

- of such transaction as is applicable and upon receipt of such consideration the chairman will forward the appropriate documents.
- 18.091 Upon receipt of the moneys as aforesaid the chairman receiving the same shall as far as they will extend use the same in adjustment of differences. For this purpose, such chairman shall obtain and shall be entitled to demand the necessary information from any regional exchange of which members are concerned in the transaction. All moneys available from time to time shall be distributed rateably to those members thereto entitled.
- 18.092 If the moneys received are deficient for this purpose, the chairman shall demand from the seller ultimately named the deficiency and to the extent to which moneys are so recovered, distribute the same to adjust the difference between brokers connected with the transaction.
- 18.093 Any surplus after adjustment of differences and payment of the chairman's expenses in connection with the transaction shall be the property of the original seller.
- 18.10 The chairman purchasing securities as aforesaid may purchase in one or more lots at such time or times as he thinks fit.
- 18.11 Nothing in these Rules shall relieve any member from the liability to the member with whom he has immediately contracted, save insofar as such liability is satisfied by the adjustment of differences and save as provided in Rule 18.14.
- 18.12 If the chairman has bought in in accordance with these Rules in whole or in part, then the original seller shall not be entitled to deliver save to the extent that the chairman has not bought in.
- 18.13 If the chairman required to buy in by these Rules has not bought in at the expiration of three days from the date first upon which he is to buy in, the ultimate buyer may require the Chairman of the Board to fix a cash price as the basis for settlement of the transaction. In that case the chairman shall adjust the transaction between all parties with money demanded from the original seller in a like manner to the adjustment where such chairman actually buys in.
- 18.14 Where the provisions of Rule 18.13 have been invoked, the transaction shall be deemed to have been cancelled and such cancellation shall be operative as between all members in the transaction.
- 18.15 On the first business day of no more than six months in each calendar year, it shall be mandatory for all members to give notice in accordance with Rule 18.05 in respect to all deliveries which have been outstanding for more than one month.
- 18.151 For the purpose aforesaid, the Chairman of the Board shall nominate the month or months in each calendar year and members will be given at least ten business days' notice of any day so fixed.
- 18.16 The seller shall deliver separate transfers representing the total number of shares in the sale where the buyer requests at the time of sale separate transfers provided always that where a marketable parcel is bought and no conditions are agreed upon at the time of sale it shall not be obligatory for the seller to deliver more than one transfer.
- 18.17 In no case is it incumbent on a seller to deliver scrip otherwise than in accordance with the terms of the contract. Save that, unless otherwise agreed, where a buying broker requests split transfers for shares in a company which does not permit marking of transfers, scrip must be delivered to match up with each transfer at time of delivery.
- 18.18 The selling broker shall be responsible for a reasonable time from date of delivery for the validity of all documents delivered, and for the shares being free from all liability due or payable at the time of sale.
- 18.19 It shall not be incumbent upon a member to accept a marked transfer of any security where there are less than 14 days in the case of transfers on an overseas register and 7 days in the case of transfers on a New Zealand register before the expiry of the period for which scrip is being held in support.
- 18.20 A seller of shares in an overseas company having a New Zealand register shall deliver scrip on an overseas register unless the contract otherwise provides.
- 18.21 A seller of shares in an overseas company not having a New Zealand register, shall deliver scrip on the register of the head office of the company unless the contract otherwise provides.
- 18.22 Delivery of bonds shall be in single \$1,000 bonds unless otherwise arranged at time of sale.
- 18.23 In the event of a member's client dying or becoming otherwise incapable of receiving and paying for, or delivering or transferring stocks or shares which the client has ordered to be bought or sold and, after reasonable inquiry, the member has no knowledge of anyone legally authorised to complete such purchases or sales on the client's behalf, the member may, through the chairman or with his authority, resell or repurchase as the case may be, and the client (or his estate) shall be liable for any deficiency and be entitled to any surplus which may result.
- 18.24 In the event of a member's client failing or refusing to complete a contract or a number of contracts on demand (which demand need not be in writing) the member may resell or repurchase as the case may be, the securities the subject of the contract or contracts at the client's risk and expense, which expenses shall include brokerage and stamp duty.
- 18.241 Any deficiency arising from any such resale or repurchase shall constitute a debt owing by the client to the member and in any case where there shall be a surplus arising from any such transaction the member shall account to his client accordingly subject in either instance to any right of set off which may exist.
- 18.242 Any written communication (including any demand) from a member to his client shall if sent by cable, facsimile, telegram, telex or prepaid letter addressed to the last known address of the client be deemed to be delivered to the client on the next business day following day of posting or sending.
- 18.25 Powers of Attorney—Where a transfer of securities purports to be executed under a power of attorney or by an executor or administrator such transfer shall bear an acknowledgement by the registrar or a regional stock exchange to the effect that the power of attorney, probate, or letters of administration have been exhibited to the registrar.
- 18.26 Where the seller has not tendered the documents within six weeks of the date of sale and the buyer has not acted under Rule 18.05 the buyer may give notice to the seller that, unless the documents are tendered within 72 hours of the receipt of such notice, the buyer will not thereafter accept delivery and, if the seller fails to deliver within the said 72 hours, then he shall not be entitled thereafter to deliver.
- 18.261 Nothing in this Rule shall be deemed to prejudice the rights of the buyer against the seller in respect of non delivery as aforesaid.
- 20.0 Discipline**
- 20.01 A Disciplinary Committee of the Exchange shall be appointed by the Board and shall consist of a barrister of not less than seven years' practice who shall be chairman, and not less than two or more than seven other individual members none of whom shall be a sitting chairman of a regional exchange, or a member of its committee. The