal expenses of other counsel or any other expenses, in each case, subsequently incurred by such Indemnified Person, in connection with the defense thereof other than reasonable costs of investigation, unless (i) the Indemnifying Person has agreed to pay such fees and expenses, (ii) the Indemnifying Person shall have failed to employ counsel reasonably satisfactory to the Indemnified Person in a timely manner or (iii) the Indemnified Person shall have been advised by outside counsel that representation of the Indemnified Person by counsel provided by the Indemnifying Person pursuant to the foregoing would be inappropriate due to an actual or potential conflicting interest between the Indemnifying Person and the Indemnified Person, including situations in which there are one or more legal defenses available to the Indemnified Person that are different from or additional to those available to the Indemnifying Person; provided however, that the Indemnifying Person shall not, in connection with any one such action or proceeding or separate but substantially similar actions or proceedings arising out of the same general allegations, be liable for the fees and expenses of more than one firm of attorneys at one time for the Indemnified Person.

(d) Except in the case of fraud, or with respect to matters for which the remedy of specific performance or injunctive relief or other equitable remedies are appropriate or available, the respective rights to indemnification as provided for in this Section 9.04, shall constitute each party's sole remedy and no party shall have any other liability or damages to the other party; provided, however, that nothing contained herein shall prevent the Indemnified Person from pursuing remedies as may be available to such party under applicable law in the event of an Indemnifying Person's failure to comply with its indemnification obligations hereunder.

SECTION 9.05. Expenses; Documentary Taxes. The Issuer shall reimburse the Purchasers at Closing for all of their respective documented out-of-pocket reasonable expenses, including reasonable fees and disbursements of counsel, accountants and other consultants, in connection with their investigation of the Issuer, their evaluation of the transactions contemplated hereby, and the preparation of this Agreement, the Securityholders Agreement and the Securities and any amendments thereto, up to a maximum of $1,000,000. The Issuer shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable

in connection with the execution and delivery of this Agreement or the Securityholders Agreement, or the issuance of the Securities.

SECTION 9.06. Termination. (a) This Agreement may be terminated at any time prior to the Closing:

(i) by mutual written agreement of the Issuer and the Purchasers;

(ii) by the Issuer or the Purchasers if the Closing shall not have been consummated on or before May 31, 2001;

(iii) by the Issuer or the Purchasers if there shall be any law or regulation that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction;

(iv) by the Issuer or the Purchasers, if there has been a material misrepresentation, breach of warranty or breach of covenant or other obligation hereunder on the part of the Purchasers (in the case of termination by the Issuer) or the Issuer (in the case of termination by the Purchasers); or if any condition to such party's obligations hereunder becomes incapable of fulfillment through no fault of such party; or

(v) by the Issuer or the Purchasers, if the Purchase and Sale Agreement is terminated for any reason.

The party desiring to terminate this Agreement pursuant to clauses 9.06(a)(ii), (iii), (iv) or (v) shall give notice of such termination to the other parties.

(b) If this Agreement is terminated as permitted by Section 9.06(a), such termination shall be without liability of either party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other parties to this Agreement; provided that if such termination shall result from the willful (i) failure of any party to fulfill a condition to the performance of the obligations of the other parties, (ii) failure to perform a covenant of this Agreement or (iii) breach by any party hereto of any representation or warranty or agreement contained herein, such party shall be liable for damages incurred or suffered by the other party as a result of such failure or breach.

SECTION 9.07. Successors and Assigns. The Issuer may not assign any of its rights and obligations hereunder without the prior written consent of the Purchasers. No Purchaser may assign its rights and obligations hereunder without the consent of the Issuer, except to any Affiliate of the Purchaser. This Agreement shall be binding upon the Issuer and the Purchasers and their respective successors and assigns. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than parties to this Agreement and their respective successors and permitted assigns.

SECTION 9.08. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

SECTION 9.09. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 9.10. Specific Performance. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy at law or equity.

SECTION 9.11. New York Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York without giving effect to conflicts of laws principles thereof.

SECTION 9.12. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 9.13. Entire Agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, written or oral, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the date first above written.

THE NASDAQ STOCK MARKET, INC.

By /s/Frank G. Zarb

Name: Frank G. Zarb
Title: Chairman
33 Whitehall Street
New York, NY 10004
Telephone: 212-858-4750
Telecopier: 212-858-5150

HELLMAN & FRIEDMAN CAPITAL
PARTNERS IV, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By/s/Patrick J. Healy

Name: Patrick J. Healy
Title: Vice President

Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

Principal Amount	Aggregate Purchase Price
$193,463,369	$193,463,369

H & F EXECUTIVE FUND IV, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By /s/Patrick J. Healy

Name: Patrick J. Healy
Title: Vice President

Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

Principal Amount	Aggregate Purchase Price
$4,302,898	$4,302,898

H & F INTERNATIONAL PARTNERS IV-A, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By /s/Patrick J. Healy

Name: Patrick J. Healy
Title: Vice President

Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

Principal Amount	Aggregate Purchase Price
$31,757,949	$31,757,949

H & F INTERNATIONAL PARTNERS IV-B, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By /s/Patrick J. Healy

Name: Patrick J. Healy
Title: Vice President

Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

Principal Amount	Aggregate Purchase Price
$10,475,784	$10,475,784

Exhibit A

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE OR FOREIGN SECURITIES LAWS. THIS SECURITY IS ALSO SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN THE SECURITYHOLDERS AGREEMENT, DATED AS OF [ ], 2001, A COPY OF WHICH MAY BE OBTAINED FROM THE NASDAQ STOCK MARKET, INC.

No. [ ]
$ [ ]

THE NASDAQ STOCK MARKET, INC.

4.0% Convertible Subordinated Note due 2006

The Nasdaq Stock Market, Inc., a Delaware corporation (together with its successors and assigns, the "Issuer"), for value received hereby promises to pay to [ ] (together with its successors, transferees and assigns, the "Holder") the principal sum of [AMOUNT IN WORDS] Dollars ($[ ]) (the "Principal Amount") by wire transfer of immediately available funds to the Holder's account (the "Bank Account") at a bank in the United States specified by the Holder from time to time, in lawful money of the United States together with interest thereon calculated from the date hereof in accordance with the provisions of this Note.

This Note was issued pursuant to the Securities Purchase Agreement (the "Agreement"), dated as of o, 2001 among the Issuer, Hellman & Friedman Capital Partners IV, L.P. and certain other parties listed on the signature pages thereto. Unless the context otherwise requires, as used herein, "Note" means any of the 4.0% Convertible Subordinated Notes issued pursuant to the Agreement and any other similar Convertible Subordinated Notes issued by the Issuer in exchange for, or to effect a transfer of, any Note and "Notes" means all such Notes in the aggregate.

This Note shall bear interest, commencing [ ], 2001, at a rate per annum (the "Interest Rate") equal to 4.0%. Further, the Issuer shall pay interest on any overdue Principal Amount at a rate per annum equal to 6.0% (the "Overdue Rate"), and interest on overdue installments of interest, to the extent lawful, at the Overdue Rate. Interest on this Note will be calculated on the basis of a 360-day year of twelve 30-day months.

Notwithstanding anything herein to the contrary, the interest or any amount deemed to be interest payable by the Issuer with respect to this Note shall not exceed the maximum amount permitted by applicable law and, to the extent that any payments in excess of such permitted amount are received by the Holder, such excess shall be considered payments in respect of the principal amount of this Note. All sums paid or agreed to be paid to the Holder for the use, forbearance or retention of the indebtedness of the Issuer to the Holder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full of the principal so that the interest on account of such indebtedness shall not exceed the maximum amount permitted by applicable law.

Section 1.1. Certain Terms Defined. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Note shall have the respective meanings specified below. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with U.S. generally accepted accounting principles, and the term "generally accepted accounting principles" shall mean such accounting principles which are generally accepted as of the date hereof. The terms defined in this Section 1.1 include the plural as well as the singular.

"Acceleration Notice" shall have the meaning set forth in Section 4.1.

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or

indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized by law to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock whether now outstanding or issued after the date of this Note, including without limitation, with respect to the Issuer, the Common Stock and the Preferred Stock.

"Common Stock" means any and all shares of common stock, par value $0.01 per share, of the Issuer.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), except letters of credit or other similar instruments issued to secure payment of Trade Payables, (iv) all obligations of such Person to pay the deferred purchase price of property or services, except Trade Payables, (v) all obligations of such Person as lessee under capital leases, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person and (vii) all Debt of others Guaranteed by such Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Notice" shall have the meaning set forth in Section 7.2.

"Event of Default" means any event or condition specified as such in Section 4.1 which shall have continued for the period of time, if any, therein designated.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation for the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Holders" shall have the meaning set forth in Section 9.2.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Note, the Issuer shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement relating to such asset.

"NASD" means the National Association of Securities Dealers, Inc., and its successors.

"Notice of Default" shall have the meaning set forth in Section 4.1(d).

"Person" means any individual or a corporation, partnership, association, trust, or any other entity or organization including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" means any and all shares of preferred stock, par value $.01 per share, of the Issuer.

"Securityholders Agreement" means the Securityholders Agreement dated as of o, 2001 among the Issuer, Hellman & Friedman Capital Partners IV, L.P. and the other parties listed on the signature pages thereto, as amended from time to time.

"Senior Debt" means (i) the Senior Notes and (ii) any Debt of the Issuer which, by its terms or the terms of any instrument or agreement pursuant to which such Debt is issued, is expressly made senior in right of payment to the Notes.

"Senior Notes" means the Issuer's 7.41% Senior Notes due March 2007 issued in May 1997.

"Trade Payables" means accounts payable or any other indebtedness or monetary obligations to trade creditors created or assumed by the Issuer in the ordinary course of business in connection with the obtaining of materials or services.

Section 2. Payment of Principal and Interest.

Section 2.1. Scheduled Payment of Principal. The Issuer shall pay the Principal Amount, together with all accrued and unpaid interest thereon, if any, in cash to the Holder of this Note on [ ], 2006.

Section 2.2. Payment of Interest. The Issuer shall pay interest on this Note quarterly in arrears, on March 15, June 15, September 15, and December 15 (unless such day is not a Business Day, in which event on the next succeeding Business Day) (each an "Interest Payment Date") of each year in which this Note remains outstanding, commencing with June 15, 2001, on the unpaid Principal Amount outstanding in lawful money of the United States at the Interest Rate, or Overdue Rate, as the case may be, as set forth above, by wire transfer of immediately available funds, to the Bank Account, from the most recent Interest Payment Date to which interest has been paid in full on this Note, or if no interest has been paid on this Note, from [ ], 2001, until payment in full of the Principal Amount has been made.

Section 2.3. Payment Obligations Absolute and Unconditional. No provision of this Note shall alter or impair the obligations of the Issuer, which are absolute and unconditional, to pay the Principal Amount of and interest on this Note at the place, times, and rate, and in the currency, herein prescribed.

Section 2.4. Pro Rata Payment. The Issuer agrees that any payments to the Holders of the Notes (whether for principal, interest or otherwise) shall be made pro rata among all such Holders based upon the aggregate unpaid Principal Amount of the Notes held by each such Holder. If any Holder of a Note obtains any payment (whether voluntary, involuntary, by application of offset or otherwise) of principal or interest on such Note in excess of such Holder's pro rata share of payments obtained by all Holders of the Notes, such Holder shall make such payments to the other Holders of the Notes as is necessary to cause such Holders to share the excess payment ratably among each of them as provided in this Section.

Section 3. Covenants.

The Issuer agrees that, so long as any amount payable under this Note remains unpaid:

Section 3.1. Information. The Issuer will deliver to the Holder, subject to appropriate confidentiality arrangements in the cases of (a) and (b) below:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Issuer, a balance sheet of the Issuer as of the end of such fiscal year and the related statements of profit and loss for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by a report thereon of Ernst and Young LLP or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Issuer, a balance sheet of the Issuer as of the end of such quarter and the related statements of profit and loss for such quarter and for the portion of the Issuer's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Issuer's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, consistency and, except for the absence of footnotes, generally accepted accounting principles by the chief financial officer or the chief accounting officer of the Issuer;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Issuer stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Issuer is taking or proposes to take with respect thereto; and

(d) within ten days after any executive officer of the Issuer obtains knowledge of any Default, if such Default is then continuing, a certificate of the chief financial officer or the chief accounting officer of the Issuer setting forth the details thereof and the action which the Issuer is taking or proposes to take with respect thereto.

Section 3.2 Conduct of Business and Maintenance of Existence. The Issuer will preserve, renew and keep in full force and effect its corporate existence and its rights, privileges and franchises necessary or desirable in the normal conduct of its business; provided that the foregoing shall not prevent the Issuer from, directly or indirectly, (a) consolidating or merging with or into another Person (whether or not the Issuer is the surviving entity in such transaction) or (b) selling, assigning, leasing, transferring, conveying or otherwise disposing of all or substantially all of its properties or assets, in one or more related transactions, to another Person, if either (A) the Issuer is the surviving entity in any such consolidation or merger, or (B) the Person formed by or surviving any such consolidation or merger or to which such sale, assignment, lease, transfer, conveyance or other disposition shall have been made is a corporation, limited liability company or other entity organized or existing under the laws of the United States, any state thereof or the District of Columbia and such Person assumes all of the obligations of the Issuer under this Note pursuant to agreements reasonably satisfactory to the Holder.

Section 4. Events of Default and Remedies.

Section 4.1. Event of Default Defined; Acceleration of Maturity; Waiver of Default. In case one or more of the following events ("Events of Default") (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall have occurred and be continuing:

(a) default in the payment of any interest upon any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal of any of the Notes as and when the same shall become due and payable; or

(c) failure on the part of the Issuer duly to observe or perform any other of the covenants or agreements on the part of the Issuer contained in the Notes (other than those covered by clauses (a) through (b) above) for a period of 60 days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" hereunder and demanding that the Issuer remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Issuer; or

(d) any acceleration of the maturity of any Debt of the Issuer or any of its subsidiaries having a principal amount greater than $50,000,000; or

(e) a final and non-appealable judgment or order (not covered by insurance) for the payment of money shall be rendered against the Issuer or any of its subsidiaries in excess of $50,000,000 in the aggregate for all such judgments or orders (treating any deductibles, self insurance or retention as not so covered), and such judgment or order shall continue unsatisfied for a period of 60 days; or

(f) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of the property of the Issuer or ordering the winding up or liquidation of the affairs of the Issuer, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(g) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of the property of the Issuer, or the Issuer shall make any general assignment for the benefit of creditors.

then, and in each and every such case (other than an Event of Default specified in Sections 4.1(f) or 4.1(g) hereof), the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, by notice in writing to the Issuer (the "Acceleration Notice"), may declare the entire principal amount of the Notes and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable; provided that if an Event of Default specified in Section 4.1(f) or 4.1(g) occurs, the principal amount of and accrued interest on the Notes shall become and be immediately due and payable without any declaration or other act on the part of any Holder.

Section 4.2. Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default. No right or remedy herein conferred upon or reserved to any Holder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of any Holder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by the Notes or by law may be exercised from time to time, and as often as shall be deemed expedient, by any Holder.

Section 4.3. Waiver of Past Defaults. The Holders of the Notes may waive, in accordance with Section 8.1, any past Default or Event of Default hereunder and its consequences. In the case of any such waiver, the Issuer and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of the Notes; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 5.1 Conversion Rights. (a) Subject to the provisions of this Section 5, the Holders of the Notes shall have the right, at any time and from time to time, at such Holder's option, to convert the Principal

Amount of this Note, in whole or part (the "Conversion Amount"), into fully paid and non-assessable shares of Common Stock at the then effective Conversion Ratio (as such term is defined below). The number of shares of Common Stock deliverable upon conversion of each $1,000 Conversion Amount of the Notes, adjusted as hereinafter provided, is referred to herein as the "Conversion Ratio". The Conversion Ratio, as of the date of issue of the Notes is 50.0000, subject to adjustment from time to time pursuant to Section 5.1(f) hereof.

(b)(i) In order to exercise the conversion privilege, the Holder of the Note to be converted shall surrender the Note, with a written notice to the Issuer that such Holder elects to exercise its conversion privilege, and stating the Conversion Amount of Notes which the Holder seeks to convert. The date of receipt of the Note or Notes by the Issuer shall be the conversion date (the "Conversion Date").

(ii) As promptly as practicable (but no later than two days) after the Conversion Date, the Issuer shall issue and shall deliver to such Holder, or on the Holder's written order to the Holder's permitted transferee in accordance with the terms of the Securityholders Agreement, a certificate or certificates for the whole number of shares of Common Stock issuable upon the conversion of such Note or Notes in accordance with the provisions of this Section 5.1.

(iii) In the case where only part of a Note is converted, the Issuer shall execute and deliver (at its own expense) a new Note of any authorized denomination as requested by a Holder in an aggregate principal amount equal to and in exchange for the unconverted portion of the Principal Amount of the Note so surrendered.

(iv) The Issuer shall made a cash payment equal to all accrued and unpaid interest on the Principal Amount so surrendered for conversion (other than interest payments payable to a holder of record on a prior Interest Payment Date) to the Conversion Date.

(v) Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the Notes to be converted shall have been surrendered, and the person in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder of record of the shares of Common Stock represented thereby on such date and such conversion shall be into a number of shares of Common Stock resulting from applying the Conversion Ratio in effect at such time on such date. All shares of Common Stock delivered upon conversion of the Notes will upon delivery be duly and validly issued and fully paid and non-assessable, free of all Liens and charges and not subject to any preemptive rights. Upon the surrender of any Notes for conversion, such Notes or part thereof so converted shall no longer be deemed to be outstanding and all rights of a Holder with respect to such Notes or part thereof so converted including the rights, if any, to receive interest, notices and consent rights shall immediately terminate on the Conversion Date except the right to receive the Common Stock and other amounts payable pursuant to this Section 5.1. Any Notes or part thereof so converted shall be retired and cancelled.

(c) (i) The Issuer covenants that it will at all times during which the Notes shall be outstanding reserve and keep available, free from preemptive rights, such number of its authorized but unissued shares of Common Stock as shall from time to time be required for the purpose of effecting conversions of outstanding Notes. Before taking any action which would cause an adjustment increasing the Conversion Ratio such that the amount resulting from dividing $1,000 by the Conversion Ratio in effect at such time on such date would be below the then par value of the shares of Common Stock issuable upon conversion of the Notes, the Issuer will take any corporate action which may, in the opinion of counsel, be necessary in order that the Issuer may validly and legally issue fully paid and nonassessible shares of Common Stock at such adjusted Conversion Ratio.

(ii) Prior to the delivery of any securities which the Issuer shall be obligated to deliver upon conversion of the Notes, the Issuer shall comply with all applicable federal and state laws and regulations which require action to be taken by the Issuer.

(d) The Issuer will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock on conversion of the Notes pursuant hereto; provided that the Issuer shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock in a name other than that of the holder of the Notes to be converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Issuer the amount of any such tax or has established, to the satisfaction of the Issuer, that such tax has been paid.

(e) If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any Holder tendering Notes for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the Holders entitled to receive the Common Stock issuable upon such conversion of the Notes shall not be deemed to have converted such Notes until immediately prior to the closing of the sale of securities in such offering.

(f) (i) In case the Issuer shall at any time after the date of issue of the Notes (A) declare a dividend or make a distribution on Common

Stock payable in Common Stock, (B) subdivide or split the outstanding Common Stock, (C) combine or reclassify the outstanding Common Stock into a smaller number of shares, (D) issue any shares of its Capital Stock in a reclassification of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Issuer is the continuing corporation), or (E) consolidate with, or merge with or into, any other Person, the Conversion Ratio in effect at the time of the record date for any such dividend or distribution or of the effective date of any such subdivision, split, combination, consolidation, merger or reclassification shall be proportionately adjusted so that the conversion of the Note after such time shall entitle the Holder to receive the aggregate number of shares of Common Stock or other securities of the Issuer (or shares of any security into which such shares of Common Stock have been combined, consolidated, merged, converted or reclassified pursuant to clause (C), (D) or (E) above) which, if this Note had been converted immediately prior to such time, such Holder would have owned upon such conversion and been entitled to receive by virtue of such dividend, distribution, subdivision, split, combination, consolidation, merger or reclassification, assuming for purposes of this subsection (f) that such Holder (x) is not a Person with which the Issuer consolidated or into which the Issuer merged or which merged into the Issuer or to which such recapitalization, sale or transfer was made, as the case may be ("constituent person") and (y) failed to exercise any rights of election as to the kind or amount of securities, cash and other property receivable upon such reclassification, change, consolidation, merger, recapitalization, sale or transfer (provided, that if the kind or amount of securities, cash and other property receivable upon such reclassification, change, consolidation, merger, recapitalization, sale or transfer is not the same for each share of Common Stock of the Issuer held immediately prior to such reclassification, change, consolidation, merger, recapitalization, sale or transfer by other than a constituent person and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section 5.1(f) the kind and amount of securities, cash and other property receivable upon such reclassification, change, consolidation, merger, recapitalization, sale or transfer by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Such adjustment shall be made successively whenever any event listed above shall occur.

(ii) For purposes of any computation under this Section 5.1(f), the number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Issuer. All calculations under this Section 5.1(f) shall be made to the nearest four decimal points.

(iii) In the event that, at any time as a result of the provisions of this Section 5.1(f), the holder of this Note upon subsequent conversion shall become entitled to receive any shares of Capital Stock of the Issuer other than Common Stock, the number of such other shares so receivable upon conversion of this Note shall thereafter be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions contained herein.

(g) No fractional shares of Common Stock shall be issued upon conversion of the Notes. In lieu of fractional shares, the Issuer shall pay cash equal to such fraction multiplied by the Closing Price for shares of Common Stock on the trading day immediately preceding the related Conversion Date. "Closing Price" means (1) if the shares of such class of Common Stock then are listed and traded on the National Market of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"), the last reported sale price on such day; (2) if the shares of such class of Common Stock then are not traded on the NASDAQ National Market, the average of the highest reported bid and lowest reported asked price on such day as reported by NASDAQ; (3) if the shares of such class of Common Stock then are not listed and traded on the NASDAQ, the closing price on such day as reported by the principal national securities exchange on which the shares are listed and traded; or (4) if the shares of such class of Common Stock are not then listed or traded on NASDAQ or a national securities exchange, the fair market value as determined in good faith by the Issuer's Board of Directors.

(h) Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 5.1, the Issuer at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder of Notes outstanding a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based and shall file a copy of such certificate with its corporate records. The Issuer shall, upon the reasonable written request of any Holder of Notes, furnish or cause to be furnished to such Holders a similar certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Ratio then in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which then would be received upon the conversion of the Notes. Despite such adjustment or readjustment, the form of each or all Notes, if the same shall reflect the initial or any subsequent Conversion Ratio, need not be changed in order for the adjustments or readjustments to be valid in accordance with the provisions of this Note, which shall control.

(i) The Issuer will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue of sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Issuer, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5.1 and in the taking of all such action as may be necessary or appropriate in order to protect the

conversion rights of the Holders of the Notes against impairment to the extent required hereunder. Nothing in this Section 5.1 shall affect the continued accrual of interest on the outstanding Notes in accordance with the terms of this Note.

(j) Notwithstanding any other provision of this Section 5.1, prior to the Exchange Registration Date (as defined below), the Holders of the Notes shall not have the right to convert the Principal Amount of this Note plus accrued and unpaid interest thereon into shares of Common Stock to the extent, but only to the extent, such conversion would result in The National Association of Securities Dealers holding less than 50% of the combined voting power in the Issuer. "Exchange Registration Date" means the date upon which the Issuer becomes registered to operate as a national securities exchange by the Securities and Exchange Commission.

Section 6.1. Voting Rights. (a) The Holders of this Note shall be entitled to such voting rights as may be provided in the certificate of incorporation of the Issuer, in this Section 6.1, and as otherwise may be provided by law.

(b) Without the written consent of the Holders of a majority in Principal Amount of the Notes or the vote of Holders of a majority in Principal Amount of the Notes at a meeting of the Holders of the Notes called for such purpose, the Issuer will not amend, alter or repeal any provision of the Certificate of Incorporation (by merger or otherwise) so as to adversely affect the preferences, rights or powers of the Holders of the Notes.

Section 7. Subordination.

Section 7.1. Notes Subordinated to Senior Debt. The Issuer covenants and agrees and each Holder, by his acceptance hereof likewise covenants and agrees, that all Notes shall be issued subject to the provisions of Section 7 of this Note; and each person holding any Note, whether upon original issue or upon transfer, assignment or exchange thereof accepts and agrees that the payment of the principal amount of and interest on the Notes by the Issuer shall, to the extent and in the manner herein set forth, be subordinated and junior in right of payment, to the prior payment in full of Senior Debt.

Section 7.2. No Payment on Notes in Certain Circumstances. (a) If any default in the payment of any principal of or interest on any Senior Debt when due and payable, whether at maturity, upon any redemption, by declaration or otherwise, occurs and is continuing, no payment shall be made by the Issuer with respect to the principal of or interest on the Notes or to acquire any of the Notes for cash or property other than conversion of the Notes into Common Stock in accordance with Section 5.1 hereof.

(b) If any event of default (other than a default in payment of the principal of or interest on any Senior Debt) occurs and is continuing (or if such an event of default would occur upon any payment with respect to the Notes) with respect to any Senior Debt, as such event of default is defined in such Senior Debt, permitting the holders thereof to accelerate the maturity thereof and if the holder or holders or a representative of such holder or holders gives written notice of the event of default to the Issuer (a "Default Notice"), then, unless and until such event of default has been cured or waived or has ceased to exist, the Issuer shall not be obligated to, and shall not, (x) make any payment of or with respect to the principal of or interest on the Notes or (y) acquire any of the Notes for cash or property or otherwise other than conversion of the Notes into Common Stock in accordance with Section 5.1 hereof. After the event of default in such Default Notice has been cured or waived or ceases to exist, the Issuer shall, subject to Section 7.2(a), promptly pay to the Holders of the Notes all sums which the Issuer would have been obligated to pay from the date of the Default Notice but for this Section 7.2(b).

(c) Notwithstanding the foregoing, in the event that any payment in cash shall be received by any Holder when such payment is prohibited by Section 7.2(a) or 7.2(b), such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of Senior Debt or their respective representatives, or to the trustee or trustees under any indenture pursuant to which any of such Senior Debt may have been issued, as their respective interests may appear, but only to the extent of the amounts then due and owing on the Senior Debt, if any.

Section 7.3 Payment Over of Proceeds Upon Dissolution, Etc. (a) Upon any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, to creditors upon any dissolution or winding-up or total or partial liquidation or reorganization of the Issuer, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all amounts due or to become due upon all Senior Debt shall first be paid in full, or such payment duly provided for, before any payment is made on account of the principal of or interest on the Notes, or any acquisition of the Notes for cash or property is made, other than conversion of the Notes into Common Stock in accordance with Section 5.1 hereof. Upon any such dissolution, winding-up, liquidation or reorganization, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, to which the Holders of the Notes would be entitled, except for the provisions hereof, other than conversion of the Notes into Common Stock in accordance with Section 5.1 hereof, shall be paid by the Issuer or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, or by the Holders of the Notes if received by them, directly to the holders of Senior Debt (pro rata to such holders on the basis of the respective amounts of Senior Debt held by such holders) or their respective representatives, or to the trustee or trustees under any indenture pursuant to which any of such Senior Debt may have been issued, as their respective interests may appear, for application to the payment of

Senior Debt remaining unpaid until all such Senior Debt has been paid in full after giving effect to any concurrent payment, distribution or provision therefor to or for the holders of Senior Debt.

(b) Notwithstanding the foregoing, in the event that any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, other than conversion of the Notes into Common Stock in accordance with Section 5.1 hereof, shall be received by any Holder when such payment or distribution is prohibited by Section 7.3(a), such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of Senior Debt (pro rata to such holders on the basis of the respective amount of Senior Debt held by such holders) or their respective representatives, or to the trustee or trustees under any indenture pursuant to which any of such Senior Debt may have been issued, as their respective interests may appear, for application to the payment of Senior Debt remaining unpaid until all such Senior Debt has been paid in full, after giving effect to any concurrent payment, distribution or provision therefor to or for the holders of such Senior Debt.

(c) For purposes of Section 7 of this Note, the words "cash, property or securities" shall not be deemed to include (x) shares of stock of the Issuer as reorganized or readjusted, (y) any payment or distribution of securities of the Issuer or any other Issuer authorized by an order or decree giving effect, and stating in such order or decree that effect is given, to the subordination of the Notes to the Senior Debt, and made by a court of competent jurisdiction in a reorganization proceeding under any applicable bankruptcy, insolvency or other similar law, or (z) securities of the Issuer or any other Issuer provided for by a plan of reorganization or readjustment which are subordinated, to at least the same extent as the Notes, to the payment of all Senior Debt then outstanding; provided that (i) if a new Issuer results from such reorganization or readjustment, such Issuer assumes the Senior Debt and (ii) the rights of the holders of the Senior Debt are not, without the consent of such holders, altered by such reorganization or readjustment. Notwithstanding anything to the contrary in this Section 7, (i) a court referred to in clause (x) above may give effect, and state that it is giving effect to the subordination of the Notes in an order or decree which authorizes the payment in full of Senior Debt in assets other than cash or cash equivalents and (ii) any assets which the holders of the Notes are permitted to receive in accordance with the provisions of this Section 7 shall not be subject to any claim by or on behalf of the holders of Senior Debt.

7.4. Subrogation. Subject to the payment in full of all Senior Debt, the Holders of the Notes shall be subrogated to the rights of the holders of Senior Debt to receive payments or distributions of cash, property or securities of the Issuer applicable to the Senior Debt until the principal amount of and interest on the Notes shall be paid in full; and, for the purposes of such subrogation, (a) no payments or distributions to the holders of the Senior Debt of any cash, property or securities to which the Holders of the Notes would be entitled except for the provisions of Section 7 of this Note, and no payment over pursuant to the provisions of Section 7 of this Note to the holders of Senior Debt by the Holders of the Notes shall, as between the Issuer, its creditors other than holders of Senior Debt, and the Holders of the Notes, be deemed to be a payment by the Issuer to or on account of the Senior Debt, and (b) no payment or distributions of cash, property or securities to or for the benefit of the holders of the Notes pursuant to the subrogation provision of Section 7, which would otherwise have been paid to the holders of Senior Debt shall, as between the Issuer, its creditors other than holders of Senior Debt, and the Holders of the Notes, be deemed to be a payment by the Issuer to or for the account of the Notes. It is understood that the provisions of this Section are and are intended solely for the purpose of defining the relative rights of the Holders of the Notes, on the one hand, and the holders of the Senior Debt, on the other hand.

If any payment or distribution to which the Holders of the Notes would otherwise have been entitled but for the provisions of this Section 7, shall have been applied, pursuant to the provisions of this Section 7, to the payment of all amounts payable under Senior Debt, then and in such case, the Holders of the Notes shall be entitled to receive from the holders of such Senior Debt any payments or distributions received by such holders of Senior Debt in excess of the amount required to make payment in full of such Senior Debt.

Section 7.5. Obligations of Issuer Unconditional. Nothing contained in Section 6.1 or elsewhere in the Notes is intended to or shall impair, as between the Issuer and the Holders of the Notes, the obligation of the Issuer, which is absolute and unconditional, to pay to the Holders of the Notes the principal amount of and interest on the Notes as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders of the Notes and creditors of the Issuer other than the holders of the Senior Debt, nor shall anything herein or therein prevent any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Note, subject to the rights, if any, under Section 7 of the holders of the Senior Debt in respect of cash, property or securities of the Issuer received upon the exercise of any such remedy.

Without limiting the generality of the foregoing, nothing contained in Section 7 will restrict the right of the Holders of the Notes to take any action to declare the Notes to be due and payable prior to their stated maturity pursuant to Section 4.1 or to pursue any rights or remedies hereunder.

Section 7.6. Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Issuer referred to in Section 7, the Holders of the Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction

in which bankruptcy, dissolution, winding-up, liquidation or reorganization proceedings are pending, or a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, delivered to the Holders of the Notes, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Debt and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to Section 7 of this Note.

Section 7.7. Subordination Rights Not Impaired by Acts or Omissions of the Issuer or Holders of Senior Debt. No right of any present or future holders of any Senior Debt to enforce subordination as provided herein will at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by any such holder, or by any noncompliances by the Issuer with the terms of this Note, regardless of any knowledge thereof which any such holder may have or otherwise be charged with. The holders of Senior Debt may extend, renew, modify or amend the terms of the Senior Debt or any security therefor and release, sell or exchange such security and otherwise deal freely with the Issuer, all without affecting the liabilities and obligations of the Holders of the Notes.

Section 7.8. Section 7 Not to Prevent Events of Default. The failure to make a payment on account of principal of or interest on the Notes by reason of any provision of Section 7 will not be construed as preventing the occurrence of an Event of Default.

Section 8.

Section 8.1. Modification of Notes. Any provision of this Note may be amended or, subject to Section 4, waived with the written consent of the Issuer and the Holders of at least a majority in aggregate principal amount of the Notes then outstanding; provided that no such amendment or waiver shall (a) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on the conversion thereof, or impair or affect the rights of any Holder to institute suit for the payment thereof or adversely affect the ranking of the Notes with respect to the outstanding Debt of the Issuer, in each such case, without the consent of each Holder of each Note so affected, (b) reduce the aforesaid percentage of Notes, the consent of the Holders of the Notes of which is required for any such amendment or waiver, without the consent of the Holders of all Notes then outstanding, or (c) modify the terms of the Notes so as to affect adversely the rights of any holder of Senior Debt at the time outstanding to the benefits of subordination hereunder without the consent of such holder. The Issuer shall promptly notify all of the Holders of the Notes after the making of any amendment or waiver pursuant to this Section 8.1.

Section 9. Miscellaneous

Section 9.1. Transfer Restrictions. The Note is transferable and assignable to one or more purchasers, provided that such transfer or assignment is made in compliance with the Securities Act of 1933, as amended, and any applicable state and foreign securities laws and in compliance with Article 2 of the Securityholders Agreement. The Issuer agrees to issue from time to time a replacement Note or Notes in the form hereof and in such denominations as the Holder may request to facilitate such transfers and assignments. In addition, after delivery of an indemnity in form and substance reasonably satisfactory to the Issuer, the Issuer also agrees to issue a replacement Note if this Note has been lost, stolen, mutilated or destroyed.

Section 9.2. Registration. The Issuer shall keep at its principal office a register (the "Register") in which shall be entered the name and address of the registered holder of this Note and particulars of this Note and of all transfers of this Note. References to the "Holders" shall mean the Persons listed in the Register as the payees of the Notes unless any payee shall have presented a Note to the Issuer for transfer and the transferee shall have been entered in the Register as a subsequent holder, in which case the term shall mean such subsequent holder. The ownership of this Note shall be proven by the Register. For the purpose of paying interest and principal on this Note, the Issuer shall be entitled to rely on the name and address in the Register and notwithstanding anything to the contrary contained in this Note, no Event of Default shall occur under Section 4.1(a) or (b) if payment of interest and principal is made in accordance with the name and address and particulars contained in the Register.

Section 9.3. Governing Law. This Note shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State, except as may otherwise be required by mandatory provisions of law.

Section 9.4. Waiver of Presentment, Acceptance. The parties hereto, including all guarantors or endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically provided herein. The Holder of this Note by acceptance hereof agrees to be bound by the provisions of the Notes which are expressly binding on the Holder.

Section 9.5. Section Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed under its corporate seal.

Dated: [ ], 2001

[Seal]

THE NASDAQ STOCK MARKET, INC.

By:

Name:
Title:

Exhibit B

SECURITYHOLDERS AGREEMENT

dated as of

_____, 2001

among

THE NASDAQ STOCK MARKET, INC.,

HELLMAN & FRIEDMAN CAPITAL PARTNERS IV, L.P.,

and

THE OTHER SECURITYHOLDERS LISTED
ON THE SIGNATURE PAGES HEREOF

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SECURITYHOLDERS AGREEMENT

SECURITYHOLDERS AGREEMENT dated as of _____, 2001 (this "Agreement") among The Nasdaq Stock Market, Inc., a Delaware corporation, (together with any successor thereto, the "Company"), Hellman & Friedman Capital Partners IV, L.P., a Delaware limited partnership ("HFCP IV"), and the other securityholders listed on the signature pages hereof (together with HFCP IV and their respective successors and permitted assigns, the "Holders").

WHEREAS, the Company and the Holders have entered into a Securities Purchase Agreement dated as of _____, 2001 (the "Securities Purchase Agreement"); and

WHEREAS, it is a condition precedent to the closing of the transactions contemplated by the Securities Purchase Agreement that the parties hereto execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants set forth herein, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the pur poses of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, for purposes of this Agreement, no NASD member shall be considered an "Affiliate" of the NASD.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized by law to close.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the common stock, par value $.01 per share, of the Company.

"Competitor" means any Person that is principally engaged in transaction services, market information services, or issuer services related to securities trading on an exchange or similar market.

"Equity Securities" means the Notes and the Note Shares.

"Event of Default" has the meaning set forth in Section 4.1 of the Notes.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Initial Public Offering" means the first underwritten public offering by the Company under the Securities Act.

"NASD" means the National Association of Securities Dealers, Inc. and its successors.

"Note Shares" means the shares of Common Stock issued, or to be issued, upon conversion of the Notes in accordance with their terms, and any shares of Common Stock issued pursuant to a stock dividend, stock split, or recapitalization in respect of such shares.

"Notes" means the 4.0% Convertible Subordinated Notes due 2006 of the Company.

"Person" means an individual or a corporation, partnership, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" means the preferred stock, par value $0.01 per share, of the Company.

"Registrable Securities" means the Note Shares; provided, that such securities shall cease to be Registrable Securities when (i) a registration statement relating to such securities shall have been declared effective by the Commission and such securities shall have been disposed of

pursuant to such effective registration statement or (ii) such securities have been disposed of pursuant to Rule 144 or may be disposed of pursuant to Rule 144(k).

"Registration Expenses" means all (i) registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of a qualified independent underwriter, if any, counsel in connection therewith and the reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), (v) fees and disbursements of counsel for the Company, (vi) customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vii) fees and expenses of any special experts retained by the Company in connection with such registration, (viii) reasonable fees and expenses of one counsel for the Holders, (ix) fees and expenses of listing the Registrable Securities on a securities exchange or on the Nasdaq National Market System, (x) rating agency fees, (xi) reasonable fees and expenses of counsel for the Underwriter, (xii) reasonable fees and expenses of the Underwriter (excluding discounts or commissions relating to the distribution of the Registrable Securities) and (xiii) out-of-pocket expenses of the Company (including the expenses of any "roadshow" or similar marketing activity undertaken in connection with the distribution of the Registrable Securities).

"Rule 144" means Rule 144 under the Securities Act, as such rule may be amended from time to time.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Holder" means a Holder who proposes to Transfer Registrable Securities pursuant to Article 3.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

"Third Party" means a prospective purchaser of Equity Securities from a Holder in an arm's-length transaction where such purchaser is not the Company, an Affiliate of the Company or an Affiliate of such Holder.

"Underwriter" means a securities dealer who purchases any Registrable Securities as a principal in connection with a distribution of such Registrable Securities and not as part of such dealer's market-making activities.

(b) Each of the following terms is defined in the Section set forth opposite each term:

Term	Section
ATS	2.01(b)
Board	5.01(a)
Damages	3.06
Demand Registrant	3.01(a)
Demand Registration	3.01(a)
ECN	2.01(b)
H&F Designee	5.01(a)
Indemnified Party	3.08
Indemnifying Party	3.08
NASD Priority Termination Date	3.03
New Securities	4.01(a)
Piggyback Registration	3.02
Preemptive Rights	4.01(a)
Proportionate Percentage	4.01(a)
Registration Request	3.01(a)
Shelf Demand	3.01(a)
Shelf Registration	3.01(a)
Transfer	2.01(a)(ii)

ARTICLE 2

RIGHTS AND OBLIGATIONS WITH RESPECT TO TRANSFER

SECTION 2.01. Transfer by Holders. (a) Subject to Section 3.12, until the earlier of (i) the effective date of the registration statement filed in connection with the Company's Initial Public Offering, or (ii) June 28, 2002, without the prior written consent of the Company, no Holder shall transfer, sell, assign, or otherwise dispose of ("Transfer") its Equity Securities, in whole or in part, other than to its Affiliates.

(b) Following the expiration of the period set forth in Section 2.01(a):

(i) without the prior written consent of the Company, no Holder shall Transfer any Equity Securities (other than in a registered public offering or in compliance with Rule 144) to another securities exchange, alternative trading system ("ATS"), electronic communications network ("ECN"), the NASD, any Competitor, or any Affiliate of any of the foregoing; and

(ii) with respect to any Transfer of Equity Securities by a Holder other than (A) a Transfer to an Affiliate or a Transfer in a registered public offering or in compliance with Rule 144, and (B) a Transfer in accordance with Section 2.01(b)(i), the Holder shall consult with the Company in good faith prior to such Transfer, taking into account the circumstances of such proposed Transfer.

(c) Subject to compliance with all applicable securities laws and this Agreement, each Holder may Transfer its Equity Securities, in whole or in part, without restriction; provided that, the transferee (other than in a Transfer pursuant to a registered public offering under the Securities Act or in compliance with Rule 144) shall have executed and delivered to each other party hereto an instrument confirming that such transferee agrees to be bound by the terms of this Agreement applicable to the transferor, whereupon such transferee shall become a Holder for purposes of this Agreement.

SECTION 2.02. Restrictive Legends. (a) Each certificate for Equity Securities issued to any Holder or to a subsequent transferee shall (unless otherwise permitted by the provisions of Section 2.02(b)) include a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE WITH APPLICABLE FEDERAL, STATE OR FOREIGN SECURITIES LAWS. THIS SECURITY IS ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, AS SET FORTH IN THE SECURITYHOLDERS AGREEMENT, DATED AS OF _____, 2001, A COPY OF WHICH MAY BE OBTAINED FROM THE NASDAQ STOCK MARKET, INC.

(b) In connection with a proposed Transfer of any Equity Securities permitted under Section 2.01, any Holder may, (i) upon providing evidence reasonably satisfactory to the Company that such Equity Security is not a "restricted security" (as defined in Rule 144) or (ii) after expiration of the applicable holding period under Rule 144, exchange the certificate representing such Equity Security for a new certificate that does not bear the legend set forth in Section 2.02(a).

ARTICLE 3

REGISTRATION RIGHTS

SECTION 3.01. Demand Registration. (a) Request for Registration. At any time beginning 180 days after the consummation of the Company's Initial Public Offering, for so long as any Holder owns any Registrable Securities, any Holder of Notes (a "Demand Registrant") may make a written request (the "Registration Request") for registration under the Securities Act of Registrable Securities having a value (based on the average closing sale price per Common Share for 10 trading days preceding the Registration Request) of not less than $50,000,000 (or, if less, all of the Registrable Securities then held by the Holders) (a "Demand Registration"), unless otherwise agreed by the Company and the Selling Holders. Notwithstanding the foregoing, the Company shall not be required to file a registration statement pursuant to a Registration Request within 90 days of the effective date of any other registration statement filed by the Company pursuant to the Securities Act, excluding registration statements filed on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission). Any Registration Request will specify the number of Registrable Securities proposed to be sold and the intended method of disposition thereof. The Holders shall be entitled to request: (i) two Demand Registrations on Form S-1 or any equivalent registration form; provided, however, that if on or before July 1, 2002, the Company is eligible to register securities on Form S-3, the Holders shall only be entitled to request one Demand Registration on Form S-1 or any equivalent registration form and (ii) unlimited Demand Registrations on Form S-3 or any equivalent registration form (but no more than two in any twelve-month period); and provided further, that if the NASD makes a demand to the Company for the filing of a shelf registration statement pursuant to a contractual right of registration, then the Company shall provide notice to the Holders of such demand by the NASD and, if requested by the Holders (a "Shelf Demand"), the Company shall file a shelf registration statement pursuant to Section 415 of the Securities Act covering open market sales of the Registrable Securities (the "Shelf Registration"), which Shelf Registration shall be considered a Demand Registration for purposes of this Agreement. The Holders shall be entitled to request only one Shelf Demand pursuant to this Agreement.

(b) Effective Registration. A registration requested pursuant to this Section 3.01 shall not be deemed to be effected (i) if a registration statement with respect thereto shall not have become effective (other than due to any action or inaction by a Holder), (ii) if, after it has become effective, such registration is interfered with for any reason (other than due to any action or inaction by a Holder) by any stop order, injunction or other order or requirement of the Commission or any other governmental agency or any court, and the result of such interference is to prevent the Holder from disposing of the Registrable Securities to be sold thereunder in accordance with the intended methods of disposition or (iii) if the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with any underwritten registration shall not be satisfied or waived with the consent of the Company, the Demand Registrant or the lead Underwriter, as applicable (other than due to any action or inaction by a Holder).

(c) Underwriting. The offering of Registrable Securities pursuant to any Demand Registration shall be in the form of an underwritten offering, a block trade or an open market transaction, as determined by the Demand Registrant. The Demand Registrant shall, if applicable, select the lead Underwriter and any additional investment bankers and managers in

connection with the offering from a list of nationally-recognized investment banks reasonably agreed to between the Company and the Demand Registrant.

SECTION 3.02. Piggyback Registration. If the Company proposes to file a registration statement under the Securities Act with respect to an offering of its equity securities (i) for its own account (other than a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission)) or (ii) for the account of any holders of its securities, then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in any event not less than 10 days before the anticipated filing date), and such notice shall offer the Holders the opportunity to register (a "Piggyback Registration") any or all of the Registrable Securities. If any Holder wishes to register securities of the same class or series as covered by the applicable Piggyback Registration, such registration shall be on the same terms and conditions as such Piggyback Registration. If, at any time after giving written notice of its intention to register any equity securities and prior to the effective date of a registration statement filed in connection with such registration, the Company shall determine for any reason not to register such equity securities, the Company may, at its election, give written notice of such determination to each Holder and, thereupon, shall not be obligated to register any Registrable Securities in connection therewith.

SECTION 3.03. Reduction of Offering. Notwithstanding any provision to the contrary contained herein, if the lead Underwriter of an offering described in Section 3.01 or 3.02 delivers a written opinion to the Company that the offering price of the securities proposed to be included in such offering would be materially and adversely affected by inclusion of all the securities of each class requested to be included, the number of securities to be registered by each holder shall be reduced to the extent recommended by such lead Underwriter; provided, that (i) priority in a registration initiated by a holder exercising a contractual right to demand such registration shall be (a) first, the securities offered for the account of such holder, (b) second, with respect to a registration for which a registration statement is filed prior to the NASD Priority Termination Date only, securities requested to be registered by the NASD pursuant to a contractual right of registration, and (c) third, pro rata among any other securities of the Company requested to be registered for its own account or pursuant to a contractual right of registration, and (ii) priority in a registration initiated by the Company pursuant to Section 3.02 shall be (a) first, securities offered for the account of the Company, (b) second, with respect to a registration for which a registration statement is filed prior to the NASD Priority Termination Date only, securities requested to be registered by the NASD pursuant to a contractual right of registration, and (c) third, pro rata among other securities of the Company requested to be registered pursuant to a contractual right of registration. For purposes of this Section 3.03, "NASD Priority Termination Date" shall mean the earlier of (i) the date which is six months after the date on which the Initial Public Offering is consummated, and (ii) December 31, 2002.

SECTION 3.04. Registration Procedures. Whenever the Company is required to effect the registration of Registrable Securities pursuant to Section 3.01, the Company will use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as promptly as practicable, and in connection with any such Registration Request:

(a) The Company will as expeditiously as possible prepare and file with the Commission a registration statement (including any necessary amendments and supplements), subject to Section 3.01(a), on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and the prospectus used in connection therewith and use its reasonable best efforts to cause such filed registration statement to become and remain effective, in the case of registration that is not a Shelf Registration, for a period of 90 days or such shorter period as necessary to complete the disposition of all securities covered by such registration statement in accordance with the intended method or methods of disposition thereof or, in the case of a Shelf Registration, on a continuous basis until the earlier of (i) the date on which all of the Registrable Securities covered by such Shelf Registration are sold and (ii) the date on which the securities covered by the Shelf Registration cease to be Registrable Securities; provided that if the Company shall furnish to the Demand Registrant a certificate signed by either its Chairman, President, or a Vice-President stating that in the good faith judgment of its Board of Directors, the filing or effectiveness of such registration statement would materially interfere with any proposed acquisition, disposition, financing or other transaction involving the Company or its subsidiaries, notwithstanding anything in this Section 3.04 to the contrary, the Company may postpone for up to 120 days in any twelve-month period the filing or effectiveness of a registration statement pursuant to a Holder's Registration Request; however, the Company will during any such postponement take all action reasonably necessary or desirable in order to be able to promptly file or request effectiveness of the registration statement, as the case may be, upon termination of any such postponement period.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as the Selling Holder or such Underwriter may reasonably request in order to facilitate the sale of the Registrable Securities. The Company will provide the Selling Holders

and the Underwriters reasonable time to review such documents and the Company will consider in good faith incorporating any comments or other information in such documents as the Selling Holder or the lead Underwriter reasonably requests.

(c) After the filing of the registration statement, the Company will promptly notify the Selling Holder of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its reasonable best efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States as the Selling Holder reasonably requests to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary or advisable to enable the Selling Holder to consummate the disposition in such jurisdictions of the securities owned by the Selling Holder and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company, to enable the Selling Holder to consummate the disposition of such Registrable Securities; provided, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (ii) subject itself to taxation in any such jurisdiction other than taxation arising with respect to the registration of securities or (iii) consent to general service of process in any such jurisdiction.

(e) At any time when a prospectus relating to the sale of Registrable Securities is required to be delivered under the Securities Act, the Company will immediately notify the Selling Holder of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the Holders of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to the Selling Holder and the Underwriters any such supplement or amendment. The Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in the preceding sentence, the Selling Holder will forthwith discontinue the offer and sale of Registrable Securities pursuant to the registration statement covering such Registrable Securities until receipt of the copies of such supplemented or amended prospectus and, if so directed by the Company, the Selling Holder will deliver to the Company all copies, other than permanent file copies then in the possession of the Selling Holder, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective as provided in Section 3.04(a) by the number of days during the period from and including the date of the giving of such notice to the date when the Company shall make available to the Selling Holder such supplemented or amended prospectus.

(f) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities, including without limitation furnishing the Underwriters and Selling Holders with reasonable access to, and causing the cooperation of, all personnel reasonably requested by the Underwriters and the Selling Holders subject to appropriate confidentiality agreements to assist in arranging such meetings with third parties as the Underwriters and the Selling Holders may reasonably request, including without limitation any "roadshow" or other similar marketing activity undertaken in connection with the distribution of the Registrable Securities.

(g) The Company will furnish to the Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to the Selling Holder or such Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters as are customarily covered by opinions and comfort letters, as the Selling Holder or the lead Underwriter therefor reasonably requests.

(h) The Company will otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available to its securityholders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(i) The Company will provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement.

(j) The Company will use its reasonable best efforts (i) to cause all Registrable Securities covered by such registration statement to be listed on any national securities exchange (if such Registrable Securities are not already listed), and on each other securities exchange, on which similar securities issued by the Company are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange; or (ii) to secure the designation of all such Registrable Securities covered by such registration statement as a Nasdaq "national market system security" within the meaning of Rule 11Aa2-1 of the Commission or, failing that, to secure Nasdaq authorization for such Registrable Securities, in each case if the Registrable Securities so

qualify, and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD or the Company, as applicable, if requested by the Holder or by the lead Underwriter.

(k) Subject to the provisions of Section 3.03, the Company may include in such registration shares of Common Stock for its own account as well as shares of Common Stock requested to be included in such registration by any holder of Common Stock (other than the Holders) pursuant to a contractual right of registration.

SECTION 3.05. Registration Expenses. Registration Expenses (other than underwriting discounts and commissions on the Holders' Registrable Securities) incurred in connection with any registration made or requested to be made pursuant to this Article 3 will be borne by the Company, whether or not any such registration statement becomes effective.

SECTION 3.06. Indemnification by the Company. To the extent permitted by applicable law, the Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls each such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and expenses (collectively, "Damages") caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Company by or on behalf of any such Selling Holder expressly for use therein. In addition, the indemnification provided in this Section 3.06 shall not inure to the benefit of any Selling Holder, if the Selling Holder (or any underwriter or underwriters of the offering) failed to send or give a copy of the final prospectus or any such amendment thereof or supplement thereto, whichever is most recent, to the person asserting any such Damages at or prior to the written confirmation of the sale of the securities by such underwriter or underwriters to such person if there would have been no liability if the final prospectus or any such amendment thereof or supplement thereto had been delivered. The Company also agrees, to the extent permitted by applicable law, to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 3.06.

SECTION 3.07. Indemnification by Selling Holders. To the extent permitted by applicable law, each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with reference to information related to such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. Each Selling Holder also agrees, to the extent permitted by applicable law, to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters on substantially the same basis as that of the indemnification of the Company provided in this Section 3.07.

SECTION 3.08. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 3.06 or 3.07, such Person (the "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing. Notwithstanding the foregoing, the failure so to give prompt notice to such person will not relieve such Indemnifying Party from liability, except to the extent such failure or delay materially prejudices such Indemnifying Party. The Indemnifying Party shall be entitled to participate in any such action and to assume the defense thereof, at the Indemnifying Party's expense and with counsel reasonably satisfactory to the Indemnified Party. After notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnified Party shall have the right to participate in such action and to retain its own counsel, but the Indemnifying Party shall not be liable to such Indemnified Party hereunder for any legal expenses of other counsel or any other expenses, in each case, subsequently incurred by such Indemnified Party, in connection with the defense thereof other than reasonable costs of investigation, unless (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed to employ counsel reasonably satisfactory to the Indemnified Party in a timely manner or (iii) the Indemnified Party shall have been advised by outside counsel that representation of the Indemnified Party by counsel provided by the Indemnifying Party pursuant to the foregoing would be inappropriate due to an actual or potential conflicting interest between the Indemnifying Party and the Indemnified Party, including situations in which there are one or more legal defenses available to the Indemnified Party that are different from or additional to those available to the Indemnifying Party; provided however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar actions or proceedings arising out of the same general allegations, be liable for the fees and expenses of more than one firm of attorneys at one time for the Indemnified Party. The Indemnifying Party shall not be liable for any

settlement of any proceeding effected without its consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and (y) provides that such Indemnified Party does not admit any fault or guilt with respect to the subject matter of such proceeding.

SECTION 3.09. Contribution. (a) If the indemnification provided for herein is for any reason unavailable to the Indemnified Parties in respect of any losses, claims, damages or liabilities referred to herein, then each such Indemnifying Party, to the extent permitted by applicable law, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) as between the Company and any Selling Holder on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and such Selling Holder on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and such Selling Holder on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between the Company on the one hand and any Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of such Selling Holder in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by the Company and any Selling Holder on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and such Selling Holder bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Company and any Selling Holder on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and such Selling Holder or by the Underwriters. The relative fault of the Company on the one hand and any Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(b) The Company and each Selling Holder agree that it would not be just and equitable if contribution pursuant to this Section 3.09 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.09, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Selling Holder were offered to the public (less underwriters' discounts and commissions) exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

SECTION 3.10. Participation in Underwritten Registrations. No Person may participate in any underwritten registration hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights.

SECTION 3.11. Rule 144. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act relating to any class of equity securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and will take such further action as the Selling Holder shall reasonably request, all to the extent required from time to time to enable the Selling Holders to sell Registrable Securities without registration under the Securities Act within the

limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule is amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission.

SECTION 3.12. Holdback Agreements. (a) Restrictions on Public Sale by Holders. If and to the extent requested of all shareholders of the Company by the lead Underwriter of an underwritten public offering of equity securities of the Company, the Holders agree not to effect, except as part of such registration, any offer, sale, pledge, transfer or other distribution or disposition or any agreement with respect to the foregoing, of the issue being registered or a similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144, during the seven day period prior to, and during such period that the lead Underwriter may reasonably request, no greater than 90 days (or 180 days following the Initial Public Offering), beginning on, the effective date of such registration statement.

(b) Restrictions on Public Sale by the Company. The Company agrees (i) not to effect any public sale or distribution of any securities similar to those being registered in accordance with Section 3.01 or Section 3.02, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to, and during such period as the lead Underwriter may reasonably request, no greater than 90 days (or 180 days following the Initial Public Offering), beginning on, the effective date of any registration statement (except as part of such registration statement and except pursuant to registrations on Form S-4 or S-8 or any successor or similar form thereto); and (ii) that any agreement entered into after the date of this Agreement pursuant to which the Company issues or agrees to issue any privately placed securities shall contain a provision under which holders of such securities agree not to effect any public sale or distribution of any such securities during the periods described in (i) above, in each case including a sale pursuant to Rule 144 (except as part of any such registration, if permitted).

SECTION 3.13. Transfer of Registration Rights. The rights of each Holder under this Article 3 are transferable to each transferee of such Holder to whom the transferor assigns its rights pursuant to a Transfer that complies with the terms of Section 2.01(c).

ARTICLE 4

PRE-EMPTIVE RIGHTS

SECTION 4.01. Pre-emptive Rights. (a) Prior to the Initial Public Offering, if the Company shall propose to issue or sell New Securities (as hereinafter defined) or enter into any contracts, commitments, agreements, understandings or arrangements of any kind relating to the issuance or sale of any New Securities, in any such case the primary purpose of which (as determined in good faith by the Company's Board of Directors) is for the Company to raise capital, then the Company's Board of Directors shall consider in good faith the desirability and appropriateness of permitting the Holders to participate in such offerings of New Securities (the "Preemptive Rights") including granting each Holder the right to purchase up to that number of New Securities, at the same price and on the same terms proposed to be issued or sold by the Company, so that each Holder would, after the issuance or sale of all such New Securities, hold the same proportionate interest of the issued and outstanding equity securities of the Company (calculated a fully-diluted basis) as was held by each Holder (on a fully-diluted basis) immediately prior to the issuance or sale of such New Securities (the "Proportionate Percentage"). "New Securities" means any Common Stock or options, warrants or other securities or rights convertible or exchangeable into or exercisable for any Common Stock or any other such equity securities; provided, however, that "New Securities" shall not include: (i) any securities issued or issuable on conversion of the Convertible Subordinated Notes or pursuant to the exercise of any rights, warrants, options or other agreements outstanding on the date of this Agreement including, without limitation, any security convertible or exchangeable, with or without consideration, into or for any stock, options and warrants; (ii) options and securities issued to management, directors or employees of the Company or its Subsidiaries in the ordinary course of business and equity securities issuable upon exercise thereof; or (iii) securities issued in consideration for, or in connection with, any merger, consolidation or other acquisition of all or substantially all of the assets constituting a business.

(b) The Company shall give each Holder written notice of its intention to issue and sell New Securities, describing the type of New Securities, the price and the general terms and conditions upon which the Company proposes to issue the same. If the Company's Board of Directors decides to grant the Holders Preemptive Rights, each Holder shall have 10 days from the giving of such notice to agree to purchase all (or any part) of its Proportionate Percentage of New Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. In the event that fewer than all Holders elect to purchase their portion of the New Securities in the manner described above, those Holders electing to purchase New Securities shall be offered the opportunity to purchase the unsubscribed portion, pro rata on the basis of the number of shares of Common Stock owned by each such Holder (on an as-converted basis).

(c) If the Holders fail to exercise in full their Preemptive Rights within such 10 days, the Company shall have 90 days thereafter to enter into a binding agreement to sell the remainder of the New Securities in respect of which such Holders' Preemptive Rights were not exercised, at a price and upon general terms and conditions no more favorable to the purchasers thereof than specified in the Company's notice to the Holders

pursuant to clause (b) of this Section 4.01. If the Company has not entered into a binding agreement to sell the New Securities within such 90 days, the Company shall not thereafter agree to issue or sell any New Securities, without again offering each Holder the right to purchase its Proportionate Percentage of the New Securities in the manner provided above.

(d) Notwithstanding anything in this Agreement to the contrary, each Holder shall have the right to assign its rights under this Article 4 to one or more of its Affiliates; provided that each such Affiliate shall have agreed to be bound by the terms of this Agreement.

ARTICLE 5

BOARD APPOINTMENT OBLIGATION; INFORMATION RIGHTS; VOTING RIGHTS

SECTION 5.01. Board Appointment Obligation. (a) For so long as the initial Holders beneficially own Equity Securities representing at least 50% of the number of shares of Common Stock (on an as-converted basis) initially acquired by such Holders, such Holders shall have the right to designate one person reasonably acceptable to the Company (the "H&F Designee") for nomination as director to the board of directors (the "Board") of the Company. The Company hereby agrees to (i) include the H&F Designee as one of the nominees to the Board on each slate of nominees for election to the Board proposed by management of the Company, (ii) to recommend the election of the H&F Designee to the shareholders of the Company, and (iii) without limiting the foregoing, to otherwise use its best efforts to cause the H&F Designee to be elected to the Board. The Company hereby agrees to use its best efforts to cause the appointment of the H&F Designee to the Finance Committee of the Board. The initial H&F Designee shall be F. Warren Hellman.

(b) In the event that the H&F Designee for any reason ceases to serve as a director during his term of office, to the extent Holders are entitled to designate an H&F Designee, the resulting vacancy on the Board shall be filled by a director designated by the initial Holders reasonably acceptable to the Company.

SECTION 5.02. Information Rights. Subject to appropriate confidentiality arrangements, the Company will provide HFCP IV, or such other Holder as the Holders shall designate:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a balance sheet of the Company as of the end of such fiscal year and the related statements of profit and loss and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by a report thereon of Ernst & Young LLP or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, a balance sheet of the Company as of the end of such quarter and the related statements of profit and loss and cash flows for such quarter and for the portion of the Company's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, consistency and, except for the absence of footnotes, generally accepted accounting principles by the chief financial officer or the chief accounting officer of the Company;

(c) to the extent prepared by the Company and provided to management of the Company, as soon as available and in any event within 10 days after the end of each month, a balance sheet of the Company as of the end of such month and the related statements of profit and loss and cash flows for such month, setting forth in each case, in comparative form the figures for the corresponding month of the Company's previous fiscal year; and

(d) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Company stating whether any Event of Default exists on the date of such certificate and, if any Event of Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto.

SECTION 5.03. Additional Rights of the Holders. For so long as the initial Holders beneficially own Equity Securities representing at least 25% of the number of shares of Common Stock (on an as-converted basis) initially acquired by such Holders, promptly upon a request by any Holder to the chief executive officer, the chief financial officer, the general counsel or the chief information officer of the Company, the Company will, subject to appropriate confidentiality arrangements, provide reasonable access at reasonable times to such aforementioned officers of the Company and the Company's public accountants to discuss such financial, operating and other information regarding the business of the Company and its Subsidiaries as such Holder may reasonably request.

SECTION 5.04. Voting Rights. If the Board of Directors of the Company approves an exemption for any Person from the limitation on voting rights set forth in Section C(2) of Article Fourth of the Company certificate of incorporation (other than an exemption granted in connection with the establishment of a strategic alliance with another exchange or similar market), the Company shall simultaneously grant a similar exemption to the holders of the Equity Securities and shall use its best efforts to obtain the concurrence of the Securities and Exchange Commission with respect thereto.

ARTICLE 6

MISCELLANEOUS

SECTION 6.01. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including fax or similar writing) and shall be given to such party at its address or telecopier number set forth on its signature page, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of the Company. Each such notice, request or other communication shall be effective (i) if given by fax, when such fax is transmitted to the fax number specified in this Section and confirmation of receipt is received or (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 6.01.

SECTION 6.02. Amendments; Waivers. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived in any manner other than by instrument in writing signed, in the case of an amendment, by the Holders and the Company, or in the case of a waiver, by the party against whom the enforcement of such waiver is sought.

SECTION 6.03. Termination. This Agreement shall terminate and be of no further force or effect with respect to each Holder upon such date that such Holder no longer holds any Equity Securities; provided, that the rights and obligations of the Company and the Holders under Section 3.06 through 3.09 shall survive any such termination.

SECTION 6.04. Successors, Assigns, Transferees. The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, successors and assigns. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

SECTION 6.05. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

SECTION 6.06. No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or grant rights superior to the rights granted to the Holders of Equity Securities in this Agreement. The Company represents and warrants to each Holder that it has not previously entered into any agreement with respect to any of its debt or equity securities granting any registration rights to any Person, except for an agreement with the NASD.

SECTION 6.07. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 6.08. Recapitalization, Etc. In the event that any capital stock or other securities are issued in respect of, in exchange for, or in substitution of, any shares of Common Stock by reason of any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, stock dividend, split-up, sale of assets, distribution to stockholders or combination of the shares of Common Stock or any other change in capital structure of the Company, appropriate adjustments shall be made with respect to the relevant provisions of this Agreement so as to fairly and equitably preserve, the original rights and obligations of the parties hereto under this Agreement.

SECTION 6.09. Specific Performance. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy at law or equity.

SECTION 6.10. Other Agreements. Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of shares of Common Stock or other securities of the Company or any direct or indirect subsidiary of the Company imposed by, any other agreement.

SECTION 6.11. New York Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflicts of laws principles thereof.

SECTION 6.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same

effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 6.13. Entire Agreement. This Agreement, together with the Securities Purchase Agreement, the Notes and the amendment to the Company's certificate of incorporation, constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein, and there are no restrictions, promises, representations, warranties, covenants, or undertakings with respect to the subject matter hereof, other than those expressly set forth or referred to herein or therein. This Agreement, the Securities Purchase Agreement, the Notes and the amendment to the Company's certificate of incorporation supersede all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE NASDAQ STOCK MARKET, INC.

By _____

Name: Frank G. Zarb
Title: Chairman
The Nasdaq Stock Market, Inc.
33 Whitehall Street
New York, New York 10004
Telephone: 212-858-4750
Telecopier:

HELLMAN & FRIEDMAN CAPITAL PARTNERS IV, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By _____

Name: Patrick J. Healy
Title: Vice President

Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

HELLMAN & FRIEDMAN EXECUTIVE FUND IV, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By _____

Name: Patrick J. Healy
Title: Vice President

By_____
Name:
Title:
Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

HELLMAN & FRIEDMAN INTERNATIONAL FUND IV-A, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By_____
Name:
Title:

By_____
Name:
Title:
Address: c/o Hellman & Friedman LLC
One Maritime Plaza

12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

HELLMAN & FRIEDMAN INTERNATIONAL
FUND IV-B, L.P.

by its General Partner, H&F Investors IV, LLC

by its Managing Member, H&F Investors III, Inc.

By_____
Name:
Title:

By_____
Name:
Title:
Address: c/o Hellman & Friedman LLC
One Maritime Plaza
12th Floor
San Francisco, California 94111
Attention: Richard M. Levine
Telephone: (415) 788-5111
Telecopier: (415) 391-4648

Exhibit 10.10

PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT made this 23rd day of March 2001 (this "Agreement"), by and among National Association of Securities Dealers, Inc., a Delaware corporation (the "NASD"), and The Nasdaq Stock Market, Inc., a Delaware corporation ("Nasdaq").

WHEREAS, the NASD is the owner of 95,454,209 shares of the common stock, par value $.01 per share, of Nasdaq (the "Common Stock");

WHEREAS, in furtherance of enabling Nasdaq and the NASD to meet a principal goal of the restructuring of Nasdaq--the reduction of the NASD's ownership of Nasdaq--as well as to assist the NASD in fulfilling its commitment to attempt to eliminate its ownership interest in Nasdaq by June 2002, the NASD desires to sell and Nasdaq desires to purchase, 18,461,538 shares of Common Stock (the "Shares") on the terms and subject to the conditions provided for herein;

WHEREAS, Nasdaq and Hellman & Friedman Capital Partners IV, L.P. and its affiliates (collectively, "H&F") have entered into a letter of intent whereby Nasdaq has agreed to issue, and H&F has agreed to purchase (the "H&F Transaction"), $240,000,000 aggregate principal amount of Nasdaq's 4% convertible subordinated debentures (the "Debentures"); and

WHEREAS, Nasdaq intends to use substantially all the proceeds from the H&F Transaction to purchase the Shares on the terms and subject to the conditions provided for herein.

NOW, THEREFORE, in consideration of the provisions contained herein, the parties hereto agree as follows:

1. PURCHASE AND SALE OF THE SHARES.

1.01 Sale of the Shares. On the terms and subject to the conditions contained herein, the NASD agrees to sell to Nasdaq and Nasdaq agrees to buy from the NASD the Shares at the Closing described in Section 2 hereof.

1.02 Delivery of the Shares. At the Closing, the NASD shall deliver to Nasdaq validly issued certificates representing the Shares duly endorsed in blank or accompanied by stock powers duly executed in blank, with all necessary stock transfer stamps affixed thereto.

1.03 Purchase Price. The purchase price for the Shares shall be $13 per Share for an aggregate purchase price of $239,999,994 (the "Purchase Price").

1.04 Payment of the Purchase Price. At the Closing, Nasdaq shall pay to the NASD the Purchase Price by wire transfer of immediately available funds to an account specified by the NASD for such purpose.

2. THE CLOSING; COVENANTS.

2.01 Closing. The closing of the purchase and sale of the Shares provided for in this Agreement (the "Closing") shall take place at the offices of The Nasdaq Stock Market, Inc., 33 Whitehall Street, New York, New York, 10004, at 10 a.m. on the third business day after satisfaction of all the conditions provided for in Sections 5 and 6 hereof, other than those that are satisfied on the Closing Date, or at such other place and time as the parties hereto shall agree in writing (the time and date of such Closing being referred to herein as the "Closing Date").

2.02 Further Actions. The parties hereto agree to use their reasonable best efforts to have the Closing occur as soon as practicable consistent with the provisions of this Agreement.

2.03 Charter Amendment. The NASD agrees that it shall, at any meeting (whether annual or special and whether or not an adjourned or postponed meeting) of stockholders of Nasdaq, however called, vote or consent, in person or by proxy, all shares of Common Stock owned by it, in favor of an amendment to the Restated Certificate of Incorporation of Nasdaq to permit the holders of the Debentures to vote on an as-converted basis on all matters that holders of Common Stock have the right to vote, subject to the five percent voting limitation that applies to all other stockholders.

2.04 Investor Rights Agreement. The parties hereto agree to negotiate in good faith an investor rights agreement (the "Investor Rights Agreement") having substantially the same terms as those set forth on the term sheet attached hereto as Exhibit I (the "Term Sheet") as well as other such customary terms as may be agreed upon by the parties.

2.05 Voting Agreement. At any meeting of Nasdaq's stockholders held prior to the date upon which Nasdaq becomes registered to operate as a national securities exchange by the Securities and Exchange Commission, the NASD agrees to vote all shares of Common Stock held by it in favor of the nominee for election to the Board of Directors of Nasdaq designated by H&F in connection with the H&F Transaction.

3. REPRESENTATIONS AND WARRANTIES OF THE NASD. The NASD represents and warrants to Nasdaq as follows:

3.01 Organization and Standing. The NASD is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

3.02 Binding Agreement. This Agreement will be duly and validly executed and delivered on behalf of the NASD and, assuming due authorization, execution and delivery by Nasdaq, will constitute the legal and binding obligation of the NASD enforceable against the NASD in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether considered in a proceeding in equity or at law).

3.03 Title to Shares. The NASD has good and valid title to the Shares, free and clear of all liens, charges, claims, security interests, restrictions, options, proxies, voting trusts or other encumbrances (each an "Encumbrance"). Assuming Nasdaq has the requisite power and authority to be lawful owner of the Shares, upon delivery to Nasdaq at the Closing of certificates representing the Shares, and upon the NASD's receipt of the Purchase Price for the Shares, Nasdaq will acquire all of the NASD's right, title and interest in and to the Shares being sold to it and will receive good and valid title to the Shares, free and clear of any and all Encumbrances.

3.04 Required Approvals, Notices and Consents. No material consent or approval of, other action by, or any notice to, any governmental body or agency, domestic or foreign, or any third party is required in connection with the execution and delivery by the NASD of this Agreement or the consummation by the NASD of the transaction contemplated hereby.

4. REPRESENTATIONS AND WARRANTIES OF NASDAQ. Nasdaq represents and warrants to the NASD as follows:

4.01 Organization and Standing. Nasdaq is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

4.02 Binding Agreement. This Agreement will have been duly and validly authorized, executed and delivered by Nasdaq and, assuming due authorization, execution and delivery by the NASD, will constitute the legal and binding obligation of Nasdaq enforceable against Nasdaq in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general equity principles (whether considered in a proceeding in equity or at law).

4.03 Required Approvals, Notices and Consents. No material consent or approval of, other action by, or any notice to, any governmental body or agency, domestic or foreign, or any third party is required in connection with the execution and delivery by Nasdaq of this Agreement or the consummation by Nasdaq of the transaction contemplated hereby.

5. CONDITIONS TO OBLIGATIONS OF THE NASD. The obligations of the NASD are subject to the fulfillment on or prior to the Closing as follows:

5.01 Representations, Warranties and Agreements. The representations and warranties of Nasdaq shall be true and correct in all material respects on the Closing Date as though made on and as of such date and Nasdaq shall have performed all other obligations and agreements contained in this Agreement to be performed prior to the Closing.

5.02 Statutes, Rules and Regulations. No statute, rule, regulation or order of any court or administrative agency shall be in effect which prohibits the consummation of the transactions contemplated hereby.

6. CONDITIONS TO OBLIGATIONS OF NASDAQ. The obligations of Nasdaq are subject to the fulfillment on or prior to the Closing as follows:

6.01 Representations, Warranties and Agreements. The representations and warranties of the NASD shall be true and correct in all material respects on the Closing Date as though made on and as of such date and the NASD shall have performed all other obligations and agreements contained in this Agreement to be performed prior to the Closing.

6.02 Statutes, Rules and Regulations. No statute, rule, regulation or order of any court or administrative agency shall be in effect which prohibits the consummation of the transactions contemplated hereby.

6.03 H&F Transaction. The H&F Transaction shall have been consummated.

7. TERMINATION.

7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the parties; and

(b) by either party in the event the Closing has not occurred on or before May 1, 2001, unless the failure of such consummation shall be due to a breach of this Agreement by the party seeking to terminate this Agreement.

7.02 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 7.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto (or any stockholder, director, officer, partner, employee, agent, consultant or representative of such party) except that (a) nothing herein

shall relieve any party from liability for, or eliminate the rights of any party relating to, any willful breach of this Agreement and (b) this Section 7.02 and Section 8.02 shall survive termination of this Agreement.

8. MISCELLANEOUS.

8.01 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede any and all prior agreements, arrangements and undertakings, whether written or oral, relating to matters provided for herein and therein. There are no provisions, undertakings, representations or warranties relative to the subject matter of this Agreement not expressly set forth herein and therein.

8.02 Expenses. Except as otherwise specifically provided in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transaction contemplated hereby shall be paid by the party incurring such expense.

8.03 Notices. Any notice, demand, claim, notice of claim, request or communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally by facsimile transmission or sent by first class or certified mail, postage prepaid to the following addresses,

If to the NASD:

National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006
Telecopier: (202) 728-8894
Attention: General Counsel

with a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier: (212) 848-7179
Attention: Robert Mundheim, Esq. and
James B. Bucher, Esq.

If to Nasdaq:

The Nasdaq Stock Market, Inc.
33 Whitehall Street
New York, New York 10004
Telecopier: (202) 728-8321
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telecopier: (212) 735-2000
Attention: Matthew J. Mallow, Esq. and
Eric J. Friedman, Esq.

or to such other address as any party may request by notifying in writing all of the other parties to this Agreement in accordance with this Section 8.03.

Any such notice shall be deemed to have been received on the date of personal delivery, the date set forth on the Postal Service return receipt, the date of delivery shown on the records of the overnight courier or the date shown on the facsimile confirmation, as applicable.

8.04 Survival of Representations and Warranties. Each of the representations and warranties made by the parties in this Agreement shall terminate 12 months after the Closing.

8.05 Benefit and Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. There shall be no assignment of any interest under this Agreement by any party. Nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.06 Waiver. Any waiver of any provision of this Agreement shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

8.07 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, the NASD and Nasdaq.

8.08 Construction of this Agreement. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual agreement, and this Agreement shall not be deemed to have been prepared by any single party hereto. The headings of the sections and subsections of this Agreement are inserted as a matter of

convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any section or subsection. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

8.09 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws (as opposed to the conflicts of law provisions) of the State of New York.

8.10 Public Announcements. No party hereto shall make any public announcement concerning the transactions contemplated by this Agreement without the prior approval of the other party hereto, except as such announcement may be required by the applicable law. Notwithstanding the foregoing, the parties hereto acknowledge that promptly after the execution of this Agreement and the Closing, the parties will make public disclosure, to be mutually agreed upon, of the transactions contemplated by this Agreement.

8.11 Specific Performance. The parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be caused for which money damages would not be an adequate remedy. Accordingly, each party agrees that, in addition to any other available remedies, each other party shall be entitled to an injunction restraining any violation or threatened violation of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any action should be brought in equity to enforce the provisions of the Agreement, no party will allege, and each party hereby waives the defense, that there is an adequate remedy at law.

8.12 Further Assurances. The NASD hereby agrees that it shall from time to time, at the request of Nasdaq, execute and deliver to Nasdaq any and all instruments or documents as Nasdaq may reasonably request for the purpose of vesting in Nasdaq the full right, title and interest of the NASD in and to the Shares.

8.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

8.14 Anti-dilution Rights. As of the date hereof, the NASD hereby agrees that the anti-dilution rights contemplated by the Term Sheet and to be included in the Investor Rights Agreement shall not apply to (i) the issuance of the Debentures by Nasdaq to H&F in connection with the H&F Transaction and (ii) the issuance of any shares of Common Stock by Nasdaq upon conversion of all or any portion of the Debentures by the holders thereof.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

NATIONAL ASSOCIATION OF
SECURITIES DEALERS, INC.

By:

Name:
Title:

THE NASDAQ STOCK MARKET, INC.

By:

Name:
Title:

Exhibit I to
Purchase and Sale Agreement

Investor Rights Term Sheet

NASDAQ/NASD
DRAFT INVESTOR RIGHTS AGREEMENT
TERM SHEET

ELIGIBLE SECURITIES	o	Subject to legal requirements prior to Exchange Registration, all shares of Common Stock now owned by the NASD (excluding shares of Common Stock underlying outstanding and

		unexpired warrants) ("Registrable Common Shares")
	o	Shares of Common Stock returned to the NASD by the Voting Trustee upon the expiration of unexercised warrants
TIMING	o	Nasdaq's initial underwritten public offering will trigger the NASD's registration rights. Subject to the terms herein, the NASD will have the right to "piggyback" on the registration statement filed in connection with Nasdaq's initial public offering and thereafter, the NASD may exercise "demand" registration rights.
DEMAND REGISTRATION	o	The NASD would have two long-form demand registrations (i.e., Form S-1), provided, however, that if Nasdaq was S-3 eligible by July 1, 2002, the NASD shall be entitled to only one long-form demand registration, and unlimited short-form demand registrations (i.e., Form S-3).
	o	The aggregate offering price for the shares included in each demand registration statement must not be less than $50 million, unless otherwise agreed to by the NASD and Nasdaq
	o	A nationally-recognized investment bank selected by the NASD from a list of underwriters to be agreed upon mutually by the NASD and Nasdaq must be used as an underwriter in any demand registration in which the aggregate offering price exceeds $50 million and the plan of distribution involves the sale of shares other than in open market transactions
	o	Nasdaq is not required to file a registration statement pursuant to a demand by the NASD within 90 days of the effective date of any other registration statement filed by Nasdaq pursuant to the Securities Act (180 days if the registration statement filed by Nasdaq is for the initial public offering of Common Stock), excluding registration statements filed in connection with benefit plans or acquisitions
	o	Nasdaq may postpone for up to 120 days in any 12-month period the filing or effectiveness of a registration statement pursuant to a NASD demand if the Nasdaq Board determines in good faith at the time of the NASD demand that the filing of such registration statement would materially interfere with any transaction or event involving Nasdaq. Nasdaq acknowledges that during any such postponement it will continue to cooperate with the NASD so that Nasdaq will be able to promptly file or request effectiveness of the registration statement, as the case may be, upon termination of any postponement period
	o	Nasdaq may include shares of its own account in any registration statement filed pursuant to a NASD demand. The number of shares to be included by Nasdaq in a piggyback registration is subject to being "cut back" if the managing underwriter of the offer determines that the inclusion of all the shares requested to be registered by Nasdaq will materially and adversely affect the offering

		based on marketing factors
SHELF REGISTRATION	o	The NASD may make one demand for the filing of a shelf registration statement covering an offering of shares underlying unexercised and unexpired warrants to be made on an continuous basis pursuant to Rule 415. In addition, the NASD may use a demand registration to request a shelf registration covering open market resales of Registrable Common Shares.
PIGGYBACK REGISTRATION	o	The NASD may include its registrable Common Stock shares in any offering of Common Stock or other class of equity securities registered under the Securities Act other than a registration of an employee stock option or incentive plan, etc., on Form S-8, and registration on Form S-4 of securities proposed to be issued in exchange for securities or assets of another corporation or in connection with a merger or consolidation involving Nasdaq
	o	The number of shares to be included by the NASD in a piggyback registration is subject to being "cut back" if the managing underwriter of the offer determines that the inclusion of all the shares requested to be registered by the NASD will materially and adversely affect the offering based on marketing factors, provided, however, that with respect to any registration for which a registration statement is filed prior to the earlier of (i) six months after the consummation of the IPO and (ii) December 31, 2002, any shares requested to be included by any other party exercising piggyback registration rights will be "cut-back" first before any shares of the NASD are "cut-back"
	o	Nasdaq has sole discretion in determining the price of the securities offered in a piggyback offering, subject to the NASD's right to withdraw its securities if it disagrees with the offering price set by Nasdaq
TAG-ALONG RIGHT	o	If, prior to the initial public offering of Common Stock, Nasdaq proposes to sell shares for cash in a private transaction exempt from registration under the Securities Act, the NASD shall have the right to include in such sale the number of shares of Common Stock it owns equal to, unless otherwise agreed to by the NASD and Nasdaq, the product of (x) the number of shares of Common Stock then owned by the NASD and (y) a fraction with the numerator equal to the number of shares to be sold by Nasdaq in the private transaction and a denominator equal to the number of outstanding shares of Common Stock
	o	The tag-along right would not apply if (i) the aggregate purchase price of the shares being sold by Nasdaq in such private transaction or series of related transactions is less than $10 million, (ii) the sale is to any of the previously identified possible purchasers listed on an exhibit to the Agreement, (iii) Nasdaq and the NASD agree in writing for

		Nasdaq to acquire from the NASD a number of shares equal to the number of shares that the NASD would otherwise have been entitled to include in such private sale prior to commencement of any such sale by Nasdaq, (iv) the sale is in connection with a joint venture, strategic alliance or other similar arrangement , in any such case the primary purpose of which is other than for the Company to raise capital and the consideration involved in such transaction is not predominantly comprised of cash, in each case as determined in good faith by the Nasdaq Board; provided, however, the parties agree that any such transaction which involves cross-shareholdings obtained through substantially similar cash investments shall not be deemed primarily to raise capital or to predominantly involve cash consideration, or (v) any issuance of shares of Common Stock (or securities convertible into shares of Common Stock) by Nasdaq pursuant to equity plans or arrangements for employees, officers, directors or consultants
	o	The tag-along right will terminate automatically upon the effectiveness of a registration statement for the initial public offering of Common Stock
ANTI-DILUTION RIGHTS	o	In the event that, prior to Nasdaq's registration as an exchange, Nasdaq intends to issue any shares of its Common Stock (or securities convertible into Common Stock) and (i) the NASD would not otherwise sell Nasdaq shares in connection with such issuance and (ii) as a result of such issuance, the NASD's ownership in Nasdaq would be diluted by 5% or more, then (x) Nasdaq must provide written notice to the NASD that Nasdaq intends to make such issuance not less than 30 day's prior to such issuance and (y) such issuance may not be consummated by Nasdaq without the prior consent of the NASD, which consent may not be unreasonably withheld or delayed, provided, however, that the foregoing provisions shall not apply with respect to (i) the issuance of $240,000,000 aggregate principal amount of Nasdaq's 4% convertible subordinated debentures (the "Debentures") to be issued by Nasdaq to Hellman & Friedman Capital Partners IV, L.P. and its affiliates (collectively, "H&F") as referred to in the Purchase and Sale Agreement, dated March 23, 2001, between Nasdaq and the NASD (the "Purchase and Sale Agreement") and (ii) the issuance of any shares of Common Stock by Nasdaq upon conversion of all or any portion of the Debentures by the holders thereof
	o	In the event that, after Nasdaq's registration as an exchange, Nasdaq intends to issue any shares of its Common Stock (or securities convertible into Common Stock) and (i) the NASD would not otherwise sell Nasdaq shares in connection with such issuance

		and (ii) as a result of such issuance, the NASD's ownership in Nasdaq would be diluted by 5% or more, then Nasdaq must provide prior written notice to the NASD that Nasdaq intends to make such issuance which notice, to the extent practicable in light of commercial considerations, should be not less than 15 day's prior to such issuance. Nasdaq's obligation to provide prior notice will terminate at any time when the NASD ceases to hold 5% of Nasdaq's outstanding Common Stock provided, however, that the foregoing provisions shall not apply with respect to (i) the issuance of the Debentures to be issued by Nasdaq to H&F as referred to in the Purchase and Sale Agreement and (ii) the issuance of any shares of Common Stock by Nasdaq upon conversion of all or any portion of the Debentures by the holders thereof
	o	The notice and consent rights described above will (x) not be deemed to affect the parties' obligations under any other provisions of the Investor Rights Agreement or under applicable law or regulations and (y) will not apply to equity plans or arrangements for employees, officers, directors or consultants
LOCK-UP	o	The NASD shall not be permitted to transfer any shares of Common Stock for a period of (i) 180 days (subject to a longer period as may be requested by the underwriters) following the consummation of the initial public offering of the Common Stock, and (ii) 90 days (subject to a longer period as may be requested by the underwriters) following the effectiveness of any other registration statement filed by Nasdaq pursuant to the Securities Act, unless such registration statement relates to the registration of shares of Common Stock issuable pursuant to Nasdaq stock option plans
REGISTRATION EXPENSES	o	All registration expenses (other than underwriting discounts and commissions on the NASD's shares) shall be borne by Nasdaq
INDEMNIFICATION	o	Nasdaq would be liable for any false or misleading information contained in a registration statement except for any information about the NASD included in a registration statement (for which the NASD would be liable)
VOTING	o	Upon Exchange Registration, the NASD will vote all shares owned by it which are not subject to the Voting Trust Agreement in the same proportion as all other holders of shares of Common Stock
OTHER TERMS	o	In connection with any underwritten public offering, Nasdaq and the selling shareholders shall enter into an underwriting agreements containing customary terms, including indemnification.
	o	The Agreement would contain other customary terms

Exhibit 10.11

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

EMPLOYMENT AGREEMENT WITH

FRANK G. ZARB

THIS AGREEMENT (the "Agreement"), made and entered into as indicated below, and effective for all purposes on February 24, 1997 (the "Effective Date"), by and between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., a membership corporation created and existing under and by virtue of the laws of the State of Delaware, with its offices at 1735 K Street, N.W., Washington, D.C. 20006, hereinafter called the "Association," and FRANK G. ZARB, of 910 Fifth Avenue, Apartment l0A, New York, NY 10021, hereinafter called "Zarb."

WITNESSETH:

WHEREAS, the Association desires to have the benefits of Zarb's knowledge and experience as its President and Chief Executive Officer, and Zarb desires such employment with the Association.

NOW, THEREFORE, in consideration of the premises, of the sum of One Dollar ($1.00) by each of the parties in hand to the other paid, and of the mutual covenants set forth below, the Association and Zarb do hereby agree, each with the other, that the following shall constitute the employment agreement covering Zarb:

1. Until this Agreement is terminated as hereinafter provided, the Association shall employ Zarb as its President and Chief Executive Officer, and Zarb shall serve as an employee of the Association in such capacity. During the period of his employment hereunder, Zarb shall perform the usual duties to be performed by one holding the offices of President and Chief Executive Officer, and Zarb shall perform such other management duties and responsibilities reasonably related to such offices as may be assigned to him from time to time by the Board of Governors or the Executive Committee of the Association. It is also intended that Zarb shall be the official spokesman and representative of the Association in all matters affecting its interests. Zarb shall devote his full time and best efforts to such duties during the period of his employment under this Agreement; provided, however, that nothing in this Agreement shall preclude Zarb from (i) engaging in personal activities involving charitable, community, educational, religious, and similar organizations, speaking engagements, and similar activities and (ii) subject to Paragraph 16, managing his personal investments and affairs, to the extent that such activities are not in any manner inconsistent with or in conflict with the performance of Zarb's duties under this Agreement.

2. During the Term (as defined in Paragraph 3), the Association shall pay Zarb for his services hereunder an annual base salary of $1,200,000, which shall be payable during the year in approximately equal periodic installments as may be agreed upon by the Association and Zarb. In addition, the Association shall annually pay Zarb such incentive compensation as the Management Compensation Committee of the Association may award in its discretion, provided that the amount of such incentive compensation for each full year of service during the Term (as defined in Paragraph 3) shall be not less than fifty percent (50%) of Zarb's base salary for such year.

3. This Agreement shall continue in effect for three (3) years from the Effective Date, which period shall hereinafter be referred to as the "Term," subject to earlier termination in one of the following ways:

(a) This Agreement shall terminate automatically upon Zarb's death, or upon his being adjudicated incompetent by a court of competent jurisdiction, or upon Zarb's becoming permanently disabled. For purposes of this Agreement, "permanently disabled" shall mean the inability of Zarb to perform substantially all his duties in the manner required hereunder whether by reason of illness or injury or otherwise (whether physical or mental) incapacitating Zarb for a continuous period exceeding 120 days. Such permanent disability shall be certified by a physician chosen by the Association and reasonably acceptable to Zarb (if he is then able to exercise sound judgment). Should Zarb not acquiesce (or should he be unable to acquiesce) in the selection of the certifying physician, a physician chosen by Zarb (or, if he is not then able to exercise sound judgment, by his spouse or legal representative) and reasonably acceptable to the Association shall be required to concur in the medical determination of permanent disability (as described above), and, failing that, the two physicians shall designate a third physician whose decision shall be determinative, as of the end of the calendar month in which such concurrence or third physician's decision, as the case may be, is made;

(b) Zarb may terminate this Agreement for good reason, upon not less than thirty (30) days' written notice to the Association, if the Association (i) reduces his position, duties, or authority, (ii) fails to secure the agreement of any successor entity to the Association to assume fully the Association's obligations under this Agreement, or (iii) commits any other material breach of this Agreement which is not remedied by the Association within thirty (30) days after receiving notice thereof from Zarb; and

(c) The Association may terminate this Agreement for cause if;

(1) Zarb shall be convicted of any crime involving the purchase or sale of any security, mail or wire fraud, or moral turpitude;

(2) Zarb shall file a petition for bankruptcy protection or

shall be unable to discharge the claims of his creditors as such claims mature; or

(3) Zarb shall be convicted of a theft or an embezzlement.

4. This Agreement may be extended beyond the Term by written agreement of Zarb and the Association.

5. Upon completion of the Term or as otherwise provided in Paragraph 6 or 7, Zarb shall be entitled to receive a supplemental retirement benefit from the Association equal to the present value of: (i) the benefit he would have accrued under the NASD Employees Retirement Plan (the "NASD Retirement Plan") during the Term if the full amount of his compensation under Paragraph 2 were taken into account as compensation under the NASD Retirement Plan (without regard to section 401(a) (17) of the Internal Revenue Code), if the limitations on benefits otherwise applicable under the NASD Retirement Plan by reason of section 415 of the Internal Revenue Code were disregarded, and if the vesting provisions of the NASD Retirement Plan were disregarded; less (ii) any vested benefit he actually accrued under the NASD Retirement Plan during the Term. Determination of the present value of such supplemental retirement benefit shall be made using the actuarial assumptions then applicable for determining lump sum distributions under the NASD Retirement Plan (as if such supplemental retirement benefit were paid under the NASD Retirement Plan). The Association shall pay such supplemental retirement benefit to Zarb in a lump Sum within fifteen (15) days after the completion of the Term or at such other time as provided in Paragraph 6 or 7. Except as otherwise provided in Paragraph 6 or 7, Zarb shall not be entitled to receive any supplemental retirement benefit under this Paragraph 5 if his employment with the Association terminates prior to his completion of the Term.

6. If this Agreement is terminated under Paragraph 3(a) by reason of Zarb's death, Zarb's surviving widow or Zarb's estate (if there is no surviving widow) shall be entitled to receive from the Association at such time: (i) his base salary to the date of termination; (ii) a pro-rata portion of the minimum incentive compensation amount described in Paragraph 2 to the date of termination (determined by the ratio that the number of days for which Zarb was employed since the later of the Effective Date or the most recent anniversary of the Effective Date bears to 365) ; (iii) the supplemental retirement benefit described in Paragraph 5 accrued to the date of termination (taking into account the provisions of the NASD Retirement Plan applicable to a participant's death but disregarding any portion of the Term following the date of Zarb's death); and (iv) those benefits which Zarb is entitled to receive under the terms of the Association's employee benefit plans and arrangements. If this Agreement is terminated under Paragraph 3(a) by reason of any event other than Zarb's death, Zarb shall be entitled to receive from the Association at such time: (i) his base salary to the date of termination; (ii) a pro-rata portion of the minimum incentive compensation amount described in Paragraph 2 to the date of termination (determined by the ratio that the number of days for which Zarb was employed since the later of the Effective Date or the most recent anniversary of the Effective Date bears to 365); (iii) the supplemental retirement benefit described in Paragraph 5 accrued to the date of termination (taking into account the provisions of the NASD Retirement Plan applicable to a participant's disability but disregarding any portion of the Term following the date of Zarb's termination); and (iv) those benefits which Zarb is entitled to receive under the terms of the Association's employee benefit plans and arrangements.

7. (a) If this Agreement is terminated by Zarb for good reason under Paragraph 3(b), or if this Agreement is terminated by the Association other than for cause, Zarb shall be entitled to receive from the Association: (i) his annual base salary and the minimum incentive compensation amount described in Paragraph 2 (expressed as a monthly amount); multiplied by (ii) the remaining number of full or partial months in the Term; plus (iii) the supplemental retirement benefit described in Paragraph 5 to which Zarb would have been entitled if he had completed the Term; and (iv) those benefits which Zarb is entitled to receive under the terms of the Association's employee benefit plans and arrangements. Any payments under this Paragraph 7(a) shall be made at the time such payments would otherwise have been made under this Agreement if Zarb had completed the Term.

(b) If this Agreement is terminated by Zarb other than for good reason (as defined in Paragraph 3(b)), Zarb shall be entitled to receive from the Association at such time: (i) his base salary to the date of termination; (ii) a pro-rata portion of the minimum incentive compensation amount described in Paragraph 2 (determined by the ratio that the number of days for which Zarb was employed since the later of the Effective Date or the most recent anniversary of the Effective Date bears to 365); and (iii) those benefits which Zarb is entitled to receive under the terms of the Association's employee benefit plans and arrangements.

8. If this Agreement is terminated by the Association for cause under Paragraph 3(c), Zarb shall be entitled to receive from the Association at such time: (i) his base salary to the date of termination; (ii) a pro-rata portion of the minimum incentive compensation amount described in Paragraph 2 (determined by the ratio that the number of days for which Zarb was employed since the later of the Effective Date or the most recent anniversary of the Effective Date bears to 365); and (iii) those benefits which Zarb is entitled to receive under the terms of the Association's employee benefit plans and arrangements.

9. If Zarb and the Association agree to extend this Agreement beyond the Term pursuant to Paragraph 4, Zarb shall be entitled to receive, with respect to each year of his employment under this Agreement after the Term, a supplemental retirement benefit from the Association equal to the present value of: (i) the benefit he would have accrued under the NASD Retirement Plan during such year if the full amount of his compensation under

Paragraph 2 were taken into account as compensation under the NASD Retirement Plan (without regard to section 401(a)(17) of the Internal Revenue Code), if the limitations on benefits otherwise applicable under the NASD Retirement Plan by reason of section 415 of the Internal Revenue Code were disregarded, and if the vesting provisions of the NASD Retirement Plan were disregarded; less (ii) any vested benefit he actually accrued under the NASD Retirement Plan during such year. Determination of the present value of such supplemental retirement benefit shall be made using the actuarial assumptions then applicable for determining lump sum distributions under the NASD Retirement Plan (as if such supplemental retirement benefit were paid under the NASD Retirement Plan). The Association shall pay such supplemental retirement benefit to Zarb in a lump sum on the last day of the calendar year in which it was accrued or, in the case of the last year for which he is employed under this Agreement, the date on which his employment under this Agreement terminates.

10. If Zarb establishes his principal residence in the Washington, D.C. metropolitan area in connection with his employment under this Agreement, the Association shall reimburse Zarb for: (i) moving expenses (within the meaning of section 217(b) of the Internal Revenue Code) incurred in connection with the establishment of such residence; (ii) to ensure his personal safety, the cost of installing a home security system in such residence (if recommended by an independent security study and provided that such reimbursement shall not exceed $10,000); and (iii) the cost of appropriate temporary housing in the Washington, D.C. metropolitan area incurred for a period of up to three (3) months after the commencement of his employment under this Agreement. If in connection with the establishment of such residence and within the first six (6) months of his employment under this Agreement Zarb offers his Long Island residence for sale on the general real estate market, the Association shall provide for the purchase or sale of such residence at an amount equal to 100-percent of its fair market value (as determined in accordance with customary appraisal and timing standards for such transactions by one or more independent appraisers approved by the Association and reasonably acceptable to Zarb).

11. Upon presentation of appropriate receipts or vouchers in a manner consistent with the expense substantiation policy of the Association generally applicable to its executive officers and in accordance with the provisions of such policy regarding the timing and amount of expense reimbursements, the Association shall reimburse Zarb for reasonable business-related expenses incurred in connection with his performance of services under this Agreement and in the interest of the Association's business, including, but not limited to, expenses for such items as entertainment, travel, hotels, meals, dues, admission fees, and house charges of various clubs in the New York City and Washington, D.C. metropolitan areas, as well as for the travel, hotel, and meals of his wife on those occasions (including meetings of the Board of Governors of the Association) when the proper representation of the Association makes it advisable for her to accompany him. In the case of travel, hotel, and meals for Zarb's wife, the reimbursements provided under this Paragraph 11 shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements (which amounts shall be paid to Zarb by January 31 of the year following the year in which the expenses were incurred). In the case of dues and initiation and other fees for private clubs, the amount of reimbursements under this Paragraph 11 shall not exceed $20,000 for any year.

12. The Association shall reimburse Zarb for the annual expenses he incurs for personal financial and tax counseling, provided that the amount of such reimbursement for any year shall not exceed $25,000.

13. The Association shall provide Zarb with the use of an automobile and, to ensure his personal safety, a driver trained in personal security (if recommended by an independent security study) with respect to Zarb's performance of services under this Agreement in both the New York City and Washington, D.C. metropolitan areas. Zarb's use of such automobile and driver shall he exclusive with respect to whichever of those two metropolitan areas is the situs of Zarb's principal residence; for the other metropolitan area, such automobile and driver shall be available, as appropriate, for use by other members of the Board of Governors and other executives of the Association.

14. The Association shall provide Zarb any health, life, or disability insurance, pension, retirement, savings, or any other benefit plan or arrangement now or hereafter maintained by the Association for its senior executives generally, and Zarb's participation therein shall be in accordance with the provisions thereof generally applicable to such executives. Zarb shall receive at least four (4) weeks of paid vacation per annum.

15. The Association shall reimburse Zarb for any legal fees and expenses incurred in the negotiation of this Agreement, provided that the amount of such reimbursement shall not exceed $20,000. In the event of any dispute between Zarb and the Association under this Agreement which is wholly or partly resolved in Zarb's favor, the Association shall reimburse Zarb for reasonable legal fees and expenses incurred in connection with such dispute. The reimbursements provided under this Paragraph 15 shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements.

16. Any equity securities of, or any beneficial interest in, Travelers Group Inc. directly or indirectly owned or controlled by Zarb, a member of his immediate family, or a trust of which Zarb or such family member is a beneficiary as of the effective Date, including options to purchase such equity securities, hereinafter referred to as the "Travelers Stock," may be retained by Zarb, such family member, or such trust during Zarb's employment under this Agreement, provided: (i) that Zarb provides the Audit Committee of the Association with reasonable advance notice of any

transaction which Zarb, such family member, or such trust proposes to engage in with respect to the Travelers Stock, including any purchase, sale, pledge, or hypothecation thereof; (ii) that Zarb obtains approval from the Audit Committee of any transaction described in clause (i) prior to the execution thereof; and (iii) that Zarb shall recuse himself from any action or decision of the Association or its subsidiaries that directly relates to Travelers Group Inc. or any subsidiary or affiliate thereof. With respect to any other beneficial interest directly or indirectly owned or controlled by Zarb, a member of his immediate family, or a trust of which Zarb or such family member is a beneficiary in any entity (other than Travelers Group Inc.) that is a member of, or is affiliated with a member of, the Association, Zarb shall be subject to the general policies of the Association regarding such interests.

17. It is understood and agreed that the Association has voluntarily offered the inducements herein provided to Zarb for the purpose of his better protection and the protection of his wife, children and their issue. Accordingly, it is understood and agreed that neither Zarb nor his wife nor his children nor their issue shall have the right to alienate, anticipate, commute, pledge, encumber or assign any part or all of said benefits provided for any or all of them under this Agreement, and that none of said benefits or payments shall be subject to the claim of any creditors of any or all of them and, in particular, none of said benefits or payments shall be subject to attachment or garnishment or other legal process by any creditor of Zarb, his wife, children, or their issue.

18. It is understood and agreed that no responsibility for any payments called for hereunder to Zarb, his wife, children, or their issue shall attach to the officers, members of the Board of Governors, or any member of the Association, but that all such payments are the obligation of the Association as a separate and distinct entity.

19. It is understood and agreed that this Agreement shall be binding upon the Association and Zarb, upon the successors or assigns of the Association, and upon the heirs, executors, administrators, and assigns of Zarb.

20. This Agreement shall not be assigned by either Zarb or the Association except that the Association shall have the right to assign its rights hereunder to any successor in interest of the Association. If assigned to any such successor of the Association, all references to the Association shall be read to refer to such successor.

21. Except as otherwise expressly provided, this Agreement embodies the entire understanding between Zarb and the Association with respect to the matters covered herein.

22. In case any one or more of the provisions contained in this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

23. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

24. The exclusive procedure for resolution of any dispute under this Agreement shall be by arbitration in the District of Columbia in accordance with the rules then obtaining of the American Arbitration Association (the "AAA"). Within fifteen (15) days after either party's receipt of a demand for arbitration, each party shall appoint an arbitrator and request the AAA to appoint a third and presiding arbitrator in accordance with its then existing rules. The award of the arbitrators shall be in writing and shall state the reason for the decision, shall be final and binding upon the parties, and judgment upon the award may be entered in any court having jurisdiction thereof. Except as provided in Paragraph 15, the expenses of arbitration including, without limitation, filing fees and arbitrators' fees and expenses, if any, shall be divided equally between the parties.

25. It is understood and agreed that any notice to either party shall be in writing and shall be sufficiently given if sent to such party by registered or certified mail, postage prepaid, at the address of such party set forth above. Either party hereto may change the address to which notices shall be sent by written notice of such new or changed address given to the other party hereto.

26. It is understood and agreed that this Agreement may be amended by mutual consent of the parties hereto which must be evidenced by a document executed with the same formality as this Agreement.

27. This Agreement shall be construed, interpreted and applied under and in accordance with the laws of the State of Delaware.

CONCLUSION

IN WITNESS WHEREOF, the corporate party hereto has caused this Agreement to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Agreement on the date indicated below, effective for all purposes on February 24, l997.

NATIONAL ASSOCIATION OF
SECURITIES DEALERS, INC.

2/24/97
- ----------
Date

By /s/ ILLEGIBLE

Chairman of the Board
of Governors

(Corporate Seal)

1/21/97	/s/ Frank G. Zarb
- ----------	----------
Date	Frank G. Zarb

Exhibit 10.12

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT dated March 18, 1998 (the "Amendment"), between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Association and Zarb desire to amend the Employment Agreement to provide Zarb with certain post-retirement benefits in exchange for his agreement to provide certain post-retirement consulting services.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended in the following manner:

1. Paragraph 5 of the Employment Agreement is hereby amended by designating the existing substantive provision therein as subparagraph (a), and by adding new subparagraphs (b), (c) and (d) therein to read as follows:

> "(b) Upon completion of the Term, Zarb shall be entitled to receive at the Association's expense for a period of three years thereafter (i) the full-time and exclusive use of an automobile of his choice and driver and (ii) appropriate office and secretarial services; provided, that Zarb's receipt of the benefits described in this subparagraph (b) shall be contingent upon his satisfaction of the consulting duties set forth in subparagraph (c) below.
>
> (c) Upon completion of the Term and in consideration of the Association's agreement to provide the benefits described in subparagraph (b) above, Zarb agrees to make himself available for a period of three years thereafter upon reasonable prior notice to provide consulting services to the Chief Executive Officer of the Association on matters relating to the nature and scope of his duties during the Term; provided, however, that in no event shall Zarb be required to provide such consulting services for more than 100 hours during any 12 month period (including travel time associated with such consulting services).
>
> (d) Notwithstanding the foregoing, the obligations of the Association and Zarb under subparagraphs (b) and (c) above shall cease prior to the end of the three year period reflected in subparagraph (c) if Zarb commences employment with another employer (or if Zarb becomes re-employed by the Association)."

2. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment shall remain in full force and effect throughout the Term thereof.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes on March 18, 1998.

NATIONAL ASSOCIATION OF SECURITIES
DEALERS, INC.

By

Chairman of the Management
Compensation Committee

- ----------
Date

(Corporate Seal)

- ----------

Date

Frank G. Zarb

Exhibit 10.13

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT dated as of August 20, 1999, between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, as amended effective March 18, 1998, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Employment Agreement will continue in effect until February 24, 2000, unless earlier terminated in accordance with its terms;

WHEREAS, Paragraph 4 of the Employment Agreement provides that the Employment Agreement may be extended beyond such stated term by written agreement of Zarb and the Association; and

WHEREAS, the Association and Zarb desire to amend the Employment Agreement to extend the Employment Agreement for one year beyond such stated term to allow the Association to select and appoint an individual to succeed Zarb as its President and Chief Executive Officer and to provide a transition period for such succession, and, in addition, to amend the Employment Agreement as otherwise provided herein.

NOW, THEREFORE, it is agreed that the Employment Agreement shall be and the same hereby is amended in the following manner:

1. Paragraph 1 of the Employment Agreement is amended by deleting the first two sentences thereof and substituting the following in lieu thereof:

> "Until this Agreement is terminated as hereinafter provided, the Association shall employ Zarb, and Zarb shall serve as an employee of the Association, in the capacity of its President and Chief Executive Officer, provided, however, that, effective April 10, 1997, Zarb shall be the Association's President, Chairman and Chief Executive Officer, and, effective January 22, 1998, Zarb shall be the Association's Chairman and Chief Executive Officer. During the period of his employment hereunder, Zarb shall perform the usual duties to be performed by one holding such offices, and Zarb shall perform such other management duties and responsibilities reasonably related to such offices as may be assigned to him from time to time by the Board of Governors or the Executive Committee of the Association."

2. Paragraph 1 of the Employment Agreement is further amended by designating the existing substantive provision thereof as subparagraph (a) and by adding a new subparagraph (b) thereof to read in its entirety as follows:

> "(b) The foregoing subparagraph (a) of this Paragraph 1 to the contrary notwithstanding, Zarb shall relinquish his duties or positions as Chairman and Chief Executive Officer of the Association during the Additional Term (as hereinafter defined) if, his successor being duly appointed, the Association and Zarb mutually determine that such relinquishment may facilitate his successor's transition to such office; however, such relinquishment shall not be considered a termination of the Term and shall have no effect on the Association's obligation to continue to pay and provide Zarb the compensation and benefits otherwise provided for in this Agreement for the remainder of the Term. Zarb agrees to make himself available for the balance of the Term upon reasonable prior notice to provide consulting services to the Association on matters relating to the nature and scope of his duties prior to relinquishment of his duties or positions pursuant to this Paragraph 1(b)."

3. Paragraph 2 of the Employment Agreement is amended by designating the existing substantive provision thereof as subparagraph (a) and by adding new subparagraph (b) thereof to read in its entirety as follows:

> "(b) Notwithstanding any provision of subparagraph (a) of this Paragraph 2 to the contrary,

during the Additional Term, the aggregate annual base salary and incentive compensation paid to Zarb by the Association shall not be less than such aggregate annual amount paid to Zarb for the second or third year of the Initial Term, whichever was greater."

4. Paragraph 3 of the Employment Agreement is amended by deleting so much of such paragraph as precedes subparagraph (a) thereof and substituting the following in lieu thereof:

"This Agreement shall continue in effect for an initial term of three (3) years from the Effective Date (the "Initial Term") and for an additional one (1) year commencing immediately upon the close of the Initial Term (the "Additional Term"), and the Initial Term together with the Additional Term shall be referred to herein as the "Term," subject to earlier termination in one of the following ways:"

5. Subparagraph (a) of Paragraph 5 of the Employment Agreement is amended to read, in its entirety, as follows:

"(a) Zarb shall be a "Grandfathered Participant" in the National Association of Securities Dealers, Inc. Supplemental Executive Retirement Plan (the "Supplemental Retirement Plan") (capitalized terms used in this Paragraph 5(a), but not otherwise defined in this Agreement shall have the meanings given such terms in the Supplemental Retirement Plan). Upon completion of the Initial Term or as otherwise provided in Paragraph 6 or 7, Zarb shall be entitled to a Retirement Benefit, as if he has fully satisfied the Supplemental Retirement Plan's eligibility and vesting requirements for a full Retirement Benefit. Such Retirement Benefit shall be equal to six percent (6%) of Zarb's Final Average Compensation multiplied by the number of Years of Service attained by Zarb upon his termination of employment hereunder, less any vested benefit that he accrued under the NASD Retirement Plan. Zarb's Final Average Compensation, for purposes of the Supplemental Retirement Plan, shall be computed for the entire period of his actual service with the Association. Notwithstanding the foregoing to the contrary, Zarb's Retirement Benefit as aforesaid shall not be less than the supplemental retirement benefit to which he would have been entitled upon his termination of employment under the terms of this Agreement as in effect immediately following the amendment of this Agreement dated March 18, 1998. Except as otherwise provided in Paragraph 6 or 7, Zarb shall not be entitled to receive any Retirement Benefit under this Paragraph 5(a) if his employment with the Association terminates prior to his completion of the Initial Term. The Association shall pay the Retirement Benefit to Zarb in a lump-sum within fifteen (15) days after Zarb's termination of employment hereunder or at such other time as provided in Paragraph 6 or 7."

6. Subparagraph (b) of Paragraph 5 of the Employment Agreement is amended to read, in its entirety, as follows:

"(b) Upon completion of the Term, Zarb shall be entitled to receive at the Association's expense for a period of three years thereafter (i) the full-time and exclusive use of an automobile of his choice and driver, (ii) appropriate office and secretarial services and (iii) payment or reimbursement of dues, initiation and other fees and charges for various clubs in the New York City and/or Washington, D.C., metropolitan areas upon presentation of appropriate receipts or other documentation (in the case of this clause (iii), not exceeding $20,000 for any year); provided that Zarb's receipt of the benefits described in this subparagraph (b) shall be contingent upon his satisfaction of the consulting duties set forth in subparagraph (c) below."

7. Clause (iii) of the first sentence of Paragraph 6 of the Employment Agreement is amended to read, in its entirety, as follows:

"(iii) the Retirement Benefit described in Paragraph 5 accrued to the date of termination (taking into account the provisions of the Supplemental Retirement Plan applicable to a participant's death but disregarding the portion of the Term following the date of Zarb's death);"

8. Clause (iii) of the second sentence of Paragraph 6 of the Employment Agreement is amended to read, in its entirety, as follows:

"(iii) the Retirement Benefit described in Paragraph 5 accrued to the date of termination (disregarding the portion of the Term following the date of Zarb's termination);"

9. Paragraph 7(a) of the Employment Agreement is amended by substituting "Retirement Benefit" for "supplemental retirement benefit" where the latter appears in clause (iii) of the first sentence thereof.

10. Paragraph 9 of the Employment Agreement is amended by deleting the substantive provisions thereof in their entirety and substituting "Not used." in lieu thereof.

11. Paragraph 10 of the Employment Agreement is amended by designating the existing substantive provision thereof as subparagraph (a) and by adding a new subparagraph (b) thereof to read in its entirety as follows:

"(b) If Zarb transfers his principal residence from the Washington, D.C., metropolitan area to the New York City metropolitan area in connection with his employment under this Agreement, the Association shall reimburse Zarb for: (i) moving expenses (within the meaning of Section 217(b) of the Internal Revenue Code) incurred in connection with such establishment of his principal residence in the New York City metropolitan area; (ii) to ensure his personal safety, the cost of installing a home security system in such residence (if recommended by an independent security study and provided that such reimbursement shall not exceed $10,000); and (iii) the cost of an appropriate efficiency apartment in the Washington, D.C., metropolitan area during the remaining Term. If, in connection with the establishment of such residence and within the first six (6) months following transfer of his employment under this Agreement from the Washington, D.C., metropolitan area to the New York City metropolitan area, Zarb offers his Washington, D.C., metropolitan area residence for sale on the general real estate market, the Association shall provide for the purchase or sale of such residence at an amount equal to 100-percent of its fair market value (as determined in accordance with customary appraisal and timing standards for such transactions by one or more appraisers approved by the Association and reasonably acceptable to Zarb)."

12. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment shall remain in full force and effect throughout the term of the Employment Agreement, as extended hereby.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes as of August 20, 1999.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

By

Chairman of the Management Compensation Committee

- ----------
Date

Compensation Committee
(Corporate Seal)

- ----------
Date

Frank G. Zarb

Exhibit 10.14

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT dated March 30, 2000 (the "Amendment"), between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended in May, 1999, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:
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WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Association and Zarb intended Paragraph 14 of the Employment Agreement to permit Zarb to participate in the Association's post-retirement medical, dental, and vision benefits upon Zarb's retirement or termination of employment for any reason regardless of Zarb's years of service with the Association upon such retirement or termination;

WHEREAS, Paragraph 10 of the Employment Agreement provides that the Association shall reimburse Zarb for certain expenses incurred in connection with a transfer of Zarb's principal residence from the Washington D.C., metropolitan area to the New York City metropolitan area; and

WHEREAS, the Association and Zarb wish to modify the Employment Agreement in order to more clearly express the intention to provide Zarb with post-retirement medical, dental and vision benefits and to provide that the Association shall reimburse Zarb for airfare expenses incurred by Zarb and Zarb's spouse in connection with locating and establishing a principal residence in the New York City metropolitan area.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended in the following manner:

1. Paragraph 14 of the Employment Agreement is hereby amended by designating the existing substantive provision therein as subparagraph (a), and by adding new subparagraph (b) to read as follows:

> "(b) Upon Zarb's retirement or termination of employment with the Association for any reason and regardless of Zarb's years of service with the Association upon such retirement or termination, provided Zarb pays the full cost of coverage for himself and any eligible dependents and provided that Zarb was participating in one of the Association's medical plans at such time, Zarb shall be entitled to receive the following: (i) medical coverage under the CIGNA Super 65 Plan (or a successor plan); (ii) if Zarb participates in a dental plan at retirement or termination, continuation of coverage under such dental plan for a period of 18 months; and (iii) if Zarb participates in a vision plan at retirement or termination, continuation of coverage under such vision plan for a period of 18 months."

2. The first sentence of Paragraph 10(b) of the Employment Agreement is hereby amended to read in its entirety as follows:

> "(b) If Zarb transfers his principal residence from the Washington, D.C., metropolitan area to the New York City metropolitan area in connection with his employment under this Employment Agreement, the Association shall reimburse Zarb for: (i) moving expenses (within the meaning of Section 217(b) of the Internal Revenue Code) incurred in connection with such establishment of his principal residence in the New York City metropolitan area; (ii) airfare expenses incurred by Zarb and Zarb's spouse in connection with locating and establishing his principal residence in the New York City metropolitan area; (iii) to ensure his personal safety, the cost of installing a home security system in such residence (if recommended by an independent security study and provided that such reimbursement shall not exceed $10,000); and (iv) the cost of an appropriate efficiency apartment in the Washington D.C., metropolitan area during the remaining Term."

3. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment

shall remain in full force and effect throughout the Term thereof.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes on March 30, 2000.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

By

Chairman of the Management Compensation Committee

- ----------
Date

(Corporate Seal)

- ----------
Date

Frank G. Zarb

Exhibit 10.15

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT, effective as of July 27, 2000 (the "Amendment"), between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, as amended effective March 18, 1998, subsequently amended as of August, 1999, and subsequently amended on March 30, 2000, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Association and Zarb wish to modify the Employment Agreement to provide Zarb with certain further post-retirement benefits in exchange for his agreement to provide certain post-retirement consulting services; and

WHEREAS, the Association and Zarb wish to modify the Employment Agreement in order to compensate Zarb for any New York state and local taxes he may incur in connection with the performance of the services described hereunder in New York City and New York State with respect to his employment with the Association for the years 1999 and 2000.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended in the following manner:

1. Subparagraph (b) of Paragraph 5 of the Employment Agreement is amended to read, in its entirety, as follows:

> "(b) Upon completion of the Term and for a period of three years thereafter, the Association shall indemnify and hold Zarb harmless to the fullest extent permitted by applicable law with regard to any action or inaction of Zarb as an officer, director or employee of the Association or as a fiduciary of any benefit plan of the Association; and further upon completion of the Term and for a period of three years thereafter, Zarb shall be entitled to receive at the Association's expense: (i) the full-time and exclusive use of an automobile of his choice and driver, (ii) appropriate office and secretarial services, (iii) payment or reimbursement of dues, initiation and other fees and charges for various clubs in the New York City and/or Washington, D.C., metropolitan areas upon presentation of appropriate receipts or other documentation (in the case of this clause (iii), not exceeding $20,000 for any year), (iv) upon presentation of appropriate receipts or vouchers in a manner consistent with the expense substantiation policy of the Association generally applicable to its executive officers and in accordance with the provisions of such policy regarding the timing and amount of expense reimbursements, payment or reimbursement of reasonable business-related expenses incurred, including, but not limited to, expenses for such items as entertainment, travel, hotels, and meals, as well as for the travel, hotel, and meals of Zarb's wife on those occasions when the proper representation of the Association makes it advisable for her to accompany him, provided that in the case of travel, hotel, and meals for Zarb's wife, the reimbursements provided under this clause (iv) shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements (which amounts shall be paid to Zarb by January 31 of the year following the year in which the expenses were incurred), and (v) to ensure the personal safety of Zarb and his wife, at such times and as reasonably required by the circumstances, the cost of a personal bodyguard for Zarb and his wife and/or surveillance of his personal residence and/or other reasonable method of security; and provided further that Zarb's receipt of the benefits described in this subparagraph (b) shall be contingent upon Zarb's agreement to make himself available to provide the consulting services set forth in subparagraph (c) below."

2. The first sentence of Paragraph 10(b) of the Employment Agreement is hereby amended to read in its entirety as follows:

> "(b) If Zarb transfers his principal residence from the Washington, D.C., metropolitan area to the New York City metropolitan area in connection with his employment under this Employment Agreement, the Association shall reimburse Zarb for: (i) moving expenses (within the meaning of Section 217(b) of the Internal

Revenue Code) incurred in connection with the establishment of his principal residence in the New York City metropolitan area and the establishment of any interim residence in the New York City metropolitan area prior to the establishment of his principal residence; (ii) airfare expenses incurred by Zarb and Zarb's wife in connection with locating and establishing such residences in the New York City metropolitan area; (iii) to ensure his personal safety, the cost of installing a home security system in each such residence (if recommended by an independent security study and provided that such reimbursement shall not exceed $10,000); and (iv) the cost of an appropriate efficiency apartment in the Washington D.C., metropolitan area during the remaining Term."

3. Paragraph 11 of the Employment Agreement is hereby amended by designating the existing substantive provision therein as subparagraph (a), and by adding new subparagraph (b) to read as follows:

"(b) If any remuneration paid to Zarb by the Association hereunder, or otherwise, is subject to New York state and/or local income taxes for the 1999 and/or 2000 calendar year, whether such amount is reported in Zarb's income tax return for the applicable year or whether such New York tax liability is assessed at a later date by the New York state and/or local taxing authorities, the Association shall pay Zarb an additional amount with respect to each such year such that the net amount retained by Zarb in each year, after deduction of any such New York taxes and any United States Federal, state or local income tax or payroll tax on such additional amount, is equal to the gross amount of New York state and local tax imposed upon such remuneration for the applicable year, less: (i) any federal tax savings attributable to the payment of such New York state and local tax for the applicable year, and (ii) any tax credits received by Zarb from the state of his residency as a result of the payment of such New York state and local tax for the applicable year. In providing for the additional amount as set forth in this subparagraph (b), it is the intent of the parties that Zarb be fully reimbursed for any such New York state and local tax liability he may incur in connection with his performance of services to the Association in 1999 and 2000, as provided hereunder."

4. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment shall remain in full force and effect throughout the term thereof and, to the extent applicable, for three years thereafter.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes as of July 27, 2000.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

_____ By_____
Date Chairman of the Management Compensation Committee

(Corporate Seal)

- ---------- ----------
Date Frank G. Zarb

Exhibit 10.16

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT, effective as of November 1, 2000 (the "Amendment"), between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, as amended effective March 18, 1998, and subsequently amended as of August, 1999, on March 30, 2000, and as of July 27, 2000, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:

WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Employment Agreement will continue in effect until February 24, 2001, unless earlier terminated in accordance with its terms;

WHEREAS, Paragraph 4 of the Employment Agreement provides that the Employment Agreement may be extended beyond such stated term by written agreement of Zarb and the Association;

WHEREAS, the Association and Zarb desire to amend the Employment Agreement to extend the Employment Agreement for one year beyond such stated term to allow the Association to select and appoint an individual to succeed Zarb as the Chairman and Chief Executive Officer of The Nasdaq Stock Market, Inc. and to provide a transition period for such succession, and, in addition, to amend the Employment Agreement as otherwise provided herein;

WHEREAS, the Employment Agreement provides that the Association shall provide Zarb with certain post-retirement benefits for a period of three years after the completion of the term of the Employment Agreement in exchange for his agreement to provide certain post-retirement consulting services during such three-year period; and

WHEREAS, the Association and Zarb wish to modify the Employment Agreement to extend the period in which the Association shall provide Zarb with such post-retirement benefits and in which Zarb shall provide such post-retirement consulting services to the Association for two years beyond such stated term, and, in addition, to amend the Employment Agreement as otherwise provided herein.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended in the following manner:

1. Paragraph 1(b) of the Employment Agreement is amended hereby to read, in its entirety, as follows:

> "(b) The foregoing subparagraph (a) of this Paragraph 1 to the contrary notwithstanding, Zarb shall relinquish his duties or positions as Chairman and Chief Executive Officer of the Association during the Additional Term (as hereinafter defined) if, his successor being duly appointed, the Association and Zarb mutually determine that such relinquishment may facilitate his successor's transition to such office; however, neither such relinquishment nor Zarb's relinquishment of his duties or positions as Chairman and Chief Executive Officer of The Nasdaq Stock Market, Inc. shall be considered a termination of the Term and shall have no effect on the Association's obligation to continue to pay and provide Zarb the compensation and benefits otherwise provided for in this Agreement for the remainder of the Term. Zarb agrees to make himself available for the balance of the Term upon reasonable prior notice to provide consulting services to the Association on matters relating to the nature and scope of his duties prior to relinquishment of his duties or positions pursuant to this Paragraph 1(b)."

2. Paragraph 2(a) of the Employment Agreement is amended hereby to read, in its entirety, as follows:

> "(a) The Association shall pay Zarb for his services hereunder an annual base salary of: (i) $1,200,000 from the commencement of the Term (as defined in Paragraph 3) through October 31, 2000, and (ii) $2,000,000 during the period commencing on November 1, 2000 through the remainder of the Term (as defined in Paragraph 3), which annual base salary shall be payable during the year in approximately equal periodic installments as may be agreed upon by the Association and Zarb. In addition, the Association shall annually pay Zarb such incentive compensation as the Management Compensation Committee of the Association may award in its discretion, provided that the amount of such compensation for each full year of service during the Term (as defined in Paragraph 3) shall not be not less than fifty percent (50%) of Zarb's base salary for such year, and provided further that such compensation for the

second year of the Additional Term (as defined in Paragraph 3) shall be no less than $4,000,000. Furthermore, to the extent that the Association grants Zarb stock options prior to the termination of the Term (as defined in Paragraph 3), such options shall fully vest upon the termination of the Term and shall be exercisable during the three (3) month period thereafter."

3. The first sentence in Paragraph 2(b) of the Employment Agreement is amended hereby to read, in its entirety, as follows:

"(b) Notwithstanding any provision of this Paragraph 2 to the contrary, during the first year of the Additional Term, the aggregate annual base salary and incentive compensation paid to Zarb by the Association shall not be less than such aggregate annual amount paid to Zarb for the second or third year of the Initial Term, whichever was greater."

4. Paragraph 2 of the Employment Agreement is further amended hereby by adding new subparagraph (c) thereof to read, in its entirety, as follows:

"(c) Notwithstanding any provision of this Paragraph 2 to the contrary, during the second year of the Additional Term, the aggregate annual base salary and incentive compensation paid to Zarb by the Association shall not be less than such aggregate annual amount paid to Zarb for the third year of the Initial Term or the first year of the Additional Term, whichever was greater."

5. Paragraph 3 of the Employment Agreement is amended by deleting so much of such paragraph as precedes subparagraph (a) thereof and substituting the following in lieu thereof:

"This Agreement shall continue in effect for an initial term of three (3) years from the Effective Date (the "Initial Term") and for an additional two (2) years commencing immediately upon the close of the Initial Term (the "Additional Term"), and the Initial Term together with the Additional Term shall be referred to herein as the "Term," subject to earlier termination in one of the following ways:"

6. Paragraph 5(b) of the Employment Agreement is amended hereby to read, in its entirety, as follows:

"(b) Upon completion of the Term and for a period of five years thereafter, the Association shall indemnify and hold Zarb harmless to the fullest extent permitted by applicable law with regard to any action or inaction of Zarb as an officer, director or employee of the Association or as a fiduciary of any benefit plan of the Association; and further upon completion of the Term and for a period of five years thereafter, Zarb shall be entitled to receive at the Association's expense: (i) the full-time and exclusive use of an automobile of his choice and driver; (ii) appropriate office and secretarial services; (iii) payment or reimbursement of dues, initiation and other fees and charges for various clubs in the New York City and/or Washington, D.C., metropolitan areas upon presentation of appropriate receipts or other documentation (in the case of this clause (iii), not exceeding $20,000 for any year); (iv) upon presentation of appropriate receipts or vouchers in a manner consistent with the expense substantiation policy of the Association generally applicable to its executive officers and in accordance with the provisions of such policy regarding the timing and amount of expense reimbursements, payment or reimbursement of reasonable business-related expenses incurred, including, but not limited to, expenses for such items as entertainment, travel, hotels, and meals, as well as for the travel, hotel, and meals of Zarb's wife on those occasions when the proper representation of the Association makes it advisable for her to accompany him, provided that in the case of travel, hotel, and meals for Zarb's wife, the reimbursements provided under this clause (iv) shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements (which amounts shall be paid to Zarb by January 31 of the year following the year in which the expenses were incurred); (v) an appropriate efficiency apartment in the Washington D.C. metropolitan area; (vi) an appropriate corporate apartment in the Borough of Manhattan, New York City; (vii) to ensure the personal safety of Zarb and his wife, at such times and as reasonably required by the circumstances, a personal bodyguard for Zarb and his wife and/or surveillance of his personal residences and/or other reasonable method of security; (viii) a T1-line telephone system connected to the telephone system of the Association and appropriate maintenance thereof and a home security system in each of his residences in the New York City metropolitan area and Florida; and (ix) reimbursement of Zarb for the annual expenses he incurs for personal financial and tax counseling, provided that

the amount of such reimbursement for any calendar year shall not exceed $50,000; (x) reimbursement of Zarb for any legal fees and expenses incurred in the negotiation of this Agreement, provided that the amount of such reimbursement for any calendar year shall not exceed $20,000, and, in the event of any dispute between Zarb and the Association under this Agreement which is wholly or partly resolved in Zarb's favor, reimbursement of Zarb for reasonable legal fees and expenses incurred in connection with such dispute, provided that the reimbursement provided under this clause (x) shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements; and (xi) an annual consulting fee of $100,000, which shall be payable during the year in approximately equal periodic installments as may be agreed upon by the Association and Zarb; and provided further that Zarb's receipt of the benefits described in this subparagraph (b) shall be contingent upon Zarb's agreement to make himself available to provide the consulting services set forth in subparagraph (c) below."

7. Paragraphs 5(c) and (d) of the Employment Agreement are further amended hereby to read, in their entirety, as follows:

"(c) Upon completion of the Term and in consideration of the Association's agreement to provide the benefits described in subparagraph (b) above, Zarb agrees to make himself available for a period of five years thereafter upon reasonable prior notice to provide consulting services to the Chief Executive Officer of the Association on matters relating to the nature and scope of his duties during the Term; provided, however, that in no event shall Zarb be required to provide such consulting services for more than 100 hours during any 12 month period (including travel time associated with such consulting services).

(d) Notwithstanding the foregoing, the obligations of the Association and Zarb under subparagraphs (b) and (c) above shall cease prior to the end of the five year period reflected in subparagraph (c) if Zarb commences employment with another employer (or if Zarb becomes re-employed by the Association)."

8. The first sentence of Paragraph 10(b) of the Employment Agreement is hereby amended to read in its entirety as follows:

"(b) If Zarb transfers his principal residence from the Washington, D.C., metropolitan area to the New York City metropolitan area in connection with his employment under this Agreement, the Association shall reimburse Zarb for: (i) moving expenses (within the meaning of Section 217(b) of the Internal Revenue Code) incurred in connection with the establishment of his principal residence in the New York City metropolitan area and the establishment of any interim residence in the New York City metropolitan area prior to the establishment of his principal residence; (ii) airfare expenses incurred by Zarb and Zarb's wife in connection with locating and establishing such residences in the New York City metropolitan area; (iii) the cost of installing and maintaining a T1-line telephone system connected to the telephone system of the Association and, to ensure his personal safety, the cost of installing and maintaining a home security system in each of his residences in the New York City metropolitan area and Florida (if recommended by an independent security study); (iv) the cost of an appropriate efficiency apartment in the Washington D.C., metropolitan area during the remaining Term; and (v) the cost of an appropriate corporate apartment in the Borough of Manhattan, New York City during the remaining Term."

9. Paragraph 12 of the Employment Agreement is hereby amended to read, in its entirety, as follows:

"The Association shall reimburse Zarb for the annual expenses he incurs for personal financial and tax counseling, provided that the amount of such reimbursement for any calendar year shall not exceed $50,000."

10. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment shall remain in full force and effect throughout the term thereof and, to the extent applicable, for five years thereafter.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes on November 1, 2000.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

_____ By_____

Date Chairman of the Management
Compensation Committee

(Corporate Seal)

- ---------- ----------

Date Frank G. Zarb

INSTRUMENT OF AMENDMENT

INSTRUMENT OF AMENDMENT effective as of April 25, 2001 (the "Amendment"), between NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (the "Association"), The Nasdaq Stock Market, Inc. (the "Nasdaq") and FRANK G. ZARB ("Zarb") to the employment agreement effective on February 24, 1997, as subsequently amended effective March 18, 1998, August 20, 1999, March 30, 2000, July 27, 2000 and November 1, 2000, between the Association and Zarb (the "Employment Agreement").

W I T N E S S E T H:

WHEREAS, the Association and Zarb have entered into the Employment Agreement;

WHEREAS, Paragraph 26 of the Employment Agreement provides that the Employment Agreement may be amended by the mutual consent of the parties which consent must be evidenced by a document executed with the same formality as the Employment Agreement;

WHEREAS, the Association, Zarb and the Nasdaq wish to modify the Employment Agreement so that the Nasdaq is a party to the Employment Agreement; and

WHEREAS, the Association, the Nasdaq and Zarb wish to modify the Employment Agreement in order to more clearly express the intention to provide Zarb with certain benefits upon the relinquishment of his duties and positions as Chairman and Chief Executive Officer of the Association, and, in addition, to amend the Employment Agreement as otherwise provided herein.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended in the following manner:

1. Paragraph 1(b) of the Employment Agreement is hereby amended to read, in its entirety, as follows:

> "(b) The foregoing subparagraph (a) of this Paragraph 1 to the contrary notwithstanding, Zarb shall relinquish his duties or positions as Chairman and Chief Executive Officer of the Association during the Additional Term (as hereinafter defined) if, his successor being duly appointed, the Association and Zarb mutually determine that such relinquishment may facilitate his successor's transition to such office; however, neither such relinquishment nor Zarb's relinquishment of his duties or positions as Chairman and Chief Executive Officer of The Nasdaq Stock Market, Inc. shall be considered a termination of the Term and shall have no effect on the Association's obligation (i) to continue to pay and provide Zarb the compensation and benefits otherwise provided for in this Agreement for the remainder of the Term, including, but not limited to, accruing benefits under the Supplemental Retirement Plan or (ii) effective February 24, 2002, to pay and provide the compensation and benefits to which Zarb would have been entitled upon completion of the Term if he had not earlier relinquished his duties or positions pursuant to this Paragraph 1(b). Zarb agrees to make himself available for the balance of the Term upon reasonable prior notice to provide services to the Association on matters relating to the nature and scope of his duties prior to relinquishment of his duties or positions pursuant to this Paragraph 1(b)."

2. Paragraph 2(a) of the Employment Agreement is hereby amended by replacing the last sentence thereof with the following:

> "Furthermore, The Nasdaq Stock Market, Inc. (the "Nasdaq") shall fully vest all stock options granted to Zarb upon the earlier of (i) the termination of the Term or (ii) Zarb's relinquishment of his position and duties pursuant to Paragraph 1(b) and shall permit the exercise of the options during the three (3) month period thereafter for incentive stock options (as defined in Section 422 of the Internal Revenue Code of 1986, as amended) and during the five (5) year period thereafter for all other stock options. Also, the Nasdaq shall cause all restrictions on any restricted stock awarded to Zarb by the Nasdaq to lapse upon the earlier of (i) the termination of the Term or (ii) Zarb's relinquishment of his position and duties pursuant to Paragraph 1(b)."

3. Paragraph 5(a) of the Employment Agreement is hereby amended to read in its entirety as follows:

> "(a) Zarb shall be a "Grandfathered Participant" in the National Association of Securities Dealers, Inc. Supplemental Executive Retirement Plan (the "Supplemental Retirement Plan") (capitalized terms used in this Paragraph 5(a), but not otherwise defined in this Agreement shall have the meanings given such terms in the Supplemental Retirement Plan). Upon completion of the Initial Term or as otherwise provided in Paragraphs 6 or

7, Zarb shall be entitled to a Retirement Benefit, as if he has fully satisfied the Supplemental Retirement Plan's eligibility and vesting requirements for a full Retirement Benefit. Such Retirement Benefit shall be equal to six percent (6%) of Zarb's Final Average Compensation multiplied by the number of Years of Service attained by Zarb through February 24, 2002, or his earlier termination of employment other than as a result of his relinquishment of his position and duties pursuant to Paragraph 1(b) hereof, less any vested benefit that he accrued under the NASD Retirement Plan. Zarb's Final Average Compensation, for purposes of the Supplemental Retirement Plan, shall be computed for the entire period of his actual service with the Association, including service after his relinquishment of his position and duties pursuant to Paragraph 1(b) hereof. Notwithstanding the foregoing to the contrary, Zarb's Retirement Benefit as aforesaid shall not be less than the supplemental retirement benefit to which he would have been entitled upon his termination of employment under the terms of this Agreement as in effect immediately following the amendment of this Agreement dated March 18, 1998. Except as otherwise provided in Paragraph 6 or 7, Zarb shall not be entitled to receive any Retirement Benefit under this Paragraph 5(a) if his employment with the Association terminates prior to his completion of the Initial Term. The Association shall pay the Retirement Benefit to Zarb in a lump-sum (i) within fifteen (15) days after February 24, 2002, (ii) within fifteen (15) days after his earlier termination of employment other than as a result of his relinquishment of his position and duties pursuant to Paragraph 1(b) hereof, or (iii) at such other time as provided in Paragraph 6 or 7."

4. Paragraph 5(b) of the Employment Agreement is hereby amended to read in its entirety as follows:

"On February 24, 2002, unless Zarb earlier terminates his employment, other than as a result of his relinquishment of his position and duties pursuant to Paragraph 1(b) hereof, and for a period of five years thereafter, (X) the Association and the Nasdaq shall indemnify and hold Zarb harmless to the fullest extent permitted by applicable law with regard to any action or inaction of Zarb as an officer, director, employee or consultant of the Association or the Nasdaq or as a fiduciary of any benefit plan of the Association or the Nasdaq and (Y) Zarb shall be entitled to receive at the Nasdaq's expense: (i) the full-time and exclusive use of an automobile of his choice and driver; (ii) appropriate office and secretarial services; (iii) payment or reimbursement of dues, initiation and other fees and charges for various clubs in the New York City and/or Washington, D.C., metropolitan areas upon presentation of appropriate receipts or other documentation (in the case of this clause (iii), not exceeding $20,000 for any year); (iv) upon presentation of appropriate receipts or vouchers in a manner consistent with the expense substantiation policy of the Nasdaq generally applicable to its executive officers and in accordance with the provisions of such policy regarding the timing and amount of expense reimbursements, payment or reimbursement of reasonable business-related expenses incurred, including, but not limited to, expenses for such items as entertainment, travel, hotels, and meals, as well as for the travel, hotel, and meals of Zarb's wife on those occasions when the proper representation of the Nasdaq makes it advisable for her to accompany him, provided that in the case of travel, hotel, and meals for Zarb's wife, the reimbursements provided under this clause (iv) shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements (which amounts shall be paid to Zarb by January 31 of the year following the year in which the expenses were incurred); (v) an appropriate efficiency apartment in the Washington D.C. metropolitan area; (vi) an appropriate corporate apartment in the Borough of Manhattan, New York City; (vii) to ensure the personal safety of Zarb and his wife, at such times and as reasonably required by the circumstances, a personal bodyguard for Zarb and his wife and/or surveillance of his personal residences and/or other reasonable method of security; (viii) a T1-line telephone system connected to the telephone system of the Nasdaq and appropriate maintenance thereof and a home security system in each of his residences in the New York City metropolitan area and Florida; and (ix) reimbursement of Zarb for the annual expenses he incurs for personal financial and tax counseling, provided that the amount of such reimbursement for any calendar year shall not exceed $50,000; (x) reimbursement of Zarb for any legal fees and expenses incurred in the negotiation of this Agreement, provided that the amount of such reimbursement for any calendar year shall not exceed $20,000, and, in the event of any dispute between Zarb and the Association and/or the Nasdaq under this Agreement which is wholly or partly resolved in Zarb's favor, reimbursement of Zarb for reasonable legal fees and expenses incurred in connection with such dispute, provided that the reimbursement

provided under this clause (x) shall include such amounts as may be necessary for Zarb to pay any taxes imposed with respect to such reimbursements; and (xi) an annual consulting fee of $100,000, which shall be payable during the year in approximately equal periodic installments as may be agreed upon by the Nasdaq and Zarb; and provided further that Zarb's receipt of the benefits described in clause (Y) of this subparagraph (b) shall be contingent upon Zarb's agreement to make himself available to provide the consulting services set forth in subparagraph (c) below."

5. Paragraph 5(c) of the Employment Agreement is hereby amended to read in its entirety as follows:

"On February 24, 2002, unless Zarb earlier terminates his employment, other than as a result of his relinquishment of his position and duties pursuant to Paragraph 1(b) hereof, and in consideration of the Nasdaq's agreement to provide the benefits described in clause (Y) of subparagraph 5(b) above, Zarb agrees to make himself available for a period of five years thereafter upon reasonable prior notice to provide consulting services to the Chief Executive Officer of the Nasdaq on matters relating to the nature and scope of his duties during the Term; provided, however, that in no event shall Zarb be required to provide such consulting services for more than 100 hours during any 12-month-period (including travel time associated with such consulting services).

6. All of the terms and conditions of the Employment Agreement as amended by this Instrument of Amendment shall remain in full force and effect throughout the Term thereof.

IN WITNESS WHEREOF, the corporate party hereto has caused this Instrument of Amendment to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Instrument of Amendment on the date indicated below, effective for all purposes on April 25, 2001.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

_____ By_____
Date Chairman of the Management Compensation Committee

(Corporate Seal)

The Nasdaq Stock Market, Inc.

_____ By_____
Date Chairman of the Management Compensation Committee

(Corporate Seal)

- ---------- ----------
Date Frank G. Zarb

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT made and entered into effective as of December 29, 2000 by and between The Nasdaq Stock Market, Inc. (the "Company") and Patrick Campbell (the "Executive").

WHEREAS, the Company desires to continue to employ the Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the continued employment of the Executive by the Company during the term of the Agreement;

WHEREAS, the Executive desires to accept such employment and enter into such an agreement; and

WHEREAS, the Executive is willing to accept employment on the terms hereinafter set forth in this agreement (the "Agreement").

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to Section 9, the term of the Executive's employment under this Agreement shall commence on December 30, 2000 (the "Effective Date") and shall end on December 31, 2003; provided however, that such term shall be automatically extend for additional one year (1) year periods unless, not later than six (6) months prior to the expiration of the initial period (or any extension thereof pursuant to this Section 1), either party hereto shall provide written notice of its or his desire not to extend the term hereof to the other party hereto (the initial period together with each one-year extension shall be referred to hereinafter as the "Employment Term").

2. Position.

(a) The Executive shall serve as the President Nasdaq U.S. Markets. In such position, the Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the "Board") or the Chief Executive Officer (the "CEO") of the Company or it or his designee. During the Employment Term, the Executive shall devote his full time and best efforts to his duties hereunder; provided however, that nothing in this Agreement shall preclude the Executive from (i) engaging in personal activities involving charitable, community, educational, religious or similar organizations, (ii) managing his personal investments and affairs to the extent that such activities are not in any manner inconsistent with or in conflict with the performance of the Executive's duties hereunder and (iii) continuing to serve as a member of the board of directors or board of advisors of the entities set out on Schedule A annexed hereto. Pursuant to the Company's Code of Conduct, the Executive shall be required to: (i) disclose to the Audit Committee the names of the board of directors on which he currently serves and (ii) obtain prior approval from the Audit Committee for service as a new director of any publicly traded company. The Executive agrees to accept the final Audit Committee decision on the suitability of all present and future directorships as binding.

3. Base Salary. During the Employment Term, the Company shall pay the Executive annual base salary (the "Base Salary") at the annual rate no less than the rate of base salary in effect as of the Effective Date. Base Salary shall be payable in regular installments in accordance with the Company's usual payroll practices. The Management Compensation Committee of the Board (the "Compensation Committee") shall review Base Salary for the purpose of increasing it in accordance with its normal review procedures.

4. Incentive Compensation/Bonus. With respect to each calendar year during the Employment Term the Company shall pay to the Executive such incentive compensation (hereinafter the "Incentive Compensation") as the Compensation Committee may award in its discretion, with a guarantee of 100% of Base Salary determined as of the December 31st of the preceding year for each of the 2001, 2002 and 2003 calendar years. Incentive Compensation shall be pro rated for any employment during a calendar year of less than twelve (12) months (determined by the ratio that the number days during which the Executive was employed during a calendar year bears to 365). Incentive Compensation for each calendar year shall be paid at the same time as the Company pays Incentive Compensation awards to other executives, but in no event later than the March 1st following the calendar year with respect to which the Incentive Compensation relates.

5. Employee Benefits.

(a) Employee Benefits-Generally. During the Employment Term, the Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company, including without limitation, medical, dental, vision, disability, life insurance and pension benefits. The Executive shall be entitled to four (4) weeks paid vacation.

(b) SERP Enhancements. The Executive shall be entitled to continue to participate in the NASD Supplemental Executive Retirement Plan (the "SERP"). Notwithstanding any term or condition contained in the SERP to the contrary:

(i) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were age 55 and five (5)

years of service rather than age 55 and ten (10) years of service. Accordingly, the Executive shall be 100% vested in his accrued SERP benefit upon the later of his attainment of age 55 while employed and his completion of five (5) years of service.

(ii) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were satisfied upon the Executive's termination of employment prior to the end of the Employment Term (x) on account of his death or Disability (as defined in Section 9(b) hereof), (y) by the Company without Cause pursuant to Section 9(c) hereof, or (z) by the Executive for Good Reason pursuant to Section 9(c) hereof. Accordingly, under such circumstances the Executive shall be 100% vested in his SERP benefit even if his employment terminates prior to his attaining age 55 and having completed five (5) years of service with the Company.

(iii) The death benefit provided in Section 5.1 of the SERP shall become payable if the Executive dies before his SERP benefit commences, but after having satisfied the requirements of Section 4.1 of the SERP as modified by Section 5(b)(i) or (ii) (and if the foregoing conditions are satisfied, such death benefit will be payable even if the Executive's death occurs after he has left employment with the Company with vested SERP rights, but before the SERF benefit commences).

(iv) Section 4.3 of the SERP (relating to early retirement) shall be applied as if the service requirement stated therein were five (5) years of service rather than ten (10) years of service; provided, that this special rule shall not permit the Executive's SERP benefit to start earlier than age 55.

(v) The special provisions of this Section 5(b) shall not accelerate the rate at which the SERP benefit accrues so that the amount of the accrued SERP benefit shall be determined with reference to an accrual over a period of 3,650 days as provided in Section 4.2(a) of the SERP.

6. Equity. The Executive shall be granted pursuant to The Nasdaq Stock Market, Inc. Equity Compensation Plan (the "Stock Plan") which has been adopted by the Board and may from time to time be amended, options to purchase shares of the Company's common stock in a number commensurate with the Executive's title and responsibility (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of ten (10) years from the date of grant and an option exercise price equal to fair market value of the Company's common stock on the date of grant. Such option shall be subject to all the terms and conditions of the Stock Plan, and a stock option agreement to be entered into by and between the Company and the Executive.

7. Fringe Benefits.

(a) Business Expenses. During the Employment Term, reasonable business expenses incurred by the Executive in the performance of his duties hereunder shall be reimbursed by the Company in accordance with the policy established by the Compensation Committee. Accordingly, the Executive's expenses associated with business travel shall be reimbursed by the Company in accordance with such policy, and where appropriate the Executive's spouse shall be permitted to travel with the Executive and the Executive shall be similarly reimbursed for the cost of his spouse's travel.

(b) Transportation and Housing.

(i) During the Employment Term, in accordance with the directives of the Compensation Committee, the Executive shall be provided with reasonable transportation for business purposes while in New York City and/or Washington, D.C.

(ii) During the Employment Term, the Company shall provide the Executive with either (A) financial assistance in purchasing (or renting) a residence in the New York metropolitan area, (B) the use of a corporate apartment in New York City or (C) a housing allowance; provided, however, that with respect to each calendar year during the Employment Term the provision of benefits described in this Section 7(b)(ii) (the "Housing Program") shall not exceed 15% of the sum of the Executive's Base Salary and Incentive Bonus with respect to such calendar year. All such benefits provided under the Housing Program shall be subject to the prior approval and consent of the Board or a Committee, thereof.1

(c) Legal Fees. The Company shall pay or reimburse the Executive for his reasonable legal fees and expenses incurred in connection with the negotiation and execution of this Agreement upon presentation by the Executive of written invoices or receipts setting forth in reasonable detail the basis for such legal fees and expenses.

8. Stay Pay. Subject to the Executive's employment with the Company on August 9, 2002 (the "Stay Pay Date"), the Company shall pay the Executive an additional bonus equal to two (2) times his Base Salary as in effect on the Stay Pay Date (the "Stay Pay Bonus"); provided, however, that the Executive's earlier death or Disability (as defined in Section 9(c) hereof) while employed or termination pursuant to Section 9(c) hereof shall also be a Stay Pay Date. The Stay Pay Bonus shall be paid in a lump sum within 30 business days following the Stay Pay Date. The Company and the Executive may at the end of initial Employment Term without regard to any extension thereof pursuant to the last sentence of Section 1 hereof, agree to an additional stay payment in consideration of the renewal of the Employment Term at such time.

9. Termination. Notwithstanding any other provision of

the Agreement:

(a) For Cause by the Company. The Employment Term and the Executive's employment hereunder may be terminated by the Company for "Cause." For purposes of the Agreement, "Cause" shall mean (i) the Executive's conviction of, or pleading nolo contendere to, a felony, (ii) the Executive's conviction of, or pleading nolo contendere to, any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mai1 or wire fraud, theft, embezzlement, moral turpitude or Company property; (iii) the Executive's gross neglect of his duties hereunder or (iv) the Executive's willful misconduct in connection with the performance of his duties hereunder or any other material breach by the Executive of this Agreement; provided, however that the Executive shall not be deemed to have been terminated for Cause unless (i) reasonable notice has been delivered to him setting forth the reasons for the Company's intention to terminate him for Cause and (ii) a period of thirty (30) days has elapsed since delivery of such notice. If the Executive is terminated for Cause, he shall be entitled to receive his Base Salary through the date of termination. Upon termination of the Executive's employment for Cause pursuant to this Section 9(a), the Executive shall have no further rights to any compensation (including any Incentive Compensation or Stay Pay Bonus) or any other benefits under the Agreement. All other benefits, if any, due the Executive following the Executive's termination of employment pursuant to this Section 9(a) shall be determined in accordance with the plans, policies and practices of the Company.

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The actual form of housing assistance will be worked out with outside advisers to determine an appropriate package for the Executive consistent with corporate practice in New York City and the Executive's individual needs.

(b) Disability or Death. The Employment Term and the Executive's employment hereunder shall terminate upon his death and the Company may terminate the Executive if he becomes physically or mentally incapacitated and is therefore unable for a period of 45 consecutive working days or 75 working days in a six (6) month period to perform his duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of the Executive as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.

Upon termination of the Executive's employment hereunder for either Disability or death, the Executive or his estate (as the case may be) shall be entitled to receive (i) any accrued but unpaid Base Salary through the end of the month in which such termination occurs, (ii) all unpaid Base Salary for the remainder of the Employment Term, (iii) all unpaid Annual Incentive Compensation for the remainder of the Employment Term, (iv) the Stay Pay Bonus provided by Section 8 hereof if not already paid and (v) all other current cash obligation of the Company to the Executive (e.g. unused vacation). All other benefits, if any, due the Executive following termination pursuant to this Section 9(b) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any other severance plan, policy or program of the Company.

(c) Termination by the Executive for Good Reason or by the Company without Cause. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for "Good Reason" as defined below upon not less than thirty (30) days written notice to the Company. For purposes of this Agreement "Good Reason" shall mean the Company (i) reducing the Executive's position, duties, or authority, (ii) failing to secure the agreement of any successor entity to the Company that the Executive shall continue in this position without reduction in position, duties or authority, (iii) committing any other material breach of this Agreement which is not remedied by the Company (if capable of remedy) within thirty (30) days after receiving notice thereof from the Executive or (iv) the Company providing notice of nonrenewal of the Employment Term in accordance with Section 1 hereof.

If the Executive's employment is terminated by the Company without "Cause" (other than by reason of his Disability or death) or the Executive terminates this Agreement for Good Reason, the Executive shall be entitled to receive: (i) any accrued but unpaid Base Salary through the date of such termination, (ii) the Stay Pay Bonus provided by Section 8 hereof if not already paid, (iii) all other current cash obligations of the Company to the Executive (e.g. unused vacation) and (iv) a prorata portion of the Incentive Compensation due the Executive pursuant to Section 4 and calculated in accordance with Section 4. In addition, the Executive shall be entitled to receive his Base Salary and Incentive Compensation through the later of (i) the balance of the Term or (ii) twenty-four months from the date of such termination (the "Severance Period"). Such severance shall be paid in a lump sum within thirty (30) days following the termination date. The Company shall provide continued health coverage at its expense for the Severance Period. All other benefits, if any, due the Executive following termination pursuant to this Section 9(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan, policy or program of the Company.

(d) Termination by the Executive without Good

Reason. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for any reason upon 60 days notice to the Company. Upon a termination by the Executive pursuant to this Section 9(d) the Executive shall be entitled to his Base Salary through the date of such termination. Upon termination of the Executive pursuant to this Section 9(d), the Executive shall have no further rights, other than those set forth in this Section 9(d), to any compensation or any other benefits under the Agreement. All other benefits, if any, due the Executive following termination pursuant to this Section 9(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan, policy or program of the Company.

(e) Mitigation/Offset. Following the termination of his employment under any of the above clauses of this Section 9, the Executive shall have no obligation or duty to seek subsequent employment or engagement as an employee (including self employment) or as a consultant or otherwise mitigate the Company's obligations hereunder; nor shall the payments provided by this Section 9 be reduced by the compensation earned by the Executive, as an employee or consultant from such subsequent employment or consultancy.

(f) Excise Tax Payments.

(i) Gross-Up Payment. If it shall be determined that any payment or distribution of any type to or in respect of the Executive, by the Company, or any other person, whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or otherwise (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Internal Code of 1986, as amended (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments.

(ii) Determination by Accountant.

(A) All computations and determinations relevant to this Section 9(f) shall be made by a national accounting firm selected by the Company from among the five (5) largest accounting firms in the United States (the "Accounting Firm") which firm may be the Company's accountants. Such determinations shall include whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code). In making the initial determination hereunder as to whether a Gross-Up Payment is required the Accounting Firm shall determine that no Gross-Up Payment is required, if the Accounting Firm is able to conclude that no "Change of Control" has occurred (within the meaning of Section 280G of the Code) on the basis of "substantial authority" (within the meaning of Section 6230 of the Code) and shall provide opinions to that effect to both the Company and the Executive. If the Accounting Firm determines that a Gross-Up Payment is required, the Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter both to the Company and the Executive by no later than ten (10) days following the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive and the Company with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Executive has substantial authority not to report any Excise Tax on his federal income tax return.

(B) If a Gross-Up Payment is determined to be payable, it shall be paid to the Executive within twenty (20) days after the Determination (and all accompanying calculations and other material supporting the Determination) is delivered to the Company by the Accounting Firm. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error.

(C) As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("Underpayment"), or that Gross-Up Payments will have been made by the Company which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment (together with any interest and penalties payable by the Executive as a result of such Underpayment) shall be promptly paid by the Company to or for the benefit of the Executive.

(D) In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment, provided, however, that (i) the Executive shall not in any event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that he has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Section 9(f)(i), which is to make the Executive whole, on an after-tax basis, from the application of the Excise

Taxes, it being acknowledged and understood that the correction of an Overpayment may result in the Executive repaying to the Company an amount which is less than the Overpayment.

(E) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service relating to the possible application of the Excise Tax under Section 4999 of the Code to any of the payments and amounts referred to herein and shall afford the Company, at its expense, the opportunity to control the defense of such claim.

10. Non-Competition/Confidentiality. (a) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees as follows:

(a) During the Employment Term and for a period of one (1) year following the earlier of (i) the expiration of the Employment Term and (ii) the date the Executive ceases to be employed by the Company (the "Restricted Period"), the Executive will not directly or indirectly, (A) engage in any "Competitive Business" (as defined below) for the Executive's own account, (B) enter the employ of, or render any services to, any person engaged in a Competitive Business, (C) acquire a financial interest in, or otherwise become actively involved with, any person engaged in a Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (D) interfere with business relationships (whether formed before or after the date of the Agreement) between the Company and customers or suppliers of the Company. For purposes of this Agreement Competitive Business shall mean (i) any national securities exchange registered with the Securities and Exchange Commission, (ii) Electronic Communications Network or (iii) any other entity that engages in substantially the same business as the Company.

(b) Notwithstanding anything to the contrary in the Agreement, the Executive may, directly or indirectly own, solely as an investment, securities of any person engaged in the business of the Company which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 5% or more of any class of securities of such person.

(c) During the Restricted Period, the Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company any consultant or employee then under contract or employed by or with the Company.

(d) The Executive hereby agrees that he will comply with the Company's general policies regarding confidentiality. Without in any way limiting the foregoing sentence, the Executive further agrees that he will not, at any time during or after the Employment Term, make use of or divulge to any other person, firm or corporation any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Company, which he may have learned in connection with his employment. For purposes of this Agreement, a "trade or business secret, process, method or means, or any other confidential information" shall mean and include written information treated as confidential or as a trade secret by the Company. The Executive's obligation under this Section 10(d) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of the Executive; (iii) is known to the Executive prior to his receipt of such information from the Company, as evidenced by written records of the Executive or (iv) is hereafter disclosed to the Executive by a third party not under an obligation of confidence to the Company. The Executive agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Board, any document or other object containing or reflecting any such confidential information. The Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Company. Except as specifically authorized by the Board upon termination of his employment hereunder, the Executive shall forthwith deliver to the Company all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents (whether or not electronically or digitally produced) or property made or held by him or under his control in relation to the business or affairs of the Company, and no copy of any such confidential information shall be retained by him.

(e) It is expressly understood and agreed that although the Executive and the Company consider the restrictions contained in this Section 10 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against the Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in the Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

11. Nondisparagement. The Executive agrees (whether during or after the Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its shareholders unless giving truthful testimony under subpoena.

12. Specific Performance. The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 10 or Section 11 would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

13. Miscellaneous.

(a) Acceptance. The Executive hereby represents that his performance and execution of the Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement.

(b) Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law provisions.

(c) Entire Agreement/Amendments. The Agreement contains the entire understanding of the parties with respect to the employment of the Executive by the Company and any and all employment agreement previously entered into shall be null and void. There are no restrictions, agreements, promises, warranties, covenants or by and between the Company and the Executive undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. The Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(d) No Waiver. The failure of a party to insist upon strictadherence to any term of the Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of the Agreement.

(e) Severability. In the event that any one or more of the provisions of the Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of the Agreement shall not be affected thereby.

(f) Successor/Assignment. The Agreement is confidential and personal and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable whether by pledge, creation of a security interest or otherwise, other than a transfer by your will or by the laws of descent distribution. In the event of any attempted assignment or transfer contrary to this paragraph, the Company shall have no liability to pay the assignee or transferee any amount so attempted to be assigned or transferred. The Agreement shall be binding upon any successor of the Company, its assets, or its business, subsidiaries, affiliates (whether direct or indirect, by purchase, merger, consolidation or otherwise). In the event that any successor fails to agree in writing to assume this Agreement prior to the effective date of such event, then all entitlements in this Agreement cash or otherwise shall be immediately payable in full by the Company at such time of event notwithstanding any other provisions in this Agreement to the contrary.

(g) Notice. For the purpose of the Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the execution page of the Agreement, provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

(h) Withholding Taxes. The Company may withhold from any amounts payable under the Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(i) Counterparts. The Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the day and year first above written.

EXECUTIVE

/s/ Patrick Campbell

Patrick Campbell

THE NASDAQ STOCK MARKET, INC

By: /s/ Frank Zarb

Frank Zarb

/s/ Todd A. Robinson

Todd A. Robinson
Chairman, Management Compensation Committee

Schedule A

Board of Directors and
Board of Advisors Membership

Patrick Campbell

E.F. Wildermuth Foundation

The Nasdaq Investment Products Services

Ohio University Foundation Board

D.C. Charter School Board

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT made and entered into effective as of December 29, 2000 by and between The Nasdaq Stock Market, Inc. (the "Company") and John Hilley (the "Executive").

WHEREAS, the Company desires to continue to employ the Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the continued employment of the Executive by the Company during the term of the Agreement;

WHEREAS, the Executive desires to accept such employment and enter into such an agreement; and

WHEREAS, the Executive is willing to accept employment on the terms hereinafter set forth in this agreement (the "Agreement").

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to Section 9, the term of the Executive's employment under this Agreement shall commence on December 30, 2000 (the "Effective Date") and shall end on December 31, 2003; provided however, that such term shall be automatically extend for additional one year (1) year periods unless, not later than six (6) months prior to the expiration of the initial period (or any extension thereof pursuant to this Section 1), either party hereto shall provide written notice of its or his desire not to extend the term hereof to the other party hereto (the initial period together with each one-year extension shall be referred to hereinafter as the "Employment Term").

2. Position.

(a) The Executive shall serve as the Company's Executive Vice President, Strategic Development and Chairman and Chief Executive Officer of Nasdaq International. In such position, the Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the "Board") or the Chief Executive Officer (the "CEO") of the Company or it or his designee. During the Employment Term, the Executive shall devote his full time and best efforts to his duties hereunder; provided however, that nothing in this Agreement shall preclude the Executive from (i) engaging in personal activities involving charitable, community, educational, religious or similar organizations, (ii) managing his personal investments and affairs to the extent that such activities are not in any manner inconsistent with or in conflict with the performance of the Executive's duties hereunder and (iii) continuing to serve as a member of the board of directors or board of advisors of the entities set out on Schedule A annexed hereto. Pursuant to the Company's Code of Conduct, the Executive shall be required to: (i) disclose to the Audit Committee the names of the board of directors on which he currently serves and (ii) obtain prior approval from the Audit Committee for service as a new director of any publicly traded company. The Executive agrees to accept the final Audit Committee decision on the suitability of all present and future directorships as binding.

3. Annual Salary. During the Employment Term, the Company shall pay the Executive annual salary (the "Annual Salary") at the annual rate no less than the rate of Annual Salary in effect for the 1999 calendar year. Annual Salary shall be payable in regular installments in accordance with the Company's usual payroll practices. The Management Compensation Committee of the Board (the "Compensation Committee") shall review Annual Salary for the purpose of increasing it in accordance with its normal review procedures.

4. Employee Benefits.

(a) Employee Benefits-Generally. During the Employment Term, the Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company, including without limitation, medical, dental, vision, disability, life insurance and pension benefits. The Executive shall be entitled to four (4) weeks paid vacation.

(b) SERP Enhancements. The Executive shall be entitled to continue to participate in the NASD Supplemental Executive Retirement Plan (the "SERP"). Notwithstanding any term or condition contained in the SERP to the contrary:

(i) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were age 55 and five (5) years of service rather than age 55 and ten (10) years of service. Accordingly, the Executive shall be 100% vested in his accrued SERP benefit upon the later of his attainment of age 55 while employed and his completion of five (5) years of service.

(ii) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were satisfied upon the Executive's termination of employment prior to the end of the Employment Term (x) on account of his death or Disability (as defined in Section 9(b) hereof), (y) by the Company without Cause pursuant to Section 9(c) hereof, or (z) by the Executive for Good Reason pursuant to Section 9(c) hereof. Accordingly, under such circumstances the Executive shall be 100% vested in his SERP benefit even if his employment terminates prior to his attaining

age 55 and having completed five (5) years of service with the Company.

(iii) The death benefit provided in Section 5.1 of the SERP shall become payable if the Executive dies before his SERP benefit commences, but after having satisfied the requirements of Section 4.1 of the SERP as modified by Section 4(b)(i) or (ii) (and if the foregoing conditions are satisfied, such death benefit will be payable even if the Executive's death occurs after he has left employment with the Company with vested SERP rights, but before the SERP benefit commences).

(iv) Section 4.3 of the SERP (relating to early retirement) shall be applied as if the service requirement stated therein were five (5) years of service rather than ten (10) years of service; provided, that this special rule shall not permit the Executive's SERP benefit to start earlier than age 55.

(v) The special provisions of this Section 4(b) shall not accelerate the rate at which the SERP benefit accrues so that the amount of the accrued SERP benefit shall be determined with reference to an accrual over a period of 3,650 days as provided in Section 4.2(a) of the SERP.

(vi) For purposes of determining the Executive's Final Average Compensation, the Executive's "Compensation" shall be deemed to be the sum of (x) one-half of his Annual Salary and (y) one-third of one-half of his Annual Salary.

5. Equity.

(a) The Executive shall be granted pursuant to The Nasdaq Stock Market, Inc. Equity Compensation Plan (the "Stock Plan") which has been adopted by the Board and may from time to time be amended, options to purchase shares of the Company's common stock in a number commensurate with the Executive's title and responsibility (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of ten (10) years from the date of grant and an option exercise price equal to fair market value of the Company's common stock on the date of grant. Such option shall be subject to all the terms and conditions of the Stock Plan, and a stock option agreement to be entered into by and between the Company and the Executive.

(b) In addition, and notwithstanding anything in the Agreement to the contrary, the Executive shall be eligible for stock options and/or equity participation in Nasdaq-Japan, Nasdaq-Europe, and Nasdaq-Global in the amount and manner provided by Section 3 of the Letter Agreement entered into by and between the Executive and the National Association of Securities Dealers, Inc. dated January 21, 2000.

6. Fringe Benefits.

(a) Business Expenses. During the Employment Term,reasonable business expenses incurred by the Executive in the performance of his duties hereunder shall be reimbursed by the Company in accordance with the policy established by the Compensation Committee. Accordingly, the Executive's expenses associated with business travel shall be reimbursed by the Company in accordance with such policy, and where appropriate the Executive's spouse shall be permitted to travel with the Executive and the Executive shall be similarly reimbursed for the cost of his spouse's travel.

(b) Transportation and Housing.

(i) During the Employment Term, in accordance with the directives of the Compensation Committee, the Executive shall be provided with reasonable transportation for business purposes while in New York City and/or Washington, D.C.

(ii) During the Employment Term, the Company shall provide the Executive with either (A) financial assistance in purchasing (or renting) a residence in the New York metropolitan area, (B) the use of a corporate apartment in New York City or (C) a housing allowance; provided, however, that with respect to each calendar year during the Employment Term the provision of benefits described in this Section 7(b)(ii) (the "Housing Program") shall not exceed 15% of the sum of the Executive's Annual Salary with respect to such calendar year. All such benefits provided under the Housing Program shall be subject to the prior approval and consent of the Board or a Committee, thereof.(1)

(c) Legal Fees. The Company shall pay or reimburse the Executive for his reasonable legal fees and expenses incurred in connection with the negotiation and execution of this Agreement upon presentation by the Executive of written invoices or receipts setting forth in reasonable detail the basis for such legal fees and expenses.

7. Stay Pay. Subject to the Executive's employment with the Company on August 9, 2002 (the "Stay Pay Date"), the Company shall pay the Executive an additional bonus equal to two (2) times his Annual Salary as in effect on the Stay Pay Date (the "Stay Pay Bonus"); provided, however, that the Executive's earlier death or Disability (as defined in Section 8(c) hereof) while employed or termination pursuant to Section 9(c) hereof shall also be a Stay Pay Date. The Stay Pay Bonus shall be paid in a lump sum within 30 business days following the Stay Pay Date. The Company and the Executive may at the end of initial Employment Term without regard to any extension thereof pursuant to the last sentence of Section 1 hereof, agree to an additional stay payment in consideration of the renewal of the Employment Term at such time.

8. Termination. Notwithstanding any other provision of the Agreement:

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(1) The actual form of housing assistance will be worked out with outside advisers to determine an appropriate package the Executive consistent with corporate practice in New York City and the Executive's individual needs.

(a) For Cause by the Company. The Employment Term and the Executive's employment hereunder may be terminated by the Company for "Cause." For purposes of the Agreement, "Cause" shall mean (i) the Executive's conviction of, or pleading nolo contendere to, a felony, (ii) the Executive's conviction of, or pleading nolo contendere to, any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude or Company property; (iii) the Executive's gross neglect of his duties hereunder or (iv) the Executive's willful misconduct in connection with the performance of his duties hereunder or any other material breach by the Executive of this Agreement; provided, however that the Executive shall not be deemed to have been terminated for Cause unless (i) reasonable notice has been delivered to him setting forth the reasons for the Company's intention to terminate him for Cause and (ii) a period of thirty (30) days has elapsed since delivery of such notice. If the Executive is terminated for Cause, he shall be entitled to receive his Annual Salary through the date of termination. Upon termination of the Executive's employment for Cause pursuant to this Section 8(a), the Executive shall have no further rights to any compensation (including any Stay Pay Bonus) or any other benefits under the Agreement. All other benefits, if any, due the Executive following the Executive's termination of employment pursuant to this Section 8(a) shall be determined in accordance with the plans, policies and practices of the Company.

(b) Disability or Death. The Employment Term and the Executive's employment hereunder shall terminate upon his death and the Company may terminate the Executive if he becomes physically or mentally incapacitated and is therefore unable for a period of 45 consecutive working days or 75 working days in a six (6) month period to perform his duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of the Executive as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.

Upon termination of the Executive's employment hereunder for either Disability or death, the Executive or his estate (as the case may be) shall be entitled to receive (i) any accrued but unpaid Annual Salary through the end of the month in which such termination occurs, (ii) all unpaid Annual Salary for the remainder of the Employment Term, (iii) the Stay Pay Bonus provided by Section 8 hereof if not already paid and (iv) all other current cash obligation of the Company to the Executive (e.g. unused vacation). All other benefits, if any, due the Executive following termination pursuant to this Section 8(b) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any other severance plan, policy or program of the Company.

(c) Termination by the Executive for Good Reason or by the Company without Cause. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for "Good Reason" as defined below upon not less than thirty (30) days written notice to the Company. For purposes of this Agreement "Good Reason" shall mean the Company (i) reducing the Executive's position, duties, or authority, (ii) failing to secure the agreement of any successor entity to the Company that the Executive shall continue in this position without reduction in position, duties or authority, (iii) committing any other material breach of this Agreement which is not remedied by the Company (if capable of remedy) within thirty (30) days after receiving notice thereof from the Executive or (iv) the Company providing notice of nonrenewal of the Employment Term in accordance with Section 1 hereof.

If the Executive's employment is terminated by the Company without "Cause" (other than by reason of his Disability or death) or the Executive terminates this Agreement for Good Reason, the Executive shall be entitled to receive: (i) any accrued but unpaid Annual Salary through the date of such termination, (ii) the Stay Pay Bonus provided by Section 8 hereof if not already paid and (iii) all other current cash obligations of the Company to the Executive (e.g. unused vacation). In addition, the Executive shall be entitled to receive his Annual Salary through the later of (i) the balance of the Term or (ii) twenty-four months from the date of such termination (the "Severance Period"). Such severance shall be paid in a lump sum within thirty (30) days following the termination date. The Company shall provide continued health coverage at its expense for the Severance Period. All other benefits, if any, due the Executive following termination pursuant to this Section 8(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan, policy or program of the Company.

(d) Termination by the Executive without Good Reason. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for any reason upon 60 days notice to the Company. Upon a termination by the Executive pursuant to this Section 8(d) the Executive shall be entitled to his Annual Salary through the date of such termination. Upon termination of the Executive pursuant to this Section 8(d), the Executive shall have no further rights, other than those

set forth in this Section 8(d), to any compensation or any other benefits under the Agreement. All other benefits, if any, due the Executive following termination pursuant to this Section 8(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan, policy or program of the Company.

(e) Mitigation/Offset. Following the termination of his employment under any of the above clauses of this Section 8, the Executive shall have no obligation or duty to seek subsequent employment or engagement as an employee (including self employment) or as a consultant or otherwise mitigate the Company's obligations hereunder; nor shall the payments provided by this Section 8 be reduced by the compensation earned by the Executive, as an employee or consultant from such subsequent employment or consultancy.

(f) Excise Tax Payments.

(i) Gross-Up Payment. If it shall be determined that any payment or distribution of any type to or in respect of the Executive, by the Company, or any other person, whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or otherwise (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Internal Code of 1986, as amended (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments.

(ii) Determination by Accountant.

(A) All computations and determinations relevant to this Section 8(f) shall be made by a national accounting firm selected by the Company from among the five (5) largest accounting firms in the United States (the "Accounting Firm") which firm may be the Company's accountants. Such determinations shall include whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code). In making the initial determination hereunder as to whether a Gross-Up Payment is required the Accounting Firm shall determine that no Gross-Up Payment is required, if the Accounting Firm is able to conclude that no "Change of Control" has occurred (within the meaning of Section 280G of the Code) on the basis of "substantial authority" (within the meaning of Section 6230 of the Code) and shall provide opinions to that effect to both the Company and the Executive. If the Accounting Firm determines that a Gross-Up Payment is required, the Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter both to the Company and the Executive by no later than ten (10) days following the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive and the Company with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Executive has substantial authority not to report any Excise Tax on his federal income tax return.

(B) If a Gross-Up Payment is determined to be payable, it shall be paid to the Executive within twenty (20) days after the Determination (and all accompanying calculations and other material supporting the Determination) is delivered to the Company by the Accounting Firm. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error.

(C) As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("Underpayment"), or that Gross-Up Payments will have been made by the Company which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment (together with any interest and penalties payable by the Executive as a result of such Underpayment) shall be promptly paid by the Company to or for the benefit of the Executive.

(D) In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment, provided, however, that (i) the Executive shall not in any event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that he has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Section 8(f)(i), which is to make the Executive whole, on an after-tax basis, from the application of the Excise Taxes, it being acknowledged and understood that the correction of an Overpayment may result in the Executive repaying to the Company an amount which is less than the Overpayment.

(E) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service relating to

the possible application of the Excise Tax under Section 4999 of the Code to any of the payments and amounts referred to herein and shall afford the Company, at its expense, the opportunity to control the defense of such claim.

9. Non-Competition/Confidentiality. (a) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees as follows:

(a) During the Employment Term and for a period of one (1) year following the earlier of (i) the expiration of the Employment Term and (ii) the date the Executive ceases to be employed by the Company (the "Restricted Period"), the Executive will not directly or indirectly, (A) engage in any "Competitive Business" (as defined below) for the Executive's own account, (B) enter the employ of, or render any services to, any person engaged in a Competitive Business, (C) acquire a financial interest in, or otherwise become actively involved with, any person engaged in a Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (D) interfere with business relationships (whether formed before or after the date of the Agreement) between the Company and customers or suppliers of the Company. For purposes of this Agreement Competitive Business shall mean (i) any national securities exchange registered with the Securities and Exchange Commission, (ii) Electronic Communications Network or (iii) any other entity that engages in substantially the same business as the Company.

(b) Notwithstanding anything to the contrary in the Agreement, the Executive may, directly or indirectly own, solely as an investment, securities of any person engaged in the business of the Company which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 5% or more of any class of securities of such person.

(c) During the Restricted Period, the Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company any consultant or employee then under contract or employed by or with the Company.

(d) The Executive hereby agrees that he will comply with the Company's general policies regarding confidentiality. Without in any way limiting the foregoing sentence, the Executive further agrees that he will not, at any time during or after the Employment Term, make use of or divulge to any other person, firm or corporation any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Company, which he may have learned in connection with his employment. For purposes of this Agreement, a "trade or business secret, process, method or means, or any other confidential information" shall mean and include written information treated as confidential or as a trade secret by the Company. The Executive's obligation under this Section 10(d) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of the Executive; (iii) is known to the Executive prior to his receipt of such information from the Company, as evidenced by written records of the Executive or (iv) is hereafter disclosed to the Executive by a third party not under an obligation of confidence to the Company. The Executive agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Board, any document or other object containing or reflecting any such confidential information. The Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Company. Except as specifically authorized by the Board upon termination of his employment hereunder, the Executive shall forthwith deliver to the Company all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents (whether or not electronically or digitally produced) or property made or held by him or under his control in relation to the business or affairs of the Company, and no copy of any such confidential information shall be retained by him.

(e) It is expressly understood and agreed that although the Executive and the Company consider the restrictions contained in this Section 9 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against the Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in the Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

10. Nondisparagement. The Executive agrees (whether during or after the Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its shareholders unless giving truthful testimony under subpoena.

11. Specific Performance. The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 9 or Section 10 would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law,

the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

12. Miscellaneous.

(a) Acceptance. The Executive hereby represents that his performance and execution of the Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement.

(b) Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law provisions.

(c) Entire Agreement/Amendments. The Agreement contains the entire understanding of the parties with respect to the employment of the Executive by the Company and any and all employment agreement previously entered into shall be null and void, except with respect to the provisions of the letter agreement entered into by and between the Executive and the National Association of Securities Dealers, Inc. dated January 21, 2000 specifically preserved by Section 5(b) of the Agreement. There are no restrictions, agreements, promises, warranties, covenants or by and between the Company and the Executive undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. The Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(d) No Waiver. The failure of a party to insist upon strict adherence to any term of the Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of the Agreement.

(e) Severability. In the event that any one or more of the provisions of the Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of the Agreement shall not be affected thereby.

(f) Successor/Assignment. The Agreement is confidential and personal and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable whether by pledge, creation of a security interest or otherwise, other than a transfer by your will or by the laws of descent distribution. In the event of any attempted assignment or transfer contrary to this paragraph, the Company shall have no liability to pay the assignee or transferee any amount so attempted to be assigned or transferred. The Agreement shall be binding upon any successor of the Company, its assets, or its business, subsidiaries, affiliates (whether direct or indirect, by purchase, merger, consolidation or otherwise). In the event that any successor fails to agree in writing to assume this Agreement prior to the effective date of such event, then all entitlements in this Agreement cash or otherwise shall be immediately payable in full by the Company at such time of event notwithstanding any other provisions in this Agreement to the contrary.

(g) Notice. For the purpose of the Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the execution page of the Agreement, provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

(h) Withholding Taxes. The Company may withhold from any amounts payable under the Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(i) Counterparts. The Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the day and year first above written.

EXECUTIVE

/s/ John Hilley

John Hilley

THE NASDAQ STOCK MARKET, INC.

By: /s/ Frank Zarb

Frank Zarb

/s/ Todd A. Robinson

Todd A. Robinson
Chairman, Management Compensation Committee

Exhibit 10.20

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT made and entered into effective as of December 29, 2000 by and between The Nasdaq Stock Market, Inc. (the "Company") and Richard G. Ketchum (the "Executive").

WHEREAS, the Company desires to continue to employ the Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the continued employment of the Executive by the Company during the term of the Agreement;

WHEREAS, the Executive desires to accept such employment and enter into such an agreement; and

WHEREAS, the Executive is willing to accept employment on the terms hereinafter set forth in this agreement (the "Agreement").

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to Section 9, the term of the Executive's employment under this Agreement shall commence on December 30, 2000 (the "Effective Date") and shall end on December 31, 2003; provided however, that such term shall be automatically extend for additional one year (1) year periods unless, not later than six (6) months prior to the expiration of the initial period (or any extension thereof pursuant to this Section 1), either party hereto shall provide written notice of its or his desire not to extend the term hereof to the other party hereto (the initial period together with each one-year extension shall be referred to hereinafter as the "Employment Term").

2. Position.

(a) The Executive shall serve as the Company's President. In such position, the Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the "Board") or the Chief Executive Officer (the "CEO") of the Company or it or his designee. During the Employment Term, the Executive shall devote his full time and best efforts to his duties hereunder; provided however, that nothing in this Agreement shall preclude the Executive from (i) engaging in personal activitiesinvolving charitable, community, educational, religious or similar organizations, (ii) managing his personal investments and affairs to the extent that such activities are not in any manner inconsistent with or in conflict with the performance of the Executive's duties hereunder and (iii) continuing to serve as a member of the board of directors or board of advisors of the entities set out on Schedule A annexed hereto. Pursuant to the Company's Code of Conduct, the Executive shall be required to: (i) disclose to the Audit Committee the names of the board of directors on which he currently serves and (ii) obtain prior approval form the Audit Committee for service as a new director of any publicly traded company. The Executive agrees to accept the final Audit Committee decision on the suitability of all present and future directorships as binding.

3. Base Salary. During the Employment Term, the Company shall pay the Executive annual base salary (the "Base Salary") at the annual rate no less than the rate of base salary in effect as of the Effective Date. Base Salary shall be payable in regular installments in accordance with the Company's usual payroll practices. The Management Compensation Committee of the Board (the "Compensation Committee") shall review Base Salary for the purpose of increasing it in accordance with its normal review procedures.

4. Incentive Compensation/Bonus. With respect to each calendar year during the Employment Term the Company shall pay to the Executive such incentive compensation (hereinafter the "Incentive Compensation") as the Compensation Committee may award in its discretion, with a guarantee of 100% of Base Salary determined as of the December 31st of the preceding year for each of the 2001, 2002 and 2003 calendar years. Incentive Compensation shall be pro rated for any employment during a calendar year of less than twelve (12) months (determined by the ratio that the number days for which the Executive was employed during a calendar year bears to 365). Incentive Compensation for each calendar year shall be paid at the same time as the Company pays Incentive Compensation awards to other executives, but in no event later than the March 1st following the calendar year with respect to which the Incentive Compensation relates.

5. Employee Benefits.

(a) Employee Benefits-Generally. During the Employment Term, the Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company, including without limitation, medical, dental, vision, disability, life insurance and pension benefits. The Executive shall be entitled to four (4) weeks paid vacation.

(b) SERP Enhancements. The Executive shall be entitled to continue to participate in the NASD Supplemental Executive Retirement Plan (the "SERP"). Notwithstanding any term or condition contained in the SERP to the contrary:

(i) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were age 53 and five (5) years of service rather than age 55 and ten (10) years of service. Accordingly, the Executive shall be 100% vested in his accrued SERP benefit upon the later of his attainment of age 53 while employed and his

completion of five (5) years of service.

(ii) Section 4.1 of the SERP shall be applied as if the age and service requirements stated therein were satisfied upon the Executive's termination of employment prior to the end of the Employment Term (x) on account of his death or Disability (as defined in Section 9(b) hereof), (y) by the Company without Cause pursuant to Section 9(c) hereof, or (z) by the Executive for Good Reason pursuant to Section 9(c) hereof. Accordingly, under such circumstances the Executive shall be 100% vested in his SERP benefit even if his employment terminates prior to his attaining age 53 and having completed five (5) years of service with the Company.

(iii) The death benefit provided in Section 5.1 of the SERP shall become payable if the Executive dies before his SERP benefit commences, but after having satisfied the requirements of Section 4.1 of the SERP as modified by Section 5(b)(i) or (ii) (and if the foregoing conditions are satisfied, such death benefit will be payable even if the Executive's death occurs after he has left employment with vested SERP rights, but before the SERP benefit commences).

(iv) Section 4.3 of the SERP (relating to early retirement) shall be applied as if the service requirement stated therein were five (5) years of service rather than ten (10) years of service; provided, that this special rule shall not permit the Executive's SERP benefit to start earlier than age 55. By way of example, if the Executive's employment terminates at age 54 after having completed at least 5 years of service, his accrued SERP benefit may be paid to him no earlier than his attainment of age 55, in accordance with Section 4.3 of the SERP.

(v) The special provisions of this Section 5(b) shall not accelerate the rate at which the SERP benefit accrues so that the amount of the accrued SERP benefit shall be determined with reference to an accrual over a period of 3,650 days as provided in Section 4.2(a) of the SERP.

6. Equity. The Executive shall be granted pursuant to The Nasdaq Stock Market, Inc. Equity Compensation Plan (the "Stock Plan") which has been adopted by the Board and may from time to time be amended, options to purchase shares of the Company's common stock in a number commensurate with the Executive's title and responsibility (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of ten (10) years from the date of grant and an option exercise price equal to fair market value of the Company's common stock on the date of grant. Such option shall be subject to all the terms and conditions of the Stock Plan, and a stock option agreement to be entered into by and between the Company and the Executive.

7. Fringe Benefits.

(a) Business Expenses. During the Employment Term, reasonable business expenses incurred by the Executive in the performance of his duties hereunder shall be reimbursed by the Company in accordance with the policy established by the Compensation Committee. Accordingly, the Executive's expenses associated with business travel shall be reimbursed by the Company in accordance with such policy, and where appropriate the Executive's spouse shall be permitted to travel with the Executive and the Executive shall be similarly reimbursed for the cost of his spouse's travel.

(b) Transportation and Housing.

(i) During the Employment Term, in accordance with the directives of the Compensation Committee, the Executive shall be assigned the use of a Company provided automobile and driver in both Washington, D.C. and New York City during the business week for personal and business use and at other times as required for business purposes.

(ii) During the Employment Term, the Company shall provide the Executive with either (A) financial assistance in purchasing (or renting) a residence in the New York metropolitan area, (B) the use of a corporate apartment in New York City or (C) a housing allowance; provided, however, that with respect to each calendar year during the Employment Term the provision of benefits described in this Section 7(b)(ii) (the "Housing Program") shall not exceed 15% of the sum of the Executive's Base Salary and Incentive Bonus with respect to such calendar year. All such benefits provided under the Housing Program shall be subject to the prior approval and consent of the Board or a Committee, thereof.1

(c) Legal Fees. The Company shall pay or reimburse the Executive for his reasonable legal fees and expenses incurred in connection with the negotiation and execution of this Agreement upon presentation by the Executive of written invoices or receipts setting forth in reasonable detail the basis for such legal fees and expenses.

8. Stay Pay. Subject to the Executive's employment with the Company on August 9, 2002 (the "Stay Pay Date"), the Company shall pay the Executive an additional bonus equal to two (2) times his Base Salary as in effect on the Stay Pay Date (the "Stay Pay Bonus"); provided, however, that the Executive's earlier death or Disability (as defined in Section 9(c) hereof) while employed or termination pursuant to Section 9(c) hereof shall also be a Stay Pay Date. The Stay Pay Bonus shall be paid in a lump sum within 30 business days following the Stay Pay Date. The Company and the Executive may at the end of initial Employment Term without regard to any extension thereof pursuant to the last sentence of Section 1 hereof, agree

to an additional stay payment in consideration of the renewal of the Employment Term at such time.

9. Termination. Notwithstanding any other provision of the Agreement:

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1 The actual form of housing assistance will be worked out with outside advisers to determine an appropriate package for the Executive consistent with corporate practice in New York City and the Executive's individual needs.

(a) For Cause by the Company. The Employment Term and the Executive's employment hereunder may be terminated by the Company for "Cause." For purposes of the Agreement, "Cause" shall mean (i) the Executive's conviction of, or pleading nolo contendere to, a felony, (ii) the Executive's conviction of, or pleading nolo contendere to, any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, embezzlement, moral turpitude or Company property, (iii) the Executive's gross neglect of his duties hereunder or (iv) the Executive's willful misconduct in connection with the performance of his duties hereunder or any other material breach by the Executive of this Agreement; provided, however that the Executive shall not be deemed to have been terminated for Cause unless (i) reasonable notice has been delivered to him setting forth the reasons for the Company's intention to terminate him for Cause and (ii) a period of thirty (30) days has elapsed since delivery of such notice. If the Executive is terminated for Cause, he shall be entitled to receive his Base Salary through the date of termination. Upon termination of the Executive's employment for Cause pursuant to this Section 9(a), the Executive shall have no further rights to any compensation (including any Incentive Compensation or Stay Pay Bonus) or any other benefits under the Agreement. All other benefits, if any, due the Executive following the Executive's termination of employment pursuant to this Section 9(a) shall be determined in accordance with the plans, policies and practices of the Company.

(b) Disability or Death. The Employment Term and the Executive's employment hereunder shall terminate upon his death and the Company may terminate the Executive if he becomes physically or mentally incapacitated and is therefore unable for a period of 45 consecutive working days or 75 working days in a six (6) month period to perform his duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of the Executive as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement.

Upon termination of the Executive's employment hereunder for either Disability or death, the Executive or his estate (as the case may be) shall be entitled to receive (i) any accrued but unpaid Base Salary through the end of the month in which such termination occurs, (ii) all unpaid Base Salary for the remainder of the Employment Term, (iii) all unpaid Annual Incentive Compensation for the remainder of the Employment Term, (iv) the Stay Pay Bonus provided by Section 8 hereof if not already paid and (v) all other current cash obligation of the Company to the Executive (e.g. unused vacation). All other benefits, if any, due the Executive following termination pursuant to this Section 9(b) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any other severance plan, policy or program of the Company.

(c) Termination by the Executive for Good Reason or by the Company without Cause. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for "Good Reason" as defined below upon not less than thirty (30) days written notice to the Company. For purposes of this Agreement "Good Reason" shall mean the Company (i) reducing the Executive's position, duties, or authority, (ii) failing to secure the agreement of any successor entity to the Company that the Executive shall continue in this position without reduction in position, duties or authority, (iii) committing any other material breach of this Agreement which is not remedied by the Company (if capable of remedy) within thirty (30) days after receiving notice thereof from the Executive or (iv) the Company providing notice of nonrenewal of the Employment Term in accordance with Section 1 hereof

If the Executive's employment is terminated by the Company without "Cause" (other than by reason of his Disability or death) or the Executive terminates this Agreement for Good Reason, the Executive shall be entitled to receive: (i) any accrued but unpaid Base Salary through the date of such termination, (ii) the Stay Pay Bonus provided by Section 8 hereof if not already paid, (iii) all other current cash obligations of the Company to the Executive (e.g. unused vacation) and (iv) a prorata portion of the Incentive Compensation due the Executive pursuant to Section 4 and calculated in accordance with Section 4. In addition, the Executive shall be entitled to receive his Base Salary and Incentive Compensation through the later of (i) the balance of the Term or (ii) twenty-four months from the date of such termination (the "Severance Period"). Such severance shall be paid in a lump sum within thirty (30) days following the termination date. The Company shall provide continued health coverage at its expense for the Severance Period. All other benefits, if any, due the Executive following termination pursuant to this Section 9(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan,

policy or program of the Company.

(d) Termination by the Executive without Good Reason. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for any reason upon 60 days notice to the Company. Upon a termination by the Executive pursuant to this Section 9(d) the Executive shall be entitled to his Base Salary through the date of such termination. Upon termination of the Executive pursuant to this Section 9(d), the Executive shall have no further rights, other than those set forth in this Section 9(d), to any compensation or any other benefits under the Agreement. All other benefits, if any, due the Executive following termination pursuant to this Section 9(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that the Executive shall not participate in any severance plan, policy or program of the Company.

(e) Mitigation/Offset. Following the termination of his employment under any of the above clauses of this Section 9, the Executive shall have no obligation or duty to seek subsequent employment or engagement as an employee (including self employment) or as a consultant or otherwise mitigate the Company's obligations hereunder; nor shall the payments provided by this Section 9 be reduced by the compensation earned by the Executive, as an employee or consultant from such subsequent employment or consultancy.

(f) Excise Tax Payments.

(i) Gross-Up Payment. If it shall be determined that any payment or distribution of any type to or in respect of the Executive, by the Company, or any other person, whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or otherwise (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Internal Code of 1986, as amended (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments.

(ii) Determination by Accountant.

(A) All computations and determinations relevant to this Section 9(f) shall be made by a national accounting firm selected by the Company from among the five (5) largest accounting firms in the United States (the "Accounting Firm") which firm may be the Company's accountants. Such determinations shall include whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code). In making the initial determination hereunder as to whether a Gross-Up Payment is required the Accounting Firm shall determine that no Gross-Up Payment is required, if the Accounting Firm is able to conclude that no "Change of Control" has occurred (within the meaning of Section 280G of the Code) on the basis of "substantial authority" (within the meaning of Section 6230 of the Code) and shall provide opinions to that effect to both the Company and the Executive. If the Accounting Firm determines that a Gross-Up Payment is required, the Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter both to the Company and the Executive by no later than ten (10) days following the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive and the Company with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Executive has substantial authority not to report any Excise Tax on his federal income tax return.

(B) If a Gross-Up Payment is determined to be payable, it shall be paid to the Executive within twenty (20) days after the Determination (and all accompanying calculations and other material supporting the Determination) is delivered to the Company by the Accounting Firm. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error.

(C) As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("Underpayment"), or that Gross-Up Payments will have been made by the Company which should not have been made ("Overpayments"). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment (together with any interest and penalties payable by the Executive as a result of such Underpayment) shall be promptly paid by the Company to or for the benefit of the Executive.

(D) In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment, provided, however, that (i) the Executive shall not in any event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that he has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of Section

9(f)(i), which is to make the Executive whole, on an after-tax basis, from the application of the Excise Taxes, it being acknowledged and understood that the correction of an Overpayment may result in the Executive repaying to the Company an amount which is less than the Overpayment.

(E) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service relating to the possible application of the Excise Tax under Section 4999 of the Code to any of the payments and amounts referred to herein and shall afford the Company, at its expense, the opportunity to control the defense of such claim.

10. Non-Competition/Confidentiality. (a) The Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees as follows:

(a) During the Employment Term and for a period of one (1) year following the earlier of (i) the expiration of the Employment Term and (ii) the date the Executive ceases to be employed by the Company (the "Restricted Period"), the Executive will not directly or indirectly, (A) engage in any "Competitive Business" (as defined below) for the Executive's own account, (B) enter the employ of, or render any services to, any person engaged in a Competitive Business, (C) acquire a financial interest in, or otherwise become actively involved with, any person engaged in a Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (D) interfere with business relationships (whether formed before or after the date of the Agreement) between the Company and customers or suppliers of the Company. For purposes of this Agreement Competitive Business shall mean (i) any national securities exchange registered with the Securities and Exchange Commission, (ii) Electronic Communications Network or (iii) any other entity that engages in substantially the same business as the Company.

(b) Notwithstanding anything to the contrary in the Agreement, the Executive may, directly or indirectly own, solely as an investment, securities of any person engaged in the business of the Company which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 5% or more of any class of securities of such person.

(c) During the Restricted Period, the Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company any consultant or employee then under contract or employed by or with the Company.

(d) The Executive hereby agrees that he will comply with the Company's general policies regarding confidentiality. Without in any way limiting the foregoing sentence, the Executive further agrees that he will not, at any time during or after the Employment Term, make use of or divulge to any other person, firm or corporation any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Company, which he may have learned in connection with his employment. For purposes of this Agreement, a "trade or business secret, process, method or means, or any other confidential information" shall mean and include written information treated as confidential or as a trade secret by the Company. The Executive's obligation under this Section 10(d) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of the Executive; (iii) is known to the Executive prior to his receipt of such information from the Company, as evidenced by written records of the Executive or (iv) is hereafter disclosed to the Executive by a third party not under an obligation of confidence to the Company. The Executive agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Board, any document or other object containing or reflecting any such confidential information. The Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Company. Except as specifically authorized by the Board upon termination of his employment hereunder, the Executive shall forthwith deliver to the Company all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents (whether or not electronically or digitally produced) or property made or held by him or under his control in relation to the business or affairs of the Company, and no copy of any such confidential information shall be retained by him.

(e) It is expressly understood and agreed that although the Executive and the Company consider the restrictions contained in this Section 10 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against the Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in the Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

11. Nondisparagement. The Executive agrees (whether during or after the Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its shareholders unless giving truthful testimony under subpoena.

12. Specific Performance. The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 10 or Section 11 would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then he available.

13. Miscellaneous.

(a) Acceptance. The Executive hereby represents that his performance and execution of the Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement.

(b) Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law provisions.

(c) Entire Agreement/Amendments. The Agreement contains the entire understanding of the parties with respect to the employment of the Executive by the Company and any and all employment agreement previously entered into shall be null and void. There are no restrictions, agreements, promises, warranties, covenants or by and between the Company and the Executive undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. The Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(d) No Waiver. The failure of a party to insist upon strict adherence to any term of the Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of the Agreement.

(e) Severability. In the event that any one or more of the provisions of the Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of the Agreement shall not be affected thereby.

(f) Successor/Assignment. The Agreement is confidential and personal and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transerable whether by pledge, creation of a security interest or otherwise, other than a transfer by your will or by the laws of descent distribution. In the event of any attempted assignment or transfer contrary to this paragraph, the Company shall have no liability to pay the assignee or transferee any amount so attempted to be assigned or transferred. The Agreement shall be binding upon any successor of the Company, its assets, or its business, subsidiaries, affiliates (whether direct or indirect, by purchase, merger, consolidation or otherwise). In the event that any successor fails to agree in writing to assume this Agreement prior to the effective date of such event, then all entitlements in this Agreement cash or otherwise shall be immediately payable in full by the Company at such time of event notwithstanding any other provisions in this Agreement to the contrary.

(g) Notice. For the purpose of the Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the execution page of the Agreement, provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

(h) Withholding Taxes. The Company may withhold from any amounts payable under the Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(i) Counterparts. The Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed the Agreement as of the day and year first above written.

EXECUTIVE

/s/ Richard G. Ketchum

Richard G. Ketchum

THE NASDAQ STOCK MARKET INC.

By: /s/ Frank Zarl

Frank Zarl

/s/ Todd A. Robinson

Todd A. Robinson
Chairman, Management Compensation Committee

Schedule A

Board of Directors and Board of Advisors Membership
Richard G. Ketchum
None

CONFIDENTIAL
EXECUTION COPY

THE NASDAQ STOCK MARKET, INC.

EMPLOYMENT AGREEMENT

WITH

Hardwick Simmons

THIS AGREEMENT (the "Agreement") made and entered into as indicated below, by and between The Nasdaq Stock Market, Inc., a corporation created and existing under and by virtue of the laws of the State of Delaware, with its offices at 1735 K Street, N.W., Washington, DC 20006, hereinafter called "Nasdaq" and Hardwick Simmons, hereinafter called "Simmons."

WITNESSETH:

WHEREAS, Nasdaq desires to have the benefits of Simmons' knowledge and experience as its Chief Executive Officer, and Simmons desires such employment with Nasdaq, commencing February 1, 2001 (the "Effective Date").

NOW, THEREFORE, in consideration of the promises, of the sum of One Dollar ($1.00) by each of the parties in hand to the other paid, and of the mutual covenants set forth below, Nasdaq and Simmons do hereby agree, each with the other, that the following shall constitute the employment agreement covering Simmons:

1. From and after the Effective Date, until this Agreement expires or is terminated as hereinafter provided, Nasdaq shall employ Simmons as its Chief Executive Officer, and Simmons shall serve as an employee of Nasdaq in such capacity. During the period of his employment hereunder, Simmons shall perform the usual duties to be performed by one holding the offices of Chief Executive Officer, and Simmons shall perform such other management duties and responsibilities reasonably related to such offices as may be assigned to him from time to time by the Board of Directors of Nasdaq (the "Board").

2. During the Term, Simmons shall devote his full time and best efforts to his duties hereunder during the period of his employment under this Agreement; provided, however, that nothing in this Agreement shall preclude Simmons from (i) engaging in personal activities involving charitable, community, educational, religious, and similar organizations, speaking engagements, and similar activities and (ii) managing his personal investments and affairs, to the extent that such activities are not in any manner inconsistent with or in conflict with the performance of Simmons' duties under this Agreement and (iii) continuing to serve as a member of the Boards of Directors or Boards of Advisors of the entities described on Schedule A hereto. Pursuant to the Nasdaq Code of Conduct, Simmons will be required to: (i) disclose to the Audit Committee the names of the Boards of Directors for which he is currently a member and (ii) obtain prior approval from the Audit Committee for service as a new director of a publicly traded company. Simmons agrees to accept the final Audit Committee decision on the suitability of all present and future directorships as binding.

3. During the Term (as hereinafter defined), Nasdaq shall pay Simmons for his services hereunder an annual base salary of $750,000 ("Base Salary"), which shall be payable during the year on the same schedule as all other Nasdaq employees. Base Salary shall be reviewed annually by the Management Compensation Committee of the Board (the "Compensation Committee").

(a) In addition, Nasdaq shall pay annually Simmons such incentive compensation (hereinafter the "Incentive Compensation") as the Compensation Committee may award in its discretion, with a guarantee of $1,750,000 for the first year of employment. Incentive Compensation for the second and third years of the Agreement shall be no less than 100% of Base Salary as of December 31 of the preceding year. Incentive Compensation shall be pro rated for any employment during any calendar year of less than twelve months (determined by the ratio that the number of days for which Simmons was employed in any calendar year bears to 365). Incentive Compensation for each calendar year shall be paid at the same time as Nasdaq pays Incentive Compensation awards to other executives, but in no case later than March 1 of each calendar year with respect to the prior calendar year, provided, however, that if the Term shall end prior to June 30 of any calendar year, such Incentive Compensation for the calendar year in which the Term ends shall be paid within 60 days of the last day of employment.

4. This Agreement shall continue in effect for three (3) years from the Effective Date, which period shall hereinafter be referred to as the "Term," subject to earlier termination in one of the following ways:

(a) This Agreement shall terminate automatically upon Simmons' death, or upon his being adjudicated incompetent by a court of competent jurisdiction, or upon Simmons' becoming "Permanently Disabled". For purposes of this Agreement, "Permanently Disabled" shall mean the inability of Simmons to perform substantially all of his duties in the manner required hereunder whether by reason of illness or injury or otherwise (whether physical or mental) incapacitating Simmons for a continuous period exceeding 120 days. Such Permanent Disability shall be

certified by a physician chosen by Nasdaq and reasonably acceptable to Simmons (if he is then able to exercise sound judgement).

(b) Simmons may terminate this Agreement for "Good Reason" as defined in this Section 4(b), upon not less than thirty (30) days written notice to Nasdaq. For purposes of this Agreement "Good Reason" shall mean Nasdaq (i) reducing his position, duties, or authority, (ii) failing to secure the agreement of any successor entity to Nasdaq that Simmons shall continue in this position without reduction in position, duties or authority, or (iii) committing any other material breach of this Agreement which is not remedied by Nasdaq (if capable of remedy) within thirty (30) days after receiving notice thereof from Simmons.

(c) Nasdaq may terminate the Agreement for "Cause." Cause shall mean:

(1) Simmons' conviction of, or pleading nolo contendere to, a felony;

(2) Simmons' conviction of, or pleading nolo contendere to, any crime, whether a felony or misdemeanor, involving the purchase or sale of any security, mail or wire fraud, theft, an embezzlement, or moral turpitude or Nasdaq property;

(3) Simmons' gross neglect of his duties hereunder; or

(4) Simmons' willful misconduct in connection with the performance of his duties hereunder or other material breach by Simmons of this Agreement;

provided however that Simmons shall not be deemed to have been terminated for Cause unless (i) reasonable notice has been delivered to him setting forth the reasons for Nasdaq's intention to terminate him for Cause, and (ii) a period of thirty (30) days has elapsed since delivery of such notice during which Simmons was afforded an opportunity to cure, if capable of cure, the reasons for the Nasdaq's intention to terminate him for Cause.

5. (a) The Term of this Agreement may be extended by written agreement of Simmons and Nasdaq.

(b) Notwithstanding the foregoing, Simmons shall relinquish his duties or position of Chief Executive Officer of Nasdaq if, his successor being duly appointed, Nasdaq and Simmons mutually determine that such relinquishment may facilitate his successor's transition to such office: however, neither such relinquishment nor Simmons' relinquishment of his duties as Chief Executive Officer of Nasdaq shall be considered a termination of the Term, nor shall such relinquishment be considered Good Reason for purposes of this Agreement, and shall have no effect on Nasdaq's obligation to continue to pay and provide Simmons the compensation and benefits otherwise provided for in this Agreement for the remainder of the Term. Simmons agrees to make himself available for the balance of the Term upon reasonable notice to provide consulting services to Nasdaq on matters relating to the nature and scope of his duties prior to relinquishment of his duties or positions pursuant to this Paragraph 5.

6. End of the Term.

Upon expiration of the Term, Simmons shall be entitled to receive a supplemental retirement benefit from Nasdaq equal to the present value of (i) the benefit he would have accrued under the NASD Supplemental Executive Retirement Plan (the "NASD Retirement Plan") during the Term if the full amount of his compensation under Paragraph 3 were taken into account as compensation under the NASD Retirement Plan (if the limitations on benefits otherwise applicable under the NASD Retirement Plan by reason of Section 415 of the Internal Revenue Code were disregarded) and if the vesting provisions of the NASD Retirement Plan were disregarded; less (ii) any vested benefit he actually accrued under the NASD Retirement Plan during the Term. Determination of the present value of such supplemental retirement benefit shall be made using the actuarial assumptions then applicable for determining lump sum distribution under the NASD Retirement Plan (as if such supplemental retirement benefit were paid under the NASD Retirement Plan). Nasdaq shall pay such supplemental retirement benefit to Simmons in a lump sum within fifteen (15) days after the expiration of the Term or at such other time as provided in Paragraph 7 or 8. Except as otherwise provided in Paragraph 7 or 8, Simmons shall not be entitled to receive any supplemental retirement benefit under this Paragraph 6 if his employment with Nasdaq terminates prior to his completion of the Term (without regard to any extension entered into pursuant to Section 4 hereof).

7. (a) Termination on Account of Death.

If this Agreement is terminated under Paragraph 4(a) by reason of Simmons' death, Simmons' surviving spouse or Simmons' estate (if there is no surviving spouse) shall be entitled to receive from Nasdaq at such time: (i) his Base Salary through the date of death; (ii) a pro-rata portion of the minimum Incentive Compensation amount described in Paragraph 3(a) through the date of death (determined as set forth in Paragraph 3(a)); (iii) the supplemental retirement benefit described in Paragraph 6 accrued to the date of death (taking into account the provisions of the NASD Retirement Plan applicable to a participant's death but disregarding any portion of the Term following the date of Simmons' death); and (iv) those benefits which Simmons is entitled to receive under the terms of Nasdaq's employee benefit plans and arrangements.

(b) Termination on Account of Permanent Disability

If this Agreement is terminated under Paragraph 4(a) by reason of Simmons' Permanent Disability, Simmons shall be entitled to receive from Nasdaq at such time: (i) his Base Salary to the date of termination; (ii) a pro-rata portion of the minimum Incentive Compensation amount described in Paragraph 3(a) to the date of termination (determined as set forth in Paragraph 3(a)); (iii) the supplemental retirement benefit described in Paragraph 6 accrued to the date of termination (taking into account the provisions of the NASD Retirement Plan applicable to a participant's Permanent Disability but disregarding any portion of the Term following the date of Simmons' termination); and (iv) those benefits which Simmons is entitled to receive under the terms of Nasdaq's employee benefit plans and arrangements.

8. (a) Termination by Simmons for Good Reason or by Nasdaq without Cause.

If this Agreement is terminated by Simmons for Good Reason under Paragraph 4(b), or if this Agreement is terminated by Nasdaq other than on account of Cause, death, or Permanent Disability, Simmons shall be entitled to receive from Nasdaq: (i) his annual Base Salary and the minimum Incentive Compensation amount described in Paragraph 3, expressed as a monthly amount multiplied by the remaining number of full or partial months in the Term; (ii) the supplemental retirement benefit described in Paragraph 6 to which Simmons would have been entitled if he had completed the Term; and (iii) those benefits which Simmons is entitled to receive under the terms of Nasdaq's employee benefit plans and arrangements. Any payments under this paragraph shall be made at the time such payments would otherwise have been made under this Agreement if Simmons had completed the Term.

(b) Termination by Simmons other than for Good Reason.

If this Agreement is terminated by Simmons other than for Good Reason, Simmons shall be entitled to receive from Nasdaq at such time: (i) his Base Salary to the time of termination; (ii) a pro-rata portion of the minimum Incentive Compensation amount described in Paragraph 3 (determined as set forth in Paragraph 3); and (iii) those benefits which Simmons is entitled to receive under the terms of Nasdaq's employee benefit plans and arrangements.

9. Termination for Cause.

If this Agreement is terminated by Nasdaq for Cause pursuant to Paragraph 4(c), Simmons shall be entitled to receive from Nasdaq at such time: (i) his Base Salary through the date of termination; (ii) a pro-rata portion of the minimum Incentive Compensation amount described in Paragraph 3 (determined as set forth in Paragraph 3); and (iii) those benefits which Simmons is entitled to receive under the terms of Nasdaq's employee benefit plans and arrangements.

10. Extension of the Agreement.

If Simmons and Nasdaq agree to extend the Term of this Agreement pursuant to Paragraph 4, Simmons shall be entitled to receive, with respect to each additional period of his employment under this Agreement, a supplemental retirement benefit from Nasdaq equal to the present value of: (i) the benefit he would have accrued under the NASD Retirement Plan during such period if the full amount of his compensation under Paragraph 3 were taken into account as compensation under the NASD Retirement Plan, if the limitations on benefits otherwise applicable under the NASD Retirement Plan by reason of Section 415 of the Internal Revenue Code were disregarded, and if the vesting provisions of the NASD Retirement Plan were disregarded; less (ii) any vested benefit he actually accrued under the NASD Retirement Plan during such year. Determination of the present value of such supplemental retirement benefit shall be made using the actuarial assumptions then applicable for determining lump sum distributions under the NASD Retirement Plan (as if such supplemental retirement benefit was paid under the NASD Retirement Plan). Nasdaq shall pay such supplemental retirement benefit to Simmons in a lump sum on the last day of the calendar year in which it was accrued or, in the case of the last year for which he is employed under this Agreement, the date on which his employment under this Agreement terminates.

11. Stock Options.

(a) On the Effective Date, Simmons shall be granted pursuant to the The Nasdaq Stock Market, Inc. Equity Compensation Plan (the "Stock Plan") which has been adopted by the Board and may from time to time be amended, an option to purchase 2,000,000 shares of Nasdaq common stock (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of 10 years from the date of grant and an option exercise price equal to the fair market value of Nasdaq common stock on the date of grant. Fair market value shall be determined under the terms of the Stock Plan. Subject to Simmons continued employment with Nasdaq, such option shall become exercisable (vest) with respect to one-third (1/3) of the shares underlying the option on each of the first, second, and third anniversaries of the date of grant. Notwithstanding the foregoing, upon a Change in Control (as defined in the Stock Plan) the terms set forth in the Stock Plan shall apply to such option. Such option shall be subject to all the terms and conditions of the Stock Plan, including, without limitation, any repurchase rights.

Upon any termination of Simmons' employment hereunder prior to the end of the Term by Simmons for Good Reason or by Nasdaq without Cause (and not on account of death or Permanent Disability), such option to the extent not then vested shall fully vest and shall remain exercisable through the expiration of its term.

In the event that Simmons is terminated on account of his death or Permanent Disability, such option to the extent vested shall remain exercisable for a period of 365 days following such termination.

In the event that Simmons is terminated on account of Cause, such option shall immediately expire upon such termination without further consideration to Simmons.

In the event that Simmons' employment hereunder is terminated by Simmons other than for Good Reason or death prior to the end of the Term, such option to the extent vested shall expire ninety (90) days following such termination of employment by Simmons.

In the event that the Term shall end and shall not be renewed pursuant to Paragraphs 4 and 10, such option shall continue through the expiration of its term.

12. In connection with his employment under this Agreement, and to ensure his personal safety, Nasdaq shall reimburse Simmons for the cost of installing a home security system in his permanent residence (if recommended by an independent security study); and provided that such reimbursement shall not exceed $10,000.

13. Upon presentation of appropriate receipts or vouchers in a manner consistent with the expense substantiation policy of Nasdaq generally applicable to its executive officers and in accordance with the provisions of such policy regarding the timing and amount of expense reimbursements, Nasdaq shall reimburse Simmons and his spouse for reasonable business-related expenses incurred in connection with his performance of services under this Agreement and in the interest of Nasdaq's business, including, but not limited to, expenses for such items as entertainment, travel, hotels, meals, dues, admission fees, and house charges of various clubs in New York City, as well as for the travel, hotel, and meals of his spouse on those occasions (including meetings of the Board) when the proper representation of Nasdaq makes it advisable for his spouse to accompany him. In the case of dues and initiation and other fees for private clubs, the amount of reimbursements under this Paragraph shall not exceed $20,000 for any year.

14. Nasdaq shall reimburse Simmons for the annual expense he incurs for personal financial and tax counseling, provided that the amount of such reimbursement for any year shall not exceed $20,000.

15. Nasdaq shall provide Simmons with the use of an automobile and, to ensure his personal safety, a driver trained in personal security (if recommended by an independent security study) with respect to Simmons' performance of services under this Agreement in New York City.

16. The reimbursements and benefits provided under paragraphs 11 through 16 shall include such amounts as may be necessary for Simmons to pay any taxes imposed with respect to such reimbursements or benefits (which amounts shall be paid to Simmons by January 31 of the calendar year following the year following the year in which the expenses were incurred).

17. Nasdaq shall provide Simmons any health, life, or other disability insurance, pension, retirement, savings, or any other benefit plan or arrangement now or hereafter maintained by Nasdaq for its senior executives generally, and Simmons' participation therein shall be in accordance with the provisions thereof generally applicable to such executives. Simmons shall receive at least four (4) weeks of paid vacation per annum.

18. Upon presentation of an invoice, Nasdaq shall reimburse Simmons for any legal fees and expenses incurred in the negotiation of this Agreement, provided that the amount of such reimbursement shall not exceed $20,000.

19. It is understood and agreed that this Agreement shall be binding upon Nasdaq and Simmons and upon the successors or assigns of Nasdaq, and shall inure to the benefit of the heirs, executors and administrators of Simmons.

20. This Agreement shall not be assigned by either Simmons or Nasdaq except that Nasdaq shall have the right to assign its rights hereunder to any successor in interest of Nasdaq, provided that such successor assumes, in writing, all obligations of Nasdaq hereunder. If assigned to any successor of Nasdaq, all references to Nasdaq shall be read to refer to such successor.

21. Except as otherwise expressly provided, this Agreement embodies the entire understanding between Simmons and Nasdaq with respect to the matter covered herein.

22. In case any one of the provisions contained in this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

23. This Agreement may be executed in any number of counterparts, each which shall be deemed an original, and all of which shall constitute one and, the same Agreement.

24. The exclusive procedure for resolution of any dispute under this Agreement shall be by arbitration in the District of Columbia or New York City in accordance with the rules then in effect of the American Arbitration Association (the "AAA"). In the event of any dispute between Simmons and Nasdaq under this Agreement, which is wholly, or partly resolved in Simmons's favor, Nasdaq shall reimburse Simmons for reasonable

legal fees and expenses incurred in connection with such dispute.

25. It is understood and agreed that any notice to either party shall be in writing and shall be sufficiently given if sent to such party by registered or certified mail, postage prepaid, at the residence or business address of such party set forth above. Either party hereto may change the address to which notices shall be sent by written notice of such new or changed address given to the other party hereto.

26. It is understood and agreed that this Agreement may be amended by mutual consent of the parties hereto which must be evidences by a document executed with the same formality as the Agreement.

[remainder of page left intentionally blank]

CONCLUSION

IN WITNESS WHEREOF, the corporate party hereto has caused the Agreement to be duly executed and delivered on the date indicated below, and the individual party hereto has executed and delivered this Agreement on the date indicated below, effective for all purposes as of _____, 2000.

The Nasdaq Stock Market, Inc.

Date: _____ By:_____
Chairman of the Board

Date: _____ By:_____
Chairman of the NASD Management
Compensation Committee

Date: _____ By:_____
Hardwick Simmons

SCHEDULE A

Boards of Directors:

Advisory Boards:

AMENDMENT ONE TO THE
EMPLOYMENT AGREEMENT

This Amendment is hereby entered into by and between The Nasdaq Stock Market, Inc. ("Nasdaq") and Hardwick Simmons ("Simmons") effective as of February 1, 2001.

WITNESSETH

WHEREAS, Nasdaq and Simmons have entered into on December 7, 2000 a certain employment agreement, to be effective as of February 1, 2001 (the "Employment Agreement"), providing for Simmons' employment with Nasdaq; and

WHEREAS, Nasdaq and Simmons desire to amend the Employment Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Paragraph 11 of the Employment Agreement is hereby amended to read in its entirety as follows:

(a) (i) On the Effective Date, Simmons shall be granted pursuant to the Nasdaq Stock Market, Inc. Equity Compensation Plan (the "Stock Plan") which has been adopted by the Board and may from time to time be amended, an option to purchase 1,000,000 shares of Nasdaq common stock (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of ten (10) years from the date of grant and an option exercise price equal to the fair market value of Nasdaq common stock on the date of grant. Fair market value shall be determined under the terms of the Stock Plan. Subject to Simmons' continued employment with Nasdaq, such option shall become exercisable (vest) with respect to one-third (1/3) of the shares underlying such option on each of the first, second, and third anniversaries of the Effective Date.

(ii) Subject to Simmons' continued employment with Nasdaq, on the first anniversary of the Effective Date, Simmons

shall be granted, pursuant to the Stock Plan, an option to purchase 1,000,000 shares of Nasdaq common stock (subject to applicable adjustments pursuant to Section 4(b) of the Stock Plan), with a term of ten (10) years from the date of grant and an option exercise price equal to the fair market value of Nasdaq common stock on the date of grant. Fair market value shall be determined under the terms of the Stock Plan. Subject to Simmons' continued employment with Nasdaq, such option shall become exercisable (vest) with respect to one-third (1/3) of the shares underlying such option on the date of grant and on each of the first and second anniversaries of the date of grant.

(b) Notwithstanding the foregoing upon a Change in Control (as defined in the Stock Plan) the terms set forth in the Stock Plan shall apply to the options granted pursuant to both Paragraphs 1 (a)(i) and 1 (a)(ii) hereof (collectively hereinafter the "Option"). The Option shall be subject to the following terms in addition to all the terms and conditions set forth in the Stock Plan, including without limitation, any repurchase rights:

(i) Upon any termination of Simmons' employment hereunder prior to the end of the Term by Simmons for Good Reason or by Nasdaq without Cause (and not on account of death or Permanent Disability), the Option to the extent not then vested shall fully vest and shall remain exercisable through the expiration of its term.

(ii) In the event that Simmons is terminated on account of his death or Permanent Disability, the Option to the extent vested shall remain exercisable for a period of 365 days following such termination.

(iii) In the event that Simmons is terminated on account of Cause, the Option shall immediately expire upon such termination without further consideration to Simmons.

(iv) In the event that Simmons' employment hereunder is terminated by Simmons other than for Good Reason prior to the end of the Term, the Option to the extent vested shall expire ninety (90) days following such termination of employment by Simmons.

(v) In the event that the Term shall end and shall not be renewed pursuant to Paragraphs 4 and 10, the Option shall continue through the expiration of its term.

2. Except as specially set forth above, all other provisions of the Employment Agreement shall remain unchanged and in full force effect.

[Remainder of the page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of January 31, 2001.

By: /s/ Hardwick Simmons
_____
Hardwick Simmons

THE NASDAQ STOCK MARKET, INC.

By: /s/ Frank Zarb
_____
Frank Zarb

/s/ Todd A. Robinson
_____
Todd A. Robinson
Chairman, Management Compensation

Exhibit 21.1

S U B S I D I A R I E S

1. Nasdaq Tools, Inc. (incorporated in Delaware)

2. Quadsan Enterprises Inc. (incorporated in Delaware)

3. Nasdaq Global Holdings (incorporated in Switzerland)

   - Nasdaq International Ltd (incorporated in United Kingdom)
   - Nasdaq Ltda (incorporated in Brazil)
   - Nasdaq Europe Planning Company Ltd. (incorporated in United Kingdom)
   - Nasdaq Japan, Inc. (incorporated in Japan)
   - Nasdaq Europe SA/NV (incorporated in Belgium)
   - IndigoMarkets Ltd. (incorporated in Bermuda)

4. Nasdaq Investment Product Services Inc. (incorporated in Delaware)

5. Nasdaq International Market Initiatives Inc. (incorporated in Delaware)

6. Nasdaq Educational Foundation Inc. (formed in Delaware)

7. Nasdaq - BIOS R&D Joint Venture (formed in Delaware)