

shall not apply to country members unless otherwise specifically stated in any particular rule, but save for any specific exemption granted in the rules a country member shall be subject to and shall sign the rules of the Exchange.

90. Every candidate for country membership shall be proposed by a member and seconded by another member and his name shall be submitted to the Committee with such information as to his integrity, suitability, and financial standing as the Committee may require. The name of the candidate shall thereupon be put forward for election at a general meeting in the same manner as is prescribed in respect to the election of members. At its discretion, in lieu of submitting the name of the candidate to a general meeting, the Committee may give written notice to members, in the same manner as is provided for notices of general meeting, of the intention to accept the applicant for election at the expiration of 14 days from the date of the notice. During the 14 days any member may request that the name of the applicant be put before a general meeting for election, but if no such request is made the Committee may at the expiration of the period of 14 days declare the applicant elected as a country member. No rejected candidate shall be again proposed within 6 months of his rejection. Application for admission to country membership shall be in the following form;

To the Secretary of the Auckland Stock Exchange

Sir,

I am desirous of being admitted as a country member by the Auckland Stock Exchange upon the terms of, 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 at this date and am willing to sign them when called upon so to do.

I am, etc.,

Title of firm:

Names of Partners:

Proposed by:

Seconded by:

91. Upon election and after signing the rules a country member shall receive a Certificate of Membership executed under the official Seal of the Exchange but 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 country member shall upon application by the Committee or by the Secretary return his Certificate of Membership for cancellation.

92. An applicant for country membership shall furnish with his application a written statement setting forth the full names of each and every partner with whom he carries on business and this information shall be furnished to members of the Exchange before the applicant is considered for final election. The applicant shall also supply such other information as to the integrity or financial standing of the partners with whom he carries on business as the Committee may require. All the incoming partners of any firm of which one of the members thereof is a country member of the Exchange shall be notified to the Committee of the Exchange for approval on the formation of the partnership. If the Committee do not approve of an incoming partner the question of approval shall at the request of the country member be referred to a general meeting of members for decision. In the event of any partner not being approved by the Committee or by the general meeting the Committee by notice in writing shall call upon the country member to dissolve partnership within 1 month with the partner who did not receive approval. If within one month of the date of such notice the country member has not dissolved such partnership he shall be deemed to have retired from the Exchange and the Committee shall announce to the members that he has so retired, and his name shall be erased from the list of country members. The approval by the Exchange of the partners of any such firm shall continue for so long only as the country member through whom they have been so approved remains a country member of the Exchange and their partnership with him whilst he is a country member is undissolved.

93. All country members must apply for re-election not later than 1 November in each year or such other annual date as the Exchange may fix by resolution and be re-elected annually. Application shall be in writing and shall include the signatures of two members as proposer and seconder. Any application of a country member for re-election which does not reach the Secretary by 1 November or other fixed annual date in any year shall not be submitted to members unless the Committee directs otherwise but the country

member shall be entitled to make a fresh application for admission to membership in all respects as if it were an original application including the payment of an entrance fee. Re-election of country members shall take place at the annual general meeting or at such special general meeting as the Committee may fix and any country member who has failed to secure re-election by the conclusion of such general meeting shall cease to be a country member from the conclusion of the meeting.

94. Country members who resign or cease to be members from any cause whatever or persons claiming through them or the executors or administrators of any deceased country member shall have no claim upon or interest in the assets of the Exchange and a country member shall not be entitled to assign his membership or propose a candidate for membership in his stead.

Employees Trading

95. A member shall not buy or sell shares for anyone employed in another member's office.

Disputes

96. Where any dispute between members with reference to stockbroking transactions or other transactions to which these rules apply is brought under or referred to the consideration of the Committee the decision of the Committee shall be final and binding and shall be carried out forthwith by the member or members concerned. In giving a decision on a dispute between members the Committee may order that reasonable costs of the hearing of the dispute should be paid by any one or more of the members involved and may require the deposit of up to \$40 for hearing costs at the time a dispute is referred to the Committee.

97. It shall be a condition, precedent to the commencement of any action by a member against any other member upon any matter arising out of any transaction of stockbroking or out of any transaction to which these rules apply, that the dispute shall be first determined in the manner provided by these rules and thereafter action shall be commenced only for the enforcement of the decision given under these rules and then only after the member sued shall have after 14 days' notice in writing refused or neglected to carry out such decision. In any action as aforesaid no member shall dispute the correctness of such decision or award, or the fact that it was given in accordance with these rules.

Complaints and Charges

98. A complaint or charge may be made to the Committee in respect of any alleged breach of these rules, or alleged professional misconduct, or any act or matter alleged to be detrimental to the well being or proper conduct of the Exchange or the Association, and may be made by any Exchange member or by a member of another Exchange or subject to rule 88 by a non-member.

99. Members and their clerks when required so to do by the Committee shall attend any meeting of the Committee and then and there shall give such information as may be in their possession relative to any matter under investigation. In the event of a complaint or charge being made which in their opinion justifies such procedure the Committee shall have full power to call upon any member to produce for the inspection of the Committee or an Inspector appointed by them or to make available at the member's office for such inspection all books, letters, telegrams, and office records or other documents or copies thereof as the member may have in his possession or control as the Committee may direct and the member shall forthwith produce such documents or make them available for inspection as the case may be.

100. The Committee shall take cognisance of all violations of these rules, and of the rules of the Stock Exchange Association of New Zealand whether in letter or spirit and the Committee shall have the power to reprimand, to fine, to suspend from membership, and to recommend the expulsion of any member found by it to be guilty of such violation or of failure to comply with any of the decisions of or regulations made by the Committee or the Association, or of conduct which in the opinion of the Committee is unworthy of a member. Should the Committee decide to recommend a member's expulsion it shall report accordingly to the members at a Special General Meeting called for that purpose. It shall be competent for the Special General Meeting to confirm or vary the Committee's recommendation to expel the offender and the meeting may resolve to deal with the offending member by reprimand, fine, or suspension. Unless the meeting otherwise resolves, the decision shall be taken by secret ballot. The decision of the meeting shall be deemed to be immediately adopted and given by the Committee and shall thereupon apply forthwith to the offending member but without prejudice to his right of appeal to the Association.