

35. *Meetings*—Meetings of the executive shall be held at such time and place and upon such notice to its members as the President may from time to time appoint or determine.

36. *Chairman*—(i) The President shall be chairman of the executive.

(ii) The President may in his discretion appoint the Vice-President to act as his substitute at any meeting of the executive, and to act as chairman thereof.

(iii) If the President shall not be present at any meeting of the executive and the Vice-President shall not have been appointed as aforesaid and be present at such meeting, then the members of the executive present shall elect a chairman from their number.

37. *Voting*—(i) Each member of the executive shall have one vote. Subject to the provisions of paragraph (ii) hereof no resolution shall be valid except with the assent of the majority of the members of the executive whether present at the meeting or not.

(ii) Where the number of members of the executive is even, all members of the executive vote on a resolution and an equality of votes results the President shall have a second or casting vote. In such cases the matter shall be determined by the majority of the votes cast.

(iii) No quorum shall be necessary for a meeting of the executive.

38. *Procedure in Lieu of Meetings*—(i) The executive may, in lieu of meeting to transact business, transact business by letter, by telegram, or by telephone, provided that all business of the executive so transacted shall be of no effect unless and until the business so transacted is minuted by the secretary and certified by a member of the executive as being agreed to by a majority of the members of the executive or (in circumstances to which rule 37 (ii) would apply if a meeting had been held) as being agreed to by a majority vote.

(ii) Business so transacted, minuted, and certified as aforesaid shall have the effect of a resolution passed at a duly called meeting of the executive.

(iii) It shall be the duty of the secretary as soon as he can conveniently do so after the certification of any such minute to forward a copy thereof to each member of the executive.

EXCHANGES

39. *Management of Exchanges*—Except as otherwise provided in these rules and regulations each exchange shall manage its own local affairs, and adjust differences between its own members.

40. *Financial Year*—The financial year of an exchange shall end on 31 October and its annual meeting shall be held not later than the month of January following.

41. *Restriction on Offices*—A member or a country member and any firm or partnership to which such member or country member belongs shall have one place of business only; provided always that a member or country member who, prior to the 24th day of November 1937, regularly carried on, either as an individual or as a member of a firm or partnership, a branch office or offices, shall be entitled to continue such branch office or offices if the partner in charge of each branch office is a duly elected member or country member of a metropolitan exchange.

42. *Limited Liability Companies*—(i) No exchange shall admit a limited liability company to membership.

(ii) No member shall as a director or other officer of a limited liability company enter into a sharebroking or underwriting (but excluding subunderwriting) contract on behalf of such company provided that nothing in this rule shall prohibit a member from executing a bona fide order to buy or sell for or on behalf of a client which is a limited liability company (whether or not such member is a director or other officer of that company), provided such member accepts personal liability on the contract entered into by him.

43. *Prohibition Against Association With Other Groups, etc., and Membership of Other Exchanges*—No member of an exchange shall be or continue to be a member of any other exchange nor shall any member of an exchange be a member of or in any way associated with any group or association of persons whether incorporated or not who are associated for the purpose of carrying out in New Zealand the objects or any part thereof of this Association or for the controlling or regulating the sale of stocks, shares, or debentures in New Zealand or for the control or regulation of persons carrying on such business.

44. *Investment Trust Companies*—No member of an exchange or partner or servant of such member shall engage or be concerned directly or indirectly in the flotation, control, or management of any investment trust company, investment club, or similar concern which includes in its objects the buying or selling of stocks or shares or debentures whether the same are listed on the exchanges or not, without the consent of the exchange of which he is a member. No member of an exchange or partner or servant of any member shall act or accept office as a director, secretary, auditor, or servant of any investment trust company, investment club, or similar concern as aforesaid without the consent of the exchange of which he is a member, which consent can at any time be withdrawn, provided that nothing in this rule shall prohibit a member from executing a bona fide order to buy or sell for or on behalf of an investment trust company or investment club.

45. *Members' Employees*—No member of an exchange shall buy or sell securities for an employee of any other member of an exchange.

46. *Sale by Tender or Auction*—No member shall tender for or attend auctions to bid directly or indirectly for stocks,

debentures, bonds, or shares of any description, except in each instance as may be permitted by his local committee and of the local committee of the exchange in whose area the auction or sale is being held.

COUNTRY MEMBERS

47. *Election of Country Members*—Any licensed sharebroker carrying on business at a distance of not less than 20 miles from an exchange may by payment of an entrance fee of £10 10s. or such other sum as may from time to time be fixed by the committee be elected a country member of the metropolitan exchange nearest his place of business. The annual subscription of a country member shall be such sum as shall from time to time be fixed by the exchange of which he is elected a country member. The Invercargill Stock Exchange shall be deemed to be a metropolitan exchange for the purpose of this rule but it shall not thereby become entitled to admit to country or other membership any licensed sharebroker carrying on business in the town of Gore.

48. *Rights of Country Member*—Country members may do business with any member of any exchange but shall not be eligible to attend any "calls" or meetings of an exchange except as guests.

49. *Country Members Deemed to be Members*—Except for purposes of rules 4, 13, 14, 23, and 24 a country member shall be deemed to be a member of the exchange to which he has been elected and he shall acknowledge in writing that he will be bound by the rules of that exchange.

50. *Annual Re-election of Country Members*—A country member must apply annually for re-election to his exchange.

COMPLAINTS, CHARGES, AND DISPUTES

51. (i) *When May be Made*—A complaint or charge may be made in respect of any alleged breach of these rules or in respect of any alleged professional misconduct or in respect of any act, matter, or thing alleged to be detrimental to the well-being or proper conduct of the Association or exchanges generally.

(ii) *Who May Make*—A complaint or charge as aforesaid may be made by any exchange, by any member or (subject to the provisions of rule 68) by any non-member.

52. *Hearing—Member*—(i) A complaint or charge against a member shall be heard in the first instance by the local committee of his exchange unless such local committee is of the opinion that any particular complaint or charge should be heard by the committee of the Association in which case the local committee shall immediately refer such complaint or charge to the committee.

(ii) In any case where a complaint or charge is heard by a local committee the member concerned shall be entitled to appeal to the committee of the Association against the decision of his local committee.

(iii) In any case where a complaint or charge against a member in respect of any alleged breach of a rule of his exchange is heard by his local committee the member concerned shall be similarly entitled to appeal to the committee of the Association against the decision of his local committee.

(iv) Every appeal shall be lodged with the secretary of the Association within 10 days of the member concerned being notified of the decision of the local committee.

53. *Hearing—Exchange*—A complaint or charge against an exchange shall be heard by the committee of the Association.

54. *Procedure*—The committee or local committee as the case may be shall give 10 days' notice in writing (or such lesser time as may be agreed upon by the parties concerned) to the exchange or member against whom a complaint or charge has been made specifying the nature of such complaint or charge and the date, place, and time of the special meeting called to consider the matter. At such meeting the exchange or member concerned shall be given a reasonable opportunity of being heard. Except as otherwise provided in these rules the committee or local committee as the case may be shall be entitled to regulate its own procedure for the conduct of the hearing of any complaint or charge.

55. *Procedure*—The committee or a local committee as the case may be by notice in writing signed by its chairman or secretary may require any person to attend and give evidence before it at the hearing of a complaint or charge and to produce for inspection all books, letters, telegrams (or certified copies thereof), and other documents in his possession or under his control relating to such complaint or charge.

56. *Quorum of Committee*—Notwithstanding the provisions of rules 20 and 23 the quorum for a meeting of the committee called to hear a complaint or charge or dispute shall be three members personally present and each such member shall have one vote only. In the case of an equality of votes the chairman shall have a second or casting vote.

57. *Report by Local Committee*—In any case where a local committee deals with a complaint or charge pursuant to rule 52 it shall forward to the secretary of the Association a report of the hearing and the decision of the local committee which shall state the penalty (if any) imposed.

58. *Appeal Procedure*—The committee may adopt such procedure as it deems fit for the conduct of an appeal from the decision of a local committee, provided however, that the appellant shall have the right to require that the appeal shall be dealt with by way of a complete rehearing of the complaint or charge.

59. *Disputes*—All disputes between members of the same exchange shall be referred to the committee of that exchange for determination.