

- 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.
- 6.02 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 reputability 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, its members, and the member's regional exchange, and 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 that is not a company member nor permit any contract note to be issued in the name of any such 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 a majority of 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 members.
- 6.05 Every individual member shall ensure that at all times during the period of his membership his assets exceed his liabilities by such sum (not being less than \$50,000) as may from time to time be determined by the Executive for the purposes of this rule and the Executive may accept a guarantee as part of the member's assets.
- 6.06 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.
- 6.07 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 different classes of membership, and between company members, individual members who are not shareholders of company members, and individual members who are shareholders of company members.
- 6.08 A member shall not change his regional exchange without first obtaining the consents of both regional exchanges involved.
- 6.09 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.
- 6.10 Every company member, and every individual member who is a director of a company member, shall ensure that at all times—
- 6.101 A majority of the directors of the company are individual ordinary members of the Exchange; and
- 6.102 At least 50 percent of the voting shares are both registered in the names of and beneficially owned by individual ordinary members of the Exchange provided that if the death or incapacity of an individual ordinary member holding voting shares in a company member results in the percentage of voting shares held by individual ordinary members in that company falling below 50 percent, the company member and every individual member who is a director of that company member shall ensure that the provisions of this Rule 6.102 are complied with within 6 months from the death or incapacity of that individual ordinary member or such longer period as the Executive may in its absolute discretion determine; and
- 6.103 The issued and paid up share capital of the company is at least equal to the greater of:
- 6.1031 The sum of \$500,000; or
- 6.1032 The sum derived by multiplying \$50,000 by the number of individual ordinary members of the Exchange who are the beneficial and registered owners of the voting shares of the company.
- 6.104 The holders of any uncalled, or called but unpaid shares in the capital of the company have been approved by the Executive as persons of proper financial standing and repute.
- 6.105 The articles of association of the company provide that—
- 6.1051 The company agrees to be bound by the Rules of the Exchange, and the bylaws of the appropriate regional exchange in force from time to time; and
- 6.1052 The directors required to form a quorum for a directors' meeting shall include a majority of directors who are members of the Exchange; and
- 6.1053 The voting shares of the company carry one vote per share, confer identical voting rights on each shareholder according to his shareholding, and must at all times be held free from any agreement, arrangement or understanding under which any person other than the registered holder has any right to control the exercise of the votes attaching to the shares; and
- 6.1054 The directors may not delegate their powers by power of attorney or in any other manner, provided that a director who is a member of the Exchange may appoint as his alternate director a person who is a member of the Exchange.
- 6.106 The registered office of the company is located at a sharebroking office of the company.
- 6.107 The articles of association of the company comply in all material respects with the standard form (if any) prescribed from time to time for such articles by the Executive and the determination of the Executive that the articles of association of a company do or do not at any time comply with this Rule 6.107 shall be final and binding on the company member.
- 6.11 Whenever a new director of a company member is appointed, the company shall forthwith deliver to the committee of the appropriate regional exchange a statutory declaration by the director stating that the company is complying with Rule 6.10 and that the director will ensure that the company will abide by the Rules of the Exchange and the bylaws of the appropriate regional exchange.
- 6.12 Whenever a company member files with the Registrar of Companies an annual return or a notice of a change in its share capital, or its directors or articles of association, it shall at the same time send a copy of such return or notice to the Executive Director.
- 6.13 Every sharebroking firm shall designate one individual member to be managing partner or managing director as the case may be.
- 6A.0 *Sharebroking Offices*
- 6A.01 A member may have more than one sharebroking office and any sharebroking office may be situated anywhere in New Zealand or overseas.
- 6A.02 Every sharebroking office shall be under the direct full-time control of at least one individual ordinary member; and shall be open during all normal business hours. A sharebroking office shall be deemed to be under the direct full-time control of a member only if the member is present in person at the sharebroking office to the same extent as a full-time sharebroker is normally present in person at the sharebroking office where that sharebroker ordinarily works.
- 6A.03 Where a member's sharebroking office is situated in the territory of a regional exchange that is not the member's regional exchange, the sharebroking business conducted in or from that sharebroking office shall be subject to—
- 6A.031 Rule 23 of these Rules as if the member belonged to that regional exchange; and