

- 6.0 Conditions of Membership**
- 6.01 No member shall:
- 6.011 Enter into partnership with a person who is not a member for the purpose of carrying on a business which includes sharebroking unless that partner has first been approved by the member's regional exchange and no regional exchange shall approve as a partner for purposes of this paragraph any non-member who holds a sharebroker's licence.
- 6.012 In respect of his activities as a sharebroker, describe his occupation in any way other than as a member of the Exchange. A country member shall use that designation.
- 6.013 Have more than one place of sharebroking business.
- 6.02 Except with the consent of the Executive, no member shall:
- 6.021 Be in any way associated with any group or association, whether incorporated or not, who are associated for the purpose of carrying out in New Zealand the objects of the Exchange or any of them. In considering any application for consent in relation to this provision, the Executive shall have regard to the standing and reputation of the group or association and to the best interests of the Exchange and its members in furthering the objects of the Exchange.
- 6.022 If an ordinary member, engage in, or be concerned in, or be employed in any business other than that of a member of the Exchange to such an extent that, in the opinion of the Executive, the member is unable to engage in substantially full-time practice as a sharebroker. In considering any application for consent in relation to this provision, the Executive shall have regard to the time the member is likely to be involved in the other business, the possibility of his incurring financial liability in regard to it and such other matters as the Executive may consider to be relevant in the interests of the Exchange and its members in the proper and efficient conduct of the Exchange's affairs.
- 6.03 Subject to Rule 6.04 no member shall permit any part of his sharebroking business to be conducted through a limited liability company nor permit any contract note to be issued in the name of a limited liability company as sharebroker.
- 6.04 A member may, with the consent of the Executive, conduct his underwriting business through a limited liability company provided that all the shareholders in such company shall be members of the Exchange or their immediate families and that the effective control of the company shall remain with such shareholders.
- 6.05 Every member shall maintain accounting and other records of his sharebroking business separate and distinct from the accounting and other records of any other business in which he may be involved.
- 6.06 Every member shall pay such fees and levies as shall from time to time be fixed by the Exchange and by his regional exchange. There may be differentiation between ordinary and country members.
- 6.07 A member shall not change his place of sharebroking business from the territory of one regional exchange to that of another without the consent of both regional exchanges involved.
- 6.08 A country member desiring to change his status to ordinary member shall comply with Rules 4.01, 4.022, and shall be subject to election under Rule 5.01.
- 7.0 Council**
- 7.01 The management and control of the business and affairs of the Exchange shall be in the hands of the Council. The powers of the Council shall only be subject to such limitations as are expressly or impliedly imposed by these rules.
- 7.02 The Council shall consist of the President, the Vice-President, one delegate appointed by each regional exchange and those members of the Executive appointed by regional exchanges having 20 or more ordinary members.
- 7.03 Each regional exchange shall notify the Exchange in writing immediately following the annual meeting of the regional exchange of the name of the member appointed delegate under Rule 9.06. Such delegates shall take office at the commencement of the annual meeting of the Council immediately following such notification of their appointment and, subject as hereinafter provided, shall continue in office until the commencement of the next succeeding annual meeting. Any delegate may be removed from office at any time by the regional exchange he represents and in that event or in the event of the death or resignation of any delegate another delegate may be appointed in his place by the regional exchange he represents by notice in writing to the Executive Director. No person shall be entitled to act as a delegate unless and until notice of his appointment has been received by the Executive Director and then only in accordance with these rules.
- 7.04 Neither the President nor the Vice-President shall be eligible for appointment as a delegate.
- 7.05 At each annual meeting the Council shall elect ordinary members to be President and Vice-President respectively of the Exchange and the following provisions shall apply—
- 7.051 An election shall be required for each such office even if there is only one nomination under Rules 7.06 and 7.07.
- 7.052 If there shall be no nomination for one of those offices or if any nomination made is declined by the candidate prior to election or if a nomination made should be voted against by the Council, then the Council shall elect to that office any ordinary member who has signified in writing his willingness to be elected, notwithstanding that he has not been nominated under Rule 7.06 or Rule 7.07.
- 7.053 A nominee need not be a delegate.
- 7.054 The President and the Vice-President shall hold office until the conclusion of the meeting at which their successors in office are appointed.
- 7.06 A candidate for each of the offices of President and Vice-President shall be nominated by the Executive not later than 31 October in each year and each such candidate shall signify in writing his willingness to be elected. All regional exchanges shall be notified immediately such nominations have been made.
- 7.07 Notwithstanding the preceding rule, a regional exchange may nominate a candidate for either office. Each such candidate shall signify in writing his willingness to be elected. Nominations must be received by the Executive Director not later than 30 November in each year. Regional exchanges shall be notified of the names of all candidates for each position as soon as practicable after nominations have closed.
- 7.08 The financial year of the Exchange shall end on 30 September and an annual meeting of the Council shall be held not later than the last day of February in the following year at a place and on a date to be appointed by the President. In default of any such appointment being made by the President prior to 30 November in any year the annual meeting shall be held in Wellington on a date in the month of February following to be fixed by the Executive Director.
- 7.09 At the annual meeting of the Council or any adjournment thereof, the business shall be to receive the report and balance sheet, elect a President and Vice-President, consider remits from regional exchanges and transact any other business whatever that may be introduced in accordance with these rules. All other meetings of the Council shall be deemed to be special meetings.
- 7.10 14 days' notice shall be given of all annual meetings.
- 7.11 Special meetings other than those convened pursuant to Rule 29.0 shall be called by the Executive Director on the direction of the President or the Executive or upon a requisition in writing or by telex by two regional exchanges. Seventy-two hours' notice in writing or by telex shall be given by the Executive Director to each regional exchange specifying the place, the day, the hour of meeting, and the nature of the business to be transacted but with the consent of all regional exchanges entitled to receive such notices a meeting may be convened by such shorter notice, and in such manner, as the Council shall think fit.
- 7.12 A regional exchange shall be liable to the penalties provided by these rules for breach thereof if it fails to be represented by delegate or proxy for two consecutive annual meetings of the Council.
- 7.13 No business shall be transacted at any meeting of the Council unless a quorum of members is present at the time the meeting proceeds to business. Five members of the Council (of whom not less than 3 shall be delegates) shall be a quorum.
- 7.14 If within half an hour of the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to a date and time fixed by the majority of those present.
- 7.15 The President and Vice-President of the Exchange shall be the chairman and vice-chairman of the Council respectively. If neither the President nor the Vice-President shall be present at any meeting of the Council then the Council members present shall elect a chairman from their number.
- 7.16 On voices or a show of hands each member of the Council