

then owing under the contract; such payments to be made in cash or marked cheque if so demanded. The amount so paid shall be held by the Secretary upon and subject to the following trusts and conditions, viz.:—

- (1) If the amount has been paid by the seller, and before the date fixed for completion of the contract the market price of the shares or stock falls to the contract price, then such amount shall be paid to the seller if demanded:
- (2) If the amount has been paid by the buyer, and before the date fixed for completion the market price of the shares or stock rises to the contract price, then such amount shall be repaid to the buyer if demanded:
- (3) The said amount shall in any case be repaid to the party paying the same at the written request of the other party:
- (4) The said amount shall be repaid to the party paying the same on the Secretary being satisfied that the contract has been completed:
- (5) If the party who has paid such amount shall fail to complete the contract, then the said amount shall be applied in the first place in paying to the other party the amount which the defaulting party is liable to pay to him as hereinafter provided; and the balance (if any) shall be applied, firstly, in paying the brokerage payable to the Chairman as hereinafter mentioned, and, secondly, towards the payment of any fine or fines inflicted upon the defaulter:

Provided always that the seller may, in lieu of paying to the Secretary of the Exchange the difference between the market price and the amount owing under the contract, deposit the shares or stock in manner hereinafter mentioned. When any shares or stock are deposited under the provisions of this rule, such shares or stock shall be deposited with the Secretary of the Stock Exchange, or with such other person or persons as may be mutually agreed upon by the parties to be held by the Secretary, or other person or persons, pending the due completion of the contract. On payment of the amount payable under the contract the shares or stock shall be delivered to the buyer, but if the buyer shall make default in such payment such shares or stock shall be returned to the seller.

In this rule, unless otherwise expressed, the "market price" shall mean the market price of the shares or stock at the time when application is made, or the notice is served as aforesaid, as the case may be. All disputes as to the market price shall be decided by reference to the Chairman of the Exchange, or, in his absence, to any member of the Committee who may be available, and mutually agreed upon, whose decision shall be final, conclusive, and binding on all parties.

If default shall be made by the buyer in complying in manner aforesaid with any such application or notice as aforesaid, or in completing the purchase at the time fixed by the contract, the seller may in either or any such case forthwith, at his option, either cancel the contract or sell out the shares or stock through the Chairman, and the purchaser shall forthwith pay to the seller the difference between the contract price and the net proceeds from the sale.

If default shall be made by the seller in complying with any such application or notice as aforesaid, or in completing the purchase at the time fixed by the contract, the buyer may, in either or any such case forthwith, at his option, either cancel the contract or buy at the risk of the seller through the Chairman, and the seller shall forthwith pay to the buyer the difference between the contract price and the gross amount paid by the buyer. The Chairman shall charge the usual rates of brokerage on all such sales as aforesaid, the amount in each case to be paid by the defaulting party.

DIVIDENDS

99. Transactions in shares shall be with dividend until the day the dividend is payable. When transfers are delivered subsequent to the declaration of a dividend, but prior to the closing of the books of the company, and in sufficient time for the registration of the shares, the seller shall not be responsible for the dividend, and the buyer's claim shall be only upon the registered holder; but when no reasonable time is afforded to the buyer to register the shares in his own name, then the seller shall be responsible for the dividend.

100. Dividends payable between the date of sale and the maturity of time bargains shall accrue to the buyer, and shall be accounted for at the time of settlement of the bargain.

101. Accrued interest on debentures up to and including the day of sale, in addition to the price, shall belong to the seller.

CALLS

102. All calls made prior to time of sale shall be paid by the seller before delivery. Calls made between the date of sale and maturity of time bargains shall be paid by the buyer to the seller at the time of settlement of bargain.

TIME BARGAINS

103. Unless otherwise agreed, neither party to a time bargain shall be entitled to call upon the other party to complete until the day fixed for completion.

104. Time bargains, the day for completion of which shall fall on a Sunday or Exchange holiday, shall not be completed until the business day next following.

NEW SHARES

105. In the event of new shares being created and offered to the shareholders in any company during the currency of a time bargain, or pending delivery of shares in time for the buyer to complete transfer to enable him to secure such new shares himself, the buyer, if desirous of receiving his proportion of such new shares, shall request the seller in writing, accompanied by the necessary funds, to secure them, and the seller, on receipt of such request, shall secure them, but the seller may elect to deliver such documents as will enable the buyer to secure the new shares.

106. When a transaction is in shares on a London register, the responsibility of the seller shall cease if he shall have taken every practicable course to secure the new shares; and, further, the seller shall be relieved of all responsibility if the circumstances place him in no better position than the buyer to secure the new shares, in which case the seller may, on receipt of a written request from the buyer to protect his rights, notify the buyer in writing of such circumstances, and the buyer on receipt of such notification shall protect his own interests.

NON-MEMBERS.—FAILURE TO MEET ENGAGEMENTS

107. Non-members shall pay for all stocks or shares purchased on their account before 2 o'clock on the day following the purchase, unless an agreement be made in writing to the contrary.

108. Should a purchaser, not a member, fail to pay the amount due on his purchase as per Rule 107, either the seller or his broker, or the purchaser's broker, shall be at liberty, at any time thereafter, at his or their option, either to sue such purchaser for breach of contract or to resell the securities in any manner and upon such terms and conditions as he or they may think proper, and to sue for the difference and all loss and expenses consequent upon such resale, whether the same shall be made immediately on such failure to pay as aforesaid or at any time thereafter; and all damages which the seller or his broker, or the purchaser's broker, may sustain thereby shall be recoverable by him or them from the purchasers as and for liquidated damages, and it shall not be necessary to give notice of any such resale.

109. In the event of any person not a member failing to meet any engagement with a member of the Exchange, the members may apply to the Committee to have such person posted as a defaulter. The Committee shall inquire into the case, and if satisfied that such default has been made shall post the said person and announce to the members that he is in default.

110. A member shall not transact business for a non-member who has been announced to the members as a defaulter unless such person shall have made an arrangement with his creditors or creditor satisfactory to the Committee.

MEMBERS BARRED FROM DEALING WITH OTHER MEMBERS' EMPLOYEES

111. A member shall not buy or sell shares for any one employed in another member's office.

DISPUTES

112. In disputes between members with reference to stock and share transactions brought under the consideration of the Committee to adjudicate upon any complaint submitted, their decision shall be final and binding, and shall be carried out forthwith by the member or members concerned.

Unless permission of the Committee has first been obtained, members shall not appeal to any Court of law or equity in any dispute that may arise between them in transactions under these rules, and if such permission is not granted they shall accept the Committee as the sole and final tribunal and arbiter therein.

113. It shall not be incumbent upon the Committee to entertain any complaint submitted to them by any one not a member of the Exchange against a member of it, unless such member shall have been employed by the complainant in the capacity of broker; and in that or any other case in which a non-member desires the intervention of the Committee he shall, previously to the case being heard, pay not less than five guineas, or such other sum as the Committee may determine, to the Secretary, and shall undertake in writing to abide by and forthwith to carry out the decision of the Committee in the same manner as if he were a member of the Exchange; the Committee to have the power to repay the whole or part of the five guineas or such other sum to the complainant.

POWER OF COMMITTEE TO PROCURE INFORMATION RELATIVE TO MATTERS UNDER INVESTIGATION

114. Members and their clerks when required so to do by the Committee shall attend any meeting of the Committee, and then and there shall give such information as may be in their possession relative to any matter under investigation.

115. The Committee shall have full and absolute power, in the event of a complaint being made, which in their opinion justifies such procedure, to call upon any member to produce for their inspection all books, letters, telegrams, or copies thereof, and other documents in his possession relating thereto, and he shall, without delay, produce them for inspection accordingly.