

(d) For the purpose of subclauses (a) and (c) above, the brokerage on rights to new issues shall be calculated—

- for the seller, on the basis of the consideration specified.
- for the buyer, on the basis of the consideration plus the amount required to convert the rights into transferable units.

(e) (i) When the total consideration involved in an order is \$10 or more, and less than \$100, minimum brokerage of \$2 may be charged.

(ii) When the total consideration involved in an order is less than \$10, then a minimum brokerage of \$1 may be charged.

(iii) When more than one contract note is issued in respect of an order to which minimum brokerage applies upon any contract note after the first shall appear the statement "minimum brokerage previously charged".

(f) The rates of brokerage prescribed in the preceding section of this rule shall be charged to both buyer and seller.

(g) Subject to the provisions of rule 121 (ii) and subject to the laws of the country wherein the register of securities dealt in is situated, stamp duty and transfer fees shall be paid by the purchaser. Where the transaction is for less than a marketable parcel as defined by rule 111, the buyer and/or the seller shall pay such stamp duty and fees as may be prescribed from time to time by odd lot regulations of the Association.

87. Brokerage—Special rates—

(i) Notwithstanding the provisions of the foregoing rules, special brokerage rates may be charged in the following circumstances—

- (a) Charges in excess of those prescribed by rules 85 and 86 may be made according to the circumstances of the case for the negotiation of flotations (other than offers of securities made to existing holders) of securities not on the official list provided that in the case of any placement of existing securities the amount of any such excess shall with the prior consent of the local committee of the member's Exchange be paid by the vendor or issuing company concerned.
- (b) On flotation of all securities excepting bonds, debentures, or debenture stock (other than placement of existing securities), brokerage (based on the issue price or nominal value whichever is the greater) shall be payable to members lodging applications in respect of so much of such applications as is accepted at the rates prescribed by rule 86 provided that the foregoing rates may be reduced with the prior consent of the Executive.
- (c) On flotation of bonds, debentures, or debenture stock and term deposits, brokerage shall be payable to members lodging applications in respect of so much of such application as is accepted at a minimum of one percent. Provided that in respect of such securities of a maturity of two years and under, the foregoing rate may be reduced with the prior consent of the Executive.
- (d) In the case of any placement of any unlisted, issued, and allotted shares in any company brokerage may be charged as follows—

- to the vendor such rate as may be approved by the Executive in any instance.

- to the buyer the rates as prescribed in rule 86 (a) in which case the member may charge both buying and selling brokerage and stamp duty against the vendor or company whose shares are being sold.

Provided that in either of the above cases the undermentioned precedent conditions have been satisfied, namely—

- that consent to act under rule 137 has been obtained and a prospectus is issued.
- that the object of the placement is to enable a spread of shareholders to be obtained to facilitate the listing of such shares.
- that all the listing requirements of the Association have been complied with at the date of issue of such prospectus.
- that a signed application for listing of the shares in question shall have been duly made in accordance with the provisions of rule 133.

(ii) In circumstances not covered by these rules, the member involved may charge a fee as mutually arranged between the member and his client.

(iii) Of the foregoing provisions of this rule, nothing herein contained is intended to apply to the services of underwriting, organising, or advising and the fees to be charged therefor shall be a mutual arrangement to be determined between broker and client in each instance.

(iv) Notwithstanding the provisions of this or any other rule, the brokerage rate or handling fee payable to members in respect of acceptances of an offer—

(a) of conversion made to existing holders of interest bearing securities, or

(b) by the original offeree, of securities in a rights issue, shall be such rate or fee as may be negotiated in any particular instance by the member associated with the offer.

88. Forbidding Business; Higher Rates—

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 an action to be for the general good, or may, on the request of any Exchange, impose a higher rate of brokerage than prescribed in rules 85 and 86 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 those rules.

89. Dividing Commission—

No member shall divide any commission earned as a broker except with a member or with a member of a recognised Stock Exchange out of 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, nor to prevent a member acting as an underwriter from dividing any commission received as an underwriter or sub-underwriter with any sub-underwriter whether a member or not.

90. Rate to Other Brokers—

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 these rules.

91. Forbidding Business with Brokers—

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.

92. Introducing Business—

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.

93. Evasions—

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

94. 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.

95. 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 \$1 for every \$2,000 of value or part thereof up to \$20,000 and thereafter \$5 for each succeeding \$20,000 or part thereof. Where more than 10 issues are involved in the valuation, a further fee shall be charged at the rate of \$1 for each 5 issues or part thereof in excess of the initial 10 issues.

(ii) On listed stocks and shares \$1 for each \$1,000 of value or part thereof up to \$20,000 and thereafter \$5 for each succeeding \$10,000 or part thereof. Where more than 10 issues are involved in the valuation, a further fee shall be charged at the rate of \$2 for each 5 issues or part thereof in excess of the initial 10 issues.

(iii) On New Zealand local body, listed overseas government, and all other listed bonds and debentures, \$2 for each \$1,000 of value or part thereof up to \$20,000 and thereafter \$10 for each succeeding \$10,000 or part thereof.

Where more than 10 issues are involved in the valuation, a further fee shall be charged at the rate of \$4 for each 5 issues or part thereof in excess of the initial 10 issues.