

who shall be chairman, and not less than two or more than seven members none of whom shall be a sitting chairman of an exchange, or a member of a local committee. The council may from time to time remove from office any member of the Disciplinary Committee or fill any vacancy in its membership or appoint any additional member within the limits set by this rule. No member who has attained the age of 70 years shall be eligible for appointment and a member of the Disciplinary Committee attaining that age shall retire from the Disciplinary Committee at the conclusion of the next annual meeting of the Association and shall not be eligible for reappointment.

(2) Quorum—Subject to the proviso to rule 52 (4) hereof, a quorum shall consist of the chairman and not less than two other members of the Disciplinary Committee.

(3) If the chairman, through absence or any other cause is unable to act, the executive may appoint a qualified person in his place for a period not exceeding six months. Such appointment may be renewed only by council.

(4) The chairman of the Disciplinary Committee shall appoint one member of the public (who shall not be a barrister or solicitor) residing in Wellington, to be the lay member of the Disciplinary Committee. Each such appointment shall be for a period of one year, but may be renewed.

The appointment shall be advised to the Securities Commission to whom the lay member shall report at least once in each year.

The lay member shall be entitled to receive all notices and reports sent to the Disciplinary Committee and to attend all its meetings. He may speak and take part in proceedings and deliberations on hearings and appeals, but shall not have a vote. His remuneration and expenses shall be as agreed with the chairman of the Disciplinary Committee and shall be paid by the Association.

The lay member shall have no obligation to attend hearings of the Disciplinary Committee which he considers do not involve the public interest.

52. (1) Functions—Without limiting or derogating from any other provisions of these rules the Disciplinary Committee shall have power to hear any charge made against any exchange or a member and referred to it by the council, the executive, or a local committee or the chairman thereof. The Disciplinary Committee may cause or require an investigating committee to conduct such further investigations as it deems appropriate on any matter before it.

(2) Appeals—Every appeal by a member from the decision of a local committee shall be heard and determined by the Disciplinary Committee and shall be by way of a complete rehearing of the charge unless the Disciplinary Committee shall otherwise decide.

(3) Members Concerned or Implicated—

(a) At the hearing of a charge against a member, no member of a Disciplinary Committee who is concerned or implicated in or whose firm is concerned or implicated in that charge shall be eligible to attend any meeting of the Disciplinary Committee called to enquire into the same;

(b) At the hearing of a charge against an exchange a member of the Disciplinary Committee who is a member of that exchange, or where the charge has been referred to the Disciplinary Committee by the council or the executive, is also a member of the council or the executive as the case may be, shall not be eligible to attend any meeting of the Disciplinary Committee called to enquire into the same;

(c) The lay member shall declare any interest he may have in the parties to or the matter of a hearing. In such case he shall not be eligible to attend that hearing and the chairman of the Disciplinary Committee shall appoint another lay member for that hearing only.

(4) Penalties—If after enquiry into any charge, the Disciplinary Committee is of the opinion that the exchange or the member has been guilty of misconduct or of any breach of these rules or the rules of an exchange, or of any act matter or thing detrimental to the well-being or proper conduct of the Association or exchanges generally it may, if it thinks fit, do one or more of the following things:

(a) In the case of an exchange:

- (i) cancel its membership of the Association;
- (ii) suspend its membership for a stated period;
- (iii) order it to pay to the Association a sum by way of penalty not exceeding \$2,000;
- (iv) censure it.

(b) In the case of a member:

- (i) expel him from membership;
- (ii) suspend his membership for a stated period;
- (iii) order him to pay to the Association a sum by way of penalty not exceeding \$5,000;
- (iv) censure him.

Provided that except with the consent of the member or exchange charged, no order shall be made expelling or suspending a member or an exchange unless at least four members of the Disciplinary Committee including the chairman are present and a majority vote in favour of the order.

(5) In any case where a member is fined the Disciplinary Committee shall set the time within which the fine shall be received by the Association.

(6) Publication of Name—The Disciplinary Committee shall state in every finding under clause (4) whether the statement to be circulated under Rule 68 shall identify the penalised exchange or member by name and whether the circulation of the statement shall be to members only or generally.

53. Serious Offences—Where a member is charged with having been convicted of a crime involving dishonesty as defined by section 2 of the Crimes Act 1961 or any statutory modification or re-enactment thereof—the charge shall not be heard by his local committee but shall be submitted by such local committee to the Disciplinary Committee for enquiry and action and for the purpose of this rule, proof of conviction may be given by a certificate containing the substance of the conviction purporting to be signed by the Registrar or other proper officer of any Court by which the offender was convicted.

54. (1) Procedure—The Disciplinary Committee shall give at least 10 days' notice in writing (or such lesser time than 10 days' as may be agreed upon by the parties concerned) to the exchange or member against whom a charge has been made, specifying the nature of such charge and the date, place and time of the meeting of the Disciplinary Committee called to consider that matter.

(2) At such meeting, the exchange or member concerned shall be given a reasonable opportunity of being heard in defence and shall be entitled to be represented by counsel if such exchange or member so desires.

(3) Except as otherwise provided in these rules, the Disciplinary Committee shall regulate its own procedures.

55. (1) Evidence—The Disciplinary Committee by notice in writing signed by its chairman or secretary may require any person to attend and give evidence before it at the hearing of a charge and to produce for inspection all books, documents and papers that are in his custody or under his control relating to the subject matter of any such hearing.

The Disciplinary Committee by notice in writing may require any investigating committee or member thereof to appear before it and to produce all evidence arising from and the reports of the results of any investigation.

(2) The Disciplinary Committee may require evidence to be given either orally or in writing and may require any evidence to be verified by statutory declaration.

(3) Every member commits a breach of these rules who without lawful justification refuses or fails to attend and give evidence when required to do so by the Disciplinary Committee as aforesaid or to answer truly and fully any question put to him by a member of the Disciplinary Committee or to produce to the Disciplinary Committee any book, document or paper required of him.

56. (1) Interim Suspension—At any time after a charge has been made against any member, the Disciplinary Committee may of its own motion and without the necessity of giving any prior notice to the member, make an order suspending his membership until the charge has been heard and disposed of. The Disciplinary Committee may in its discretion decide to give public notice of the fact of interim suspension.

(2) The member in respect of whom any interim suspension order is made under this Rule may at any time apply to the Disciplinary Committee for the revocation of the order and the Disciplinary Committee may, subject to Rule 54 (2) grant, on such terms as it thinks fit, or refuse any such application.

57. (1) Revocation of Suspension—A member who has been suspended may apply to the Disciplinary Committee for revocation of his suspension and the Disciplinary Committee may grant on such terms as it thinks fit, or refuse such application.

(2) The Disciplinary Committee may require as a condition of granting such application that the member pay, as well as his current year's subscription to his exchange,