

have the specific or general authority of the members. All moneys received shall be paid into a bank account and payments shall be made by cheques drawn on such account.

36. Cheques drawn on or against any funds of the Exchange shall be signed by any two of the following four persons—the Chairman, the Vice-Chairman, the Secretary, and such fourth person as may be specially appointed by the Committee for the purpose.

37. The Committee shall invest the funds of the Exchange in such securities or other forms of investment as the Committee may in their absolute discretion from time to time deem advisable whether or not such securities or investments are authorised by law for the investment of trust funds. In particular the Committee may invest funds of the Exchange in the purchase of freehold or leasehold interests in land for the purpose of providing a building or rooms for the carrying out of activities of the Exchange or for such other purpose as the members may authorise. Securities or other property of the Exchange may be held in the name of the Exchange or on behalf of the Exchange by a trustee company or other trustees as the Committee may from time to time appoint. The Committee if specifically authorised by a special resolution of members may pledge, charge, or mortgage all or any of the assets of the Exchange upon such terms and for such purposes as the Committee decides.

38. The Exchange may at any time, with the sanction of a special resolution of members divide amongst its members any part of its assets not exceeding in amount or value the excess of the total assets of the Exchange over its liabilities. If the Exchange so decides, it may retain sufficient of the cash or other assets out of the share of any member upon any such distribution to pay or satisfy (so far as the same will extend) any moneys payable or owing by that member to the Exchange or to any member, and the cash and other assets retained shall be applied towards payment of the moneys so owing accordingly.

Entrance Fee

39. An entrance fee of such sum as the Exchange may from time to time determine in general meeting shall be paid by a candidate for membership prior to any ballot being taken upon his application. The entrance fee of a candidate who is, or has been within 3 calendar months of his application for admission to membership, a non-member partner or an authorised clerk in respect of whom at least 24 clerk's fees have been paid, shall be reduced by such sum as the meeting may determine. Any candidate for admission by virtue of the purchase of a membership interest shall not be required to pay an entrance fee but in lieu thereof shall pay the transfer fee provided in rule 58. In addition to payment on the entrance fee a candidate other than one by virtue of purchase of a membership interest, shall at the same time pay such sum as the Exchange in general meeting shall estimate that the candidate would have been entitled to receive under rule 63 if he had been a member and his resignation had been given and accepted on the date of the receipt by the Secretary of the application for membership. In the event of a candidate not being elected the money paid shall be returned to him. This rule shall not prevent the Exchange reinstating a former member without payment pursuant to any other rule in force relating to reinstatement.

Subscriptions

40. To procure funds for the Exchange the Committee may in its discretion from time to time by resolution make a levy on members and approved partners of such amount per head as it thinks fit. Notice of the making of the levy and the amount thereof shall be placed on the official notice board of the Exchange and a copy of the notice shall be posted to each member or left in his delivery box by the Secretary as soon as practicable. The levy shall become due and payable on the day following the placing of the notice on the notice board and such placing shall be deemed notice to every member and approved partner of the making of the levy. A member shall be liable to the Exchange for payment of any levy or fee due by an approved partner of such member as if the levy or fee was due by the member himself.

The levy on any member or approved partner shall automatically be increased by a penalty of 10 percent if the levy is not paid to the office of the Exchange or sent by post and post-marked on or before the day 1 calendar month after the date of placing of the notice on the notice board, unless the Committee upon written application waives the penalty because of special circumstances.

A new member or approved partner shall be liable to pay the levy last made prior to his election or approval, but in the same financial year, as if he had been a member or approved partner at the date of the notification of the resolution making such levy, and shall be deemed to have received

notice of the levy on the day of his election or approval, as the case may be, provided always that in any such case the Committee may if it considers it equitable so to do, remit the whole or any part of such levy.

41. The Committee shall in respect of each calendar month of the financial year fix a fee (hereinafter referred to as a clerk's fee) to be paid by every member or firm whose authorised clerk has at any time during such month attended an official meeting on his or their behalf for the purpose of making quotations or purchasing or selling shares. The fee for any month shall be fixed either during or at any time before such month and shall become due and payable on the last day of such month.

Notice of the fixing of a clerk's fee shall be deemed to be given to members by placing notice of the resolution fixing the fee on the official notice board of the Exchange. The fixing of the fee shall also be announced at a trading meeting by the presiding officer thereof. Where the employer of an authorised clerk is a firm, the members thereof shall be jointly and severally liable for any clerk's fee payable in respect of such clerk. The Committee may if it thinks it equitable, remit or reduce the amount of the clerk's fee in any particular case.

42. If any levy, approved partner's levy, clerk's fee, or other moneys for which any member is liable to the Exchange shall not be paid within 4 calendar months of the due date thereof, the member shall immediately on the expiration of such period be deemed to be suspended from the privileges of membership, and shall continue so suspended until such levy fee or other money due shall be paid, and if it shall not be paid within 12 calendar months of the due date thereof, he shall, immediately upon the expiration of such period cease to be a member, and his interest in membership shall be forfeited to and become the property of the Exchange.

43. The membership interest of a resigning member, from the date of resignation until the election of his nominee, shall be subject to the same annual subscription as that of existing members during that period unless the members by resolution otherwise direct. A membership interest purchased by the Committee shall not be liable for the annual subscription whilst held by them.

Election of Members

44. Every candidate for admission to membership must be proposed by a member and seconded by another member and his name shall be submitted to the Committee. The Committee shall make inquiries as to the integrity, suitability, and financial standing of the candidate. Upon the Committee being satisfied as to the financial standing of the candidate it shall submit his name for election of the members. Notice of the name of the candidate, his proposer and seconder, and the time and place of the general meeting at which the ballot is to be taken shall be given to members in the manner provided for notices of general meetings not less than 14 days prior to the date of the meeting. Applications for admission to membership, except as otherwise provided, shall be in the following form:

To the Secretary of the Auckland
Stock Exchange

Sir,

I am desirous of being admitted a member of the Auckland Stock Exchange, upon the terms of and under and subject in all respects to its rules and regulations, which now are or hereafter may be for the time being in force.

I have read the rules as at this date, and am willing to sign them when called upon to do so.

I undertake on notification of the total amount fixed by the Exchange for the entrance fee and membership to pay such amount to the Exchange prior to the ballot on my membership.

45. Candidates for membership shall be elected by the members by secret ballot. A voting paper in the form prescribed by the Committee shall be issued to each member present at the meeting at which the ballot is held. Two members appointed by the meeting shall act as scrutineers and shall record the final result of the voting in writing. The scrutineers shall be the final judges of whether any paper is a valid one. No voting by proxy shall be allowed. One adverse vote in every five valid votes recorded shall exclude the candidate from election. No ballot shall be valid unless at least one-half of the members of the Exchange entitled to vote do actually register a vote but a member may mark his voting paper with the words "no vote" in which case he shall be deemed to have registered a vote, but his vote shall not be recorded either in favour of or adverse to the candidate.