

taken in the same manner as provided in rule 46 and upon such special terms as to the entrance fee or otherwise as the Exchange may fix in general meeting.

73. The Committee in dividing amongst members who are creditors of a former or deceased member such funds as are available for distribution whether on the sale or forfeiture of a membership interest or otherwise howsoever shall not necessarily distribute the same pro rata but may in their discretion give preference either wholly or in part to claims of recent date over claims of longer standing which were not divulged to the Committee at the time they arose and in any case claims that do not arise from transactions under the rules, shall not be recognised by the Committee until all claims that have arisen from transactions under the rules shall have been satisfied.

Clerks

74. The Committee may at the request of a member or a firm grant permission to a clerk in the service of such member or firm to attend the trading meetings of the Exchange for the purpose of making quotations or purchasing or selling shares on behalf of such member or firm for such other purposes as the Committee fixes from time to time and may at any time of its own accord and shall at the request of such member or firm withdraw or cancel such permission. While such permission subsists, such clerk shall be deemed for the purposes of these rules to be an authorised clerk of the member or firm in whose service he is.

75. An authorised clerk while in attendance at a trading or other meeting shall subject as hereinafter provided in these rules, be deemed to be the agent for all the purposes mentioned in rule 74 of the member or firm in whose service he is and such member or firm shall be responsible for all the transactions of such clerk.

76. A clerk shall not be eligible for admission unless he be at least eighteen (18) years of age.

77. A clerk shall not buy or sell time-bargains or deal except in cash transactions unless he shall have written authority to do so from his employer such authority to be lodged with the Chairman and all his dealings shall be on account of his employer.

78. A member may by a letter addressed to the Secretary withdraw the authority for his clerk to act but his responsibility shall continue until such withdrawal shall have been notified to the members at a trading meeting or by written notice from the Secretary.

Commission

79. The rates of brokerage shall be those fixed or adopted from time to time by the Stock Exchange Association of New Zealand.

Trading Meetings

80. The trading meetings of official call meetings of the Exchange shall be the meetings of members, held at such place and times as the members shall appoint, at which the business shall be to make prices, effect sales, receive and record quotations and to carry on such other businesses as the Committee may authorise from time to time. The quorum for a trading meeting shall consist of representatives of one-quarter of the member firms of the Exchange. Such representative may be a member or an approved partner or an authorised clerk of the member firm. Each member who carries on business individually and each partnership of members or approved partners shall be considered a separate member firm for the purpose of this rule. Trading meetings shall be presided over by the Chairman or in his absence by the Vice-Chairman or should either be absent or not wish to preside then by such Committee member or member or employee of the Exchange as may be appointed from time to time by the Chairman.

81. The Chairman or other presiding officer of a trading meeting in regulating the order and manner in which the business of the meeting is conducted may from time to time give rulings as to the customary practice or usage of the Exchange in relation to maintaining quotations, priority of buyers and sellers, reopening business in a particular stock, and as to all other matters necessary for the orderly and expeditious conduct of the meeting. The ruling of the Chairman or of another presiding officer if confirmed by the Chairman shall be final and shall supersede any previous ruling given on the same point until any other ruling is given by a general meeting of the Exchange.

82. Save as the Committee may otherwise provide by regulation time bargains shall not be made at a trading meeting except at the conclusion of the ordinary business. Unless the Chairman otherwise rules any member may then at the con-

clusion of the meeting name any stock or shares in which he wishes to make a time quotation and such stock or shares shall then be called for time transactions only.

83. If any report of a sale be challenged the Chairman shall as soon as practicable take steps to satisfy himself as to the bona fides of the report by examination of the books, papers, or office records of the member or in such other manner as the Chairman deems appropriate. The Chairman shall report the result of his investigation either to the Committee in the first instance or to a trading meeting or general meeting of the Exchange as he deems appropriate. Any member refusing an inspection of his books, papers, or office records shall have committed a breach of these rules. The refusal shall be reported by the Chairman forthwith to the Committee and the Committee may treat such refusal as evidence of the member being guilty of making a false quotation and engaging in conduct unworthy of a member.

84. The general conduct of trading meetings shall be subject to the control of the Committee which having regard to changes in stockbroking practice may from time to time make and promulgate regulations dealing with the conduct and mode of operation of trading meetings and the business to be transacted at such meetings and such regulations upon adoption by a special resolution of members shall bind all members and a breach of the regulations, if not otherwise dealt with under the rules, shall carry a penalty of up to \$50.

Contracts

85. 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 broker at the time of the contract being made.

Non-members

86. Should the purchaser other than a member fail to pay when due the amount owing by him to a member for shares purchased on his account by the member then the member shall be at liberty at any time thereafter and without any special notice to the non-member to sell such shares through the Chairman or with his authority and all damages or expenses which the member may sustain consequent upon such resale shall be recoverable from the defaulting purchaser. If the member considers special circumstances justify the course he may with the consent of the Chairman or Vice-Chairman, send notice by telegram to the purchaser addressed to his last known address giving notice of the purchase of the shares and the amount due, and failing payment within 48 hours of the dispatch of the telegram the purchaser shall be deemed to have made default in payment of the amount due and the shares may be sold as provided herein.

87. In the event of any person other than a member failing to meet any engagement with a member of the Exchange the member may report such matter to the Committee. The Committee shall inquire into the case and if satisfied that a default has taken place the Committee may notify the name of the defaulter to members in such manner as the Committee deems desirable.

88. It shall not be incumbent upon a Committee to entertain any complaint or charge submitted by a non-member against a member unless such member shall have been employed by the complainant and in that or any other case in which a non-member desires the intervention of the local committee, he shall previously to the case being heard submit a statement in writing of such complaint.

Country Members

89. Any person carrying on business at a distance of not less than 20 miles from the building where the Exchange is for the time being transacting its business but closer to such building than to the similar buildings of any other metropolitan member exchanges of the Association may be elected a country member by the Exchange in the manner hereinafter provided by these rules. A country member shall pay the entrance fee fixed by the committee of the Exchange and also the annual subscription payable in advance to the Exchange. The annual subscription shall be such sum as may be fixed from time to time by resolution of the Exchange. Country members shall have the privilege of doing business with any member of any exchange affiliated to the Association but shall not be entitled to attend the trading or general meetings of the Exchange, except as a guest and shall not be entitled to vote or hold office or take part in the control or management of the Exchange. Such portion of these rules as deal with membership, management, and general meetings of the Exchange, election of members, interest in and transfer of membership, subscriptions and funds of the Exchange, being more particularly rules 3 to 63 both inclusive