

Contracts

72. 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

73. 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.

74. 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.

75. It shall not be incumbent upon a Committee to entertain any complaint or charge submitted by a non-member against a member where the Committee are bona fide of the opinion that the complaint is of such a frivolous or vexatious nature as not to merit hearing by the Committee but the Committee shall be competent to entertain all other such complaints provided that the complainant shall previously to the case being heard, submit a statement in writing of the complaint.

Country Members

76. 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 membership, subscriptions and funds of the Exchange, being more particularly rules 3 to 52 both inclusive 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.

77. 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:

78. 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.

79. 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.

80. Country members shall be divided into two classes: Class 1 shall comprise country members who in the opinion of the Committee are currently solely engaged in the business of sharebroking and are accordingly not in partnership with any person or persons engaged in any business other than full time sharebroking.

Class 2 shall comprise country members who in the opinion of the Committee are not currently solely engaged in the business of sharebroking including those members who though themselves solely engaged in the business of sharebroking are in partnership with any person or persons engaging in any business than sharebroking.

Class 1 Country members shall not be required to be re-elected annually.

Class 2 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 class 2 country members shall take place at the annual general meeting or at such special general meeting as the Committee may fix and any class 2 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.

81. 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