

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.

Rights of Members

51. The rights and privileges of every member shall be personal to himself and shall not be transferable by operation of law nor by his own act.

Interest in Assets

52. 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 member shall have no claim on the assets of the Exchange.

Defaulters

53. Where in the opinion of the Committee a member is under financial stress and is likely to have difficulty in meeting his liabilities or in the Committee's opinion other circumstances require the prompt suspension of the member from trading, the Committee may immediately temporarily suspend such member from membership of the Exchange for such limited period as the Committee in its absolute discretion thinks fit. The Committee may exercise this power of temporary suspension without calling on or hearing the member involved.

54. A member shall be declared a defaulter by the Committee if he has committed an act of bankruptcy or is insolvent or in the opinion of the Committee the member is in difficulties and has failed or is likely to fail to meet his liabilities, and upon such declaration being made the defaulting member shall be automatically suspended from all trading and from the exercise of all rights of membership of the Exchange and notice of the name of the defaulter shall be given forthwith to all members.

55. Where any member has failed to pay when due any debt incurred by him to another member the Committee may suspend such member for such period as it thinks fit and may also censure fine or recommend the member for expulsion. Should the Committee decide to recommend the member's expulsion they shall report accordingly to the members at a Special General Meeting called for that purpose. It shall be competent for the said Special General Meeting to confirm the Committee's recommendations and expel the member so brought before them or deal with them by fine or suspension from membership.

56. The Committee shall have power to order that all open transactions including time bargains between any member declared a defaulter and other members shall be closed within a time to be named by the Committee. Such transactions shall be closed accordingly by the Chairman buying or selling in the market on account of the defaulter such stocks or shares as he may have contracted to sell or purchase. The Chairman shall charge current rate of brokerage to the defaulter and such brokerage shall be the personal property of the Chairman. Members shall without delay render full statements of account to the Committee.

57. In case any member shall make default in payment of any amount payable to any other member, the last-mentioned member shall give notice in writing of such default to the Chairman or in his absence to the Vice-Chairman within 24 hours after such default.

58. The Committee shall have power to investigate the accounts of members with a member in default and to reject or require the correction of any items which they may deem unsatisfactory.

59. Members who are creditors of a member in default shall have a preferential claim on all surpluses in the hand of other members resulting on the closing of transactions open at the time of default, and also on all moneys which may become payable to a member in default out of funds in the hands of the Committee from the estate of another member in default. All surpluses in the hands of members resulting on the closing of open transactions with a member in default shall be paid to the Committee.

60. The Committee shall distribute as soon as possible amongst members who are creditors of the member in default the surpluses received from other members on his account and all moneys due to him out of funds in the hands of the Committee from the estate of another member in default.

Clerks

61. 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 or such other pur-

poses 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.

62. 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 61 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.

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

64. 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.

65. 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

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

Trading Meetings

67. The trading meetings or 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 authorised clerk of the member firm. Each member who carries on business individually and each partnership of members 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.

68. 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 by 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.

69. 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 conclusion 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.

70. 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.

71. 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.