

- less than three years in the five year period immediately preceding his application for membership 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 Membership Committee may accept on the recommendation of the regional exchange either in reduction of the three year full time employment requirement or in extension of the five year period; and
- 3.0314 He has obtained a pass in such examinations as the Board may from time to time prescribe; and
- 3.0315 He will carry out his responsibilities as a member and sharebroker honestly and diligently. Without limiting the power of the Membership Committee to satisfy itself with regard to this requirement, it may accept references from at least 2 suitable persons as evidence of the candidate's intentions in this matter.
- 3.04 The Membership Committee shall admit as a company member of the Exchange a company that has applied for membership in accordance with Rule 4 if:
- 3.041 The company provides evidence satisfactory to the Membership Committee to the effect that:
- 3.0411 The requirements of Rule 6.07 are met; and
- 3.0412 The company holds a sharebroker's licence.
- 3.042 Each director of the company has delivered to the committee a statutory declaration stating that the requirements of Rule 6.07 are met 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.
- 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 Board shall have accepted the same on the recommendation of the regional exchange (and no such recommendation or acceptance shall be withheld without good reason); or
- 3.052 On expulsion pursuant to Rule 20.0821.
- 3.06 The Board may at its discretion or upon the recommendation of the committee of any regional exchange appoint as an honorary member, any individual member who may have resigned in terms of Rule 3.051.
- 3.07 An honorary member shall have no voting rights at any general meeting of the Exchange or any regional exchange but he shall be entitled to attend such meetings in a non voting capacity.
- 3.08 An honorary member shall have no liability for any fee, levy or other charge made by the Exchange or any regional exchange and shall hold his honorary status at the complete discretion of the Board.
- 3.09 For the purposes of this Rule and Rules 3.10–3.15 inclusive, the phrase "principal of a sharebroking firm" shall mean:
- (a) Any member in practice as a sole trader;
- (b) Any member who is a partner, director or shareholder of a sharebroking firm;
- (c) Any member who is a director of or controlling shareholder in a company which holds directly or indirectly more than 25% of the issued capital of a company member;
- (d) Any member who has or has had at any time a relationship with a sharebroking firm giving that member the right or opportunity to influence or control the direction of that firm which, in the opinion of the Board, would reasonably require that member to be regarded at the material time as a principal of that sharebroking firm.
- 3.10 Where a sharebroking firm has been declared a defaulter in terms of Rules 22.01 and 22.04, every principal of that sharebroking firm shall, from the time such declaration of default has been made, be deemed to be suspended until further notice.
- 3.11 Any member suspended under Rule 3.10 shall, as a condition of retaining his membership:
- 3.111 Provide all reasonable assistance to the receiver, liquidator, special manager or any other appropriate person to enable both the financial position of the sharebroking firm to be established and the reconciliation of accounts with all other members to be completed; and
- 3.112 Contribute financially his appropriate share—
- (i) to the costs of the resolution of the sharebroking firm's affairs; and
- (ii) to the funding of any liability which the firm might have to its clients and sharebroking creditors after determining the sharebroking firm's recoverable assets.
- 3.12 The amount of the appropriate share in Rule 3.112 shall be determined by the Board and in making such a determination the Board shall have regard to the interest which a member has in the sharebroking firm, the extent to which the member was in a position to influence or control the direction of the sharebroking firm and any other matters which the Board could reasonably regard as relevant to enable the appropriate share to be determined.
- 3.13 Any member who has been suspended in terms of Rule 3.10 may apply in writing to the Board for that suspension to be lifted. Without limiting the discretion of the Board to decide the matter, it shall be reasonable grounds for the suspension to be lifted where:
- 3.131 The member is able to show to the satisfaction of the Board that in the circumstances of his case, it might not have been appropriate for the suspension to be imposed; or
- 3.132 The member is able to provide evidence satisfactory to the Board of his ongoing commitment to meet the obligations set out in Rules 3.111 and 3.112.
- 3.14 Any member who is not prepared and able to meet the obligations set out in Rules 3.111 and 3.112 shall be required to advise the Board in writing.
- Upon receipt of such advice, the Board may without further notice, require such member to resign forthwith. Alternatively, the member in question may, as part of his advice to the Board, tender his resignation from membership.
- 3.15 Any resignation under Rule 3.14 shall be made in terms of Rule 3.051 and shall be conditional upon the member in question having settled all outstanding fees and levies owed to the Exchange or to his regional exchange and any other expenses incurred in respect of the member by the Exchange or his regional exchange.
- 3.16 Any member who resigns in terms of Rule 3.14 without having met the obligations set out in Rules 3.111 and 3.112 or who is permitted to resign without having paid all outstanding fees, levies and other expenses, shall not be eligible to subsequently apply for readmission to membership until all such financial obligations have been discharged to the satisfaction of the Board.
- 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 establish his personal place of business.
- 4.02 An application for membership shall state:
- 4.021 That the applicant agrees to be bound by the Rules of the Exchange and the bylaws of the appropriate regional exchange; and
- 4.022 Evidence of the applicant's eligibility under Rules 3.03 or 3.04 as the case may be.
- 4.03 Upon receipt of any application for membership, the