

To Buyers—The brokerage shall be at the rates prescribed in paragraphs (d), (e), and (f) above calculated on the purchase price of the rights plus the amount required to be paid to the company to convert the rights into transferable shares.

(ii) In any case in which brokerage calculated in accordance with the provisions of section (i) of this rule is less than 5s. then a brokerage of 5s. may be charged.

(iii) The rates prescribed in sections (i) and (ii) of this rule shall in all cases be charged to both buyer and seller.

(iv) Notwithstanding the provisions of the preceding sections of this rule it shall be competent for the executive from time to time to increase, reduce, or waive payment of rates of brokerage therein prescribed in respect of any transactions undertaken for and on behalf of the Treasury Department of the New Zealand Government.

(v) Subject to the provisions of rule 121 (ii) and subject to the laws of the country wherein is situated the register of the company upon which the shares are registered all stamp duty and transfer fees shall be paid by the purchaser.

86. *Accrued Interest*—Accrued interest shall not be taken into account on the sale of Government or local body securities or bonds, debentures, or debenture stock, but shall be included in the sale price.

87. *Special Charges*—A special charge in excess of the above rates may be made according to the circumstances of the case for the negotiation of new flotations and of issues of new or reserve shares or of shares or securities not on the official list or with the approval of the committee of the member's exchange for organising the marketing of existing shares in companies, the shares of which are not on the official list (in which case the vendor or issuing company alone is to be charged): Provided that in special circumstances not covered by the foregoing rules, such as the sale of an undertaking or the majority holding thereof, or the rendering of a service within the scope of sharebroking business but not necessarily involving the sale or valuation of shares the committee of an exchange may approve the charging of a fee which in their opinion is reasonable in the circumstances.

88. *Forbidding Business. Higher Rate*—The committee may by resolution notify exchanges forbidding business on any terms by all members with a particular person, firm, or company, or in some particular share, stock, or debentures, should they deem such action to be for the general good, or may, on the request of any exchange, impose a higher rate of brokerage than prescribed in rule 85 on any such shares, stock, or debentures, and such rate shall be binding upon members of all exchanges in the same manner as if it formed part of rule 85.

89. *Dividing Commissions*—No member shall divide any commission earned as broker except with a member or with a member of a recognised stock exchange out of New Zealand save in the case of new issues of stocks and debentures being other than new issues or conversions by the New Zealand Government or by any local body in New Zealand. Nothing in this rule shall be construed to permit a member to reduce his commission to the person from whom he earns that commission.

90. *Exchange*—Exchange on transactions between brokers shall be paid by the selling broker, except for exchange on transactions in Government bonds, inscribed stock, or local body debentures, which exchange shall be paid as to one-half thereof by the selling broker and as to the remaining half thereof by the buying broker.

91. *Broker Doing Business With Another Broker*—No member shall do business for or with any broker or other person (other than a member of an exchange or a recognised stock exchange out of New Zealand) at net prices or at less than the rates of commission specified in rule 85.

92. *Broker Doing Business With Another Broker*—No member shall do business for or with any member of a stock exchange outside New Zealand who either alone or in partnership with any other person or through an agent or employee has or acquires a place of business in New Zealand or who in any way carries on business in New Zealand.

93. *Valuation Fees*—The following scale of fees shall be adopted by all members for valuation of stocks and shares:

- (i) On New Zealand Government loans: 5s. 3d. for every £500 of value or part thereof up to £5,000 and thereafter 10s. 6d. for each £5,000 or part thereof with a minimum fee of 10s. 6d. in this section.
- (ii) On listed stocks and shares (including New Zealand local body, listed overseas Government, and all other listed bonds and debentures): 10s. 6d. for each £500 of value or part thereof up to £5,000 and £1 1s. for each succeeding £5,000 or part thereof.
- (iii) On unlisted stocks and shares: £1 1s. for each £500 of value or part thereof up to £5,000 and thereafter £2 2s. for each succeeding £5,000 or part thereof.

Provided that the chairman of an exchange may authorise a member of such exchange to make a greater or lesser charge should circumstances in his opinion warrant such action.

In cases in which a valuation includes securities of more than one of the classes (i), (ii), and (iii) the fees payable in respect of each class of security shall be calculated separately, and the total fee shall be the aggregate thereof.

94. *Member Not to Charge Rates Other Than Those Fixed*—No rates other than those fixed in these rules shall be charged and it shall not be allowable under any circumstances whatever to pay any agent not a member of an exchange a

remuneration of any kind for introducing business except in respect of new flotations or of applications for new issue of shares, bonds, stocks, or debentures being other than new issues or conversions by the New Zealand Government or any local body in New Zealand as provided in these rules.

95. A member may not act as a principal nor adopt any other procedure for the purpose of evading these rules.

CABLES AND TELEGRAMS

96. *Telegram in Acceptance of Offer*—Where a member makes an offer by ordinary telegram and no time limit is therein stated such offer shall not be deemed to be accepted unless acceptance by telegram is lodged in the telegraph office before 5 p.m. upon the day of dispatch of such offer.

97. *Urgent Telegram*—Where a member makes an offer by an urgent telegram and no time limit is therein stated such offer shall not be deemed to be accepted unless acceptance by urgent telegram is lodged in the telegraph office within three hours of the dispatch of such offer.

98. *Interpretation of Offer*—Save where from the telegram the contrary appears an offer by telegram shall be deemed to be an offer to deal in the full amount stated and also an offer to deal in amounts less than the full amount stated but only in marketable parcels as set out in rule 111 provided always that where only part of the number or amount has been dealt with the sender of the telegram shall not be left to deal with a number or amount which is less than a marketable parcel.

99. *Mutilated Telegrams*—The sender of a telegram shall be responsible for the same in the form in which it is received save in the case where the committee is of the opinion that the telegram appeared on its face to be in such form by reason of mutilation or otherwise that the receiver thereof was not justified in acting thereon.

CONTRACTS

100. *Brokers and Principals*—In contracts between members for the sale and purchase of shares and stocks they shall be held to be principals to each other, unless a written arrangement to the contrary be made between buying and selling brokers at the time the contract is made.

101. *Contract Notes to Pass*—Contract notes for all transactions shall be passed between members and shall be prima facie evidence that the transaction has taken place and of the terms thereof. Where a broker receives a contract note the terms whereof he does not accept as correct it is the duty of such broker to return the same to the broker drawing such contract note. Where a broker receives a contract note and does not return the same within 24 hours of receipt thereof he shall be deemed to have accepted the correctness of the same. Where return is to be made to a broker carrying on business in the same town return is constituted for the purpose of this rule by actual delivery at the office of the broker to whom the note is to be returned and where the broker to whom the note is to be returned carries on business at a distance then by posting the note at a post office. Where the time for returning a contract note expires at a time when the exchange of the broker returning is closed it shall be in compliance with this rule if return is made before noon on the day next upon which his exchange is open.

102. *Refusal to Register Not to Invalidate*—The refusal of the Board of Directors of any company to register a transfer shall not invalidate a sale.

DIVIDENDS

103. *Unpaid Dividend—Protection of Buyer*—Where a dividend is declared to which the buyer is entitled it shall be the duty of both brokers concerned to take all reasonable and proper steps to secure that the dividend so declared shall be paid to the buyer, but no broker shall be liable to any other broker for the amount of any such dividend save in the case of a broker who has failed to take reasonable and proper steps for the protection of his client or of the other broker concerned: Where a transfer of shares, stock, units, bonds, registered notes, or Government securities is delivered, on or after the "ex dividend" date as advised by the Association the amount of the interest as announced or dividend as recommended shall be deducted from the amount payable on settlement by the buyer. For the purposes of this rule delivery shall be deemed to be made at the time the selling broker hands the document to the buyer or to the post office or to a banker or other agent for delivery.

104. *Dividends on Time Bargains*—Dividends payable between the date of sale and the maturity of time bargains shall belong to the buyer and shall be accounted for at the time of settlement of the bargain.

CALLS ON SHARES

105. (i) All calls made prior to time of sale shall be paid by the seller to the company before delivery.

(ii) Calls made between the date of sale and delivery shall also be paid by the seller to the company but the seller shall be entitled to be reimbursed by the buyer at the time of settlement.

(iii) Notwithstanding the provisions of (i) and (ii) hereof if the balance owing in respect of a share shall not be subject to being paid on the making of a call or calls but shall be payable by stated instalments on fixed or determinable dates, then each such instalment for the purposes of this rule shall be deemed to be a call made 14 days prior to the date fixed or determinable for the payment of that instalment.