

- 1.08 "regional exchange" means a regional exchange constituted by Rule 9.01.
- 1.09 "regulations" means the regulations made by the Executive under Rule 8.08 and for the time being in force.
- 1.10 "share" or "shares" shall include stock and vice versa.
- 1.11 "sharebroker" shall include stockbroker and vice versa.
- 1.12 "sharebroking" shall include stockbroking and vice versa.
- 1.13 Any marginal notes or headings shall not affect the construction hereof.
- 1.14 References to a member's regional exchange means the regional exchange within whose territory the member practices.
- 1.15 "The Act" means the Sharebrokers Amendment Act 1981 or any statutory modification thereof.
- 1.16 Words importing persons include firms and corporations unless the context otherwise requires.
- 1.17 Words importing the masculine gender shall include the feminine gender.
- 1.18 Words importing the singular number include the plural number also, and vice versa.
- 2.0 Objects**
- 2.01 As prescribed by section 4 (1) of the Act, the functions of the Exchange are—
- 2.011 To operate a national stock exchange, which may be wholly or in part operated through the establishment of regional stock exchanges;
- 2.012 To promote and specify the conditions and terms for the listing and trading of securities on its exchange;
- 2.013 To regulate and promote uniformity in the conduct of its members and of business by its members;
- 2.014 To promote the interests of its members and members of the public in relation to the listing, trading, underwriting, and marketing of securities.
- 2.02 As prescribed by section 4 (2) of the Act, the Exchange shall have all such powers as are reasonably necessary or expedient to carry out its functions.
- 3.0 Membership**
- 3.01 Members shall consist of all persons who have become members pursuant to any rule for the time being in force and all persons elected to membership as hereinafter provided.
- 3.02 There shall be two classes of members—ordinary members and country members.
- 3.03 Only a natural person shall be eligible for membership.
- 3.04 A person shall become a member upon election as hereinafter provided but no person shall be eligible for election as a member unless—
- 3.041 He holds a sharebroker's licence, and
- 3.042 His assets exceed his liabilities by such sum (not being less than \$20,000) as may from time to time be determined by the Executive, which may accept a guarantee as part of a person's assets, and
- 3.043 He has been employed full-time for not less than three years in the sharebroking office of a member, or of a member of an overseas stock exchange recognised by the Exchange, or he can provide evidence of qualification or experience which the Executive may accept on the recommendation of the regional exchange in reduction of the three year period, and
- 3.044 He has obtained a pass in such examinations as the Council may from time to time prescribe.
- 3.05 A person shall cease to be a member—
- 3.051 If he shall have delivered his resignation in writing to his regional exchange and the Executive shall have accepted the same on the recommendation of such regional exchange.
- 3.052 On expulsion pursuant to Rule 20.0821.
- 3A.0 Membership—Transitional Provisions**
- 3A.01 Every person who is a member of the Auckland Stock Exchange, the Wellington Stock Exchange, the Christchurch-Invercargill Stock Exchange Limited or the Dunedin Stock Exchange at the date of establishment of the Exchange shall ipso facto become a member of the N.Z. Stock Exchange if he shall prior to that date have signed an application for membership incorporating an undertaking to be bound by these Rules upon their coming into force. A person who at the said date was a country member of one of the said exchanges shall upon becoming a member of the N.Z. Stock Exchange retain that class of membership and every other person who was a member of one of the said exchanges at the said date shall upon that event become an ordinary member.
- 3A.02 Upon the date of establishment of the Exchange, the Council shall be deemed to have determined pursuant to Rule 9.01 that there shall be regional exchanges situated in Auckland, Wellington, Christchurch-Invercargill, and Dunedin. The territory of each such regional exchange shall, at the date of such establishment, be the territory of the trading exchange (as defined by the Act) of similar name which existed prior to such establishment.
- 3A.03 Notwithstanding anything contained in these Rules, on the date of establishment of the Exchange—
- 3A.031 The President and Vice-President of the Stock Exchange Association of New Zealand ("the Association") elected to those offices in February 1983 shall be, respectively, the first President and the first Vice-President of the Exchange and each shall hold office until the conclusion of the meeting at which his successor in office is appointed.
- 3A.032 Each delegate of a trading exchange holding such office in the Association immediately prior to the date of establishment of the Exchange shall be deemed to have become on that date the delegate of the regional exchange having the same territory as that trading exchange.
- 3A.033 Each member of the Executive of the Association appointed by a trading exchange having 20 or more members and holding office as such immediately prior to the date of establishment of the Exchange shall be deemed to become on that date the appointee to the Executive of the regional exchange having the same territory as that trading exchange.
- 3A.034 The first Council of the Exchange shall accordingly comprise the persons referred to in Rules 3A.031, 3A.032, and 3A.033 and the first Executive of the Exchange shall accordingly comprise the persons referred to in Rules 3A.031, 3A.033, and those delegates referred to in Rule 3A.032 who are the delegates of regional exchanges having fewer than 20 ordinary members.
- 3A.035 For the purposes of Rule 8.03, in determining the period a member of the Executive has held office since his last appointment, the holding of equivalent office in the Association shall be included in determining that period.
- 4.0 Application for Membership**
- 4.01 Application for membership shall be made in writing to the committee of the regional exchange within whose territory the applicant seeks to carry on business as sharebroker.
- 4.02 An application for ordinary membership shall state:
- 4.021 The applicant agrees to be bound by the rules of the Exchange and the bylaws of the appropriate regional exchange.
- 4.022 He intends to engage in full-time (or substantially full-time) practice as a sharebroker.
- 4.023 He intends to practice within the territory of the regional exchange to which he is applying.
- 4.024 Evidence of his eligibility under Rule 3.04.
- 4.03 An application for country membership shall state:
- 4.031 The applicant agrees to be bound by the rules of the Exchange and the bylaws of the appropriate regional exchange.
- 4.032 He intends to practice as a part-time sharebroker within the territory of the regional exchange to which he is applying.
- 4.033 Details of his present business including the names and qualifications of any partners he may have.
- 4.034 Evidence of his eligibility under Rule 3.04.
- 5.0 Election to Membership**
- 5.01 A person who has completed an application for membership approved by the committee of the appropriate regional exchange shall be elected to membership by a majority of not less than 2/3 of the votes cast in a ballot of ordinary members whose places of business are within the territory of that regional exchange.
- 5.02 The chairman of a regional exchange shall forward to the Executive every successful application duly certified as to the result of the ballot.
- 5.03 The chairman of a regional exchange shall report all unsuccessful applications (whether voted on or not) to the Executive.
- 5.04 The membership of a country member shall terminate upon 31 December each year unless prior to that date the committee of his regional exchange shall extend membership for a further year.