

46. Should any ballot prove invalid by reason of an insufficient number of votes being registered another ballot shall be held at a time to be fixed by the Committee not earlier than 14 days and notice of such fresh ballot shall be given in the same manner as notice of the original ballot.

47. No rejected candidate shall be again proposed for election within the space of 6 months after his rejection.

48. Every member immediately on election shall sign the rules as an acknowledgment that he has read them and agrees to be bound by them and until the member has so signed he shall not be entitled to the privileges of membership.

49. Certificates of membership executed under the Official Seal of the Exchange shall be issued by the Committee to members. Every such certificate shall at all times remain the property of the Exchange and the Committee shall be at liberty at any time to call for and compel its production and delivery. Any person ceasing to be a member shall, upon application by the Committee or by the Secretary, return his certificate of Membership for cancellation.

50. Any partnership engaged in sharebroking shall for the purpose of these rules be deemed to be a forbidden partnership unless at least half the partners are members of the Exchange. The Committee shall by written notice require any member who is a partner in a forbidden partnership to dissolve the same, and unless upon the expiration of 3 calendar months from the date of giving such notice or such longer period as the Committee may fix from time to time at least half the partners of such partnership are members of the Exchange, or the partnership has been dissolved, the member receiving such notice shall be deemed to have retired from the Exchange and to be no longer a member.

51. If a member enters into partnership with any person who is not a member of the Exchange then the member shall ensure that within 1 calendar month after the formation of the partnership such new partner of the member is proposed for the approval of the Exchange by a ballot in the manner hereinbefore provided as if such new partner were a candidate for admission to membership. In the event of such partner not being proposed and approved by the Exchange as a non-member partner the member shall dissolve the partnership with the new partner who has not been approved. Failing the dissolution of such partnership within 1 month after the taking of the ballot the member or members remaining in partnership with the partner who has not been approved shall be deemed to have retired from the Exchange, and to be no longer a member or members.

An approved partner shall have the right to attend all trading meetings of the Exchange and to make quotations and purchase or sell shares. He shall be entitled to attend at any general meeting of the Exchange and with the consent of the Chairman of the meeting to speak at the meeting but he shall not be entitled to vote at such meeting. Every rule regulating or relating to transactions between members or between members and non-members, or to the obligations of members to other members or non-members or to the Exchange, as to the conduct, business practice or ethics of members, shall bind a non-member partner as if he were a member.

The members at a general meeting may on the recommendation of the Committee, resolve to withdraw the approval of any non-member partner who has been guilty of conduct which, in the opinion of the Committee, would demand his expulsion if he were a member of the Exchange, and in such case the same consequences shall follow as if such withdrawal were a disapproval of that non-member partner by the Exchange on an original application for his approval.

A non-member partner shall within 7 days of his approval deliver to the Secretary an acknowledgment in writing that he has read the rules of the Exchange and agrees to be bound by such as affect a non-member partner and he shall not be entitled to exercise any rights conferred by these rules until he has signed the acknowledgment.

#### *Rights of Members*

52. The rights and privileges of every member and non-member partner shall be personal to himself and shall not be transferable by operation of law nor by his own act except as provided in these rules.

53. Every member shall have an interest in his membership, but he shall have no power to, and shall not, encumber or assign the same by way of mortgage, and the Exchange shall have a preferential lien thereon for any debt or debts owing by the said member to the Exchange or to any member or members thereof.

#### *Transfer of Membership Interest*

54. Any member may propose a candidate for membership in his stead, provided he has at the time of such proposal lodged with the Secretary the resignation of his own membership. In the event of such candidate being rejected the member may again propose a candidate, until a candidate proposed by him shall be elected. Pending the election of a candidate proposed by him, the member if he so wishes and notifies the Secretary accordingly, may retain his membership and all the privileges thereof until the candidate proposed by him shall be elected whereupon the resignation of the member shall take effect.

55. The resignation of a member shall not take effect until it has been accepted by the Committee except in a case where a candidate nominated by the resigning member has been elected in his place.

56. The executors or administrators of any deceased member shall have the same privilege as that possessed by a resigning member of nominating a candidate, who may be proposed for membership in the place of the deceased member.

57. Upon a request in writing in that behalf by the Committee of any mentally defective member the exchange at a special general meeting may resolve to treat that member as having resigned as from the date of receipt of such request and thereupon the Committee of such mentally defective member shall have the same privilege of nominating a candidate to be proposed for membership in the place of the mentally defective member as the member would have had himself had he himself resigned as a member.

58. On transfer of a membership interest under rules 54 or 56 notification of the same shall be made in the following form:

Sir,

I am (We are) the undersigned ..... do hereby notify you that I (or We) have sole membership interest (or the membership interest of the late ..... ) in the Auckland Stock Exchange to ..... of ..... for the sum of \$..... and that it is my (or our) intention to propose (or have proposed) the said ..... for membership in my stead (or the stead of the said ..... )

I am (We are), etc.

Sir,

Referring to the above notice I, the said ..... have purchased the above membership interest for the sum of \$..... and 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. Enclosed I beg to hand you cheque for \$..... being the amount of transfer fee payable by me.

I am, etc.

59. On a transfer of a membership interest the transferee shall pay to the Exchange a transfer fee which until otherwise fixed by the Exchange in general meeting shall be the sum of \$200. The proposed transferee shall not be eligible for election until the fee is paid but in the event of being rejected for membership the fee so paid shall be returned to him. The Committee may require from any or all of the parties concerned, such evidence as they may deem necessary as to the price paid for the membership interest, and may further require, if they think fit, the whole of the consideration money to be passed through the hands of the Secretary. The Committee in its discretion may remit up to one-half of the transfer fee in the case of a transferee who is or has within 3 months of his application for admission to membership been a non-member partner, or an authorised clerk in respect of whom at least 24 clerks' fees have been paid.

60. The election of any candidate for admission to membership by virtue of his purchase of a membership interest from a member or the executors or administrators of a deceased member, shall not be proceeded with until all claims which the Exchange or any member or members thereof may under these Rules have or have had against the said member or deceased member shall have been satisfied.

61. At any time after the resignation retirement or death of any member who is indebted to the Exchange or to any member or members thereof the Committee may sell and transfer the membership interest of the former member