

- Board may from time to time remove from office any member of the Disciplinary Committee or fill any vacancy in its membership or appoint any additional member within the limits set by this Rule. No member who has attained the age of 70 years shall be eligible for appointment and a member of the Disciplinary Committee attaining that age shall retire from the Disciplinary Committee at the conclusion of the next annual meeting of the Exchange and shall not be eligible for reappointment.
- 20.02 Subject to the proviso to Rule 20.08, a quorum shall consist of the chairman and not less than two other members of the Disciplinary Committee.
- 20.03 If the chairman, through absence or any other cause is unable to act, the Board shall appoint a qualified person in his place.
- 20.04 The chairman of the Disciplinary Committee shall appoint one member of the public (who shall not be a barrister or solicitor) residing in Wellington, to be the lay member of the Disciplinary Committee. Each such appointment shall be for a period of one year, but may be renewed.
- 20.041 The appointment shall be advised to the Securities Commission to whom the lay member shall report at least once in each year.
- 20.042 The lay member shall be entitled to receive all notices and reports sent to the Disciplinary Committee and to attend all its meetings. He may speak and take part in proceedings and deliberations on hearings and appeals, and shall have a vote. His remuneration and expenses shall be as agreed with the chairman of the Disciplinary Committee and shall be paid by the Exchange.
- 20.043 The lay member shall have no obligation to attend hearings of the Disciplinary Committee which he considers do not involve the public interest.
- 20.05 Without limiting or derogating from any other provisions of these Rules the Disciplinary Committee shall have power to hear any charge made against any regional exchange or a member and referred to it by the Board, or a committee or the chairman thereof. The Disciplinary Committee may appoint an investigating committee and cause or require it to conduct such further investigations as it seems appropriate on any matter before it.
- 20.06 Every appeal by a member from the decision of a committee shall be heard and determined by the Disciplinary Committee and shall be by way of a complete rehearing of the charge unless the Disciplinary Committee shall otherwise decide.
- 20.07 Members Concerned or Implicated:
- 20.071 At the hearing of a charge against a member, no member of the Disciplinary Committee who is concerned or implicated in or whose firm is concerned or implicated in that charge shall be eligible to attend any meeting of the Disciplinary Committee called to enquire into the same.
- 20.072 At the hearing of a charge against a regional exchange a member of the Disciplinary Committee who is a member of that regional exchange, or where the charge has been referred to the Disciplinary Committee by the Board is also a member of the Board, shall not be eligible to attend any meeting of the Disciplinary Committee called to enquire into the same.
- 20.073 The lay member shall declare any interest he may have in connection with the parties to or the matter of a hearing. In such case he shall not be eligible to attend that hearing and the chairman of the Disciplinary Committee shall appoint another lay member for that hearing only.
- 20.08 If after enquiry into any charge, the Disciplinary Committee is of the opinion that the regional exchange or the member has been guilty of misconduct or of a breach of any rule or any regulation or any bylaw of a regional exchange, or of any act matter or thing detrimental to the wellbeing or proper conduct of the Exchange or regional exchanges generally it may, if it thinks fit, do one or more of the following things:
- 20.081 In the case of a regional exchange:
 20.0811 Order it to pay to the Exchange a sum by way of penalty not exceeding \$2,000;
 20.0812 Censure it.
- 20.082 In the case of a member:
 20.0821 Expel him from membership;
 20.0822 Suspend his membership for a stated period;
 20.0823 Order him to pay to the Exchange a sum by way of penalty not exceeding \$50,000;
 20.0824 Censure him.
- Provided that except with the consent of the member charged, no order shall be made expelling or suspending a member unless at least four members of the Disciplinary Committee including the chairman are present and a majority vote in favour of the order.
- 20.09 In any case where a member is fined the Disciplinary Committee shall set the time within which the fine shall be received by the Exchange.
- 20.10 The Disciplinary Committee shall state in every finding under Rule 20.08 whether the statement to be circulated under Rule 20.46 shall identify the penalised regional exchange or member by name and whether the circulation of the statement shall be to members only or generally.
- 20.11 Where a member is charged with having been convicted of a crime involving dishonesty as defined by Section 2 of the Crimes Act 1961 or any statutory modification or re-enactment thereof the charge shall not be heard by his committee but shall be submitted by such committee to the Disciplinary Committee for enquiry and action and for the purpose of this Rule, proof of conviction may be given by a certificate containing the substance of the conviction purporting to be signed by the Registrar or other proper officer of any Court by which the offender was convicted.
- 20.12 The Disciplinary Committee shall give at least 10 days' notice in writing (or such lesser time than 10 days as may be agreed upon by the parties concerned) to the regional exchange or member against whom a charge has been made, specifying the nature of such charge and the date, place and time of the meeting of the Disciplinary Committee called to consider that matter.
- 20.13 At such meeting, the regional exchange or member concerned shall be given a reasonable opportunity of being heard in defence and shall be entitled to be represented by counsel if such regional exchange or member so desires.
- 20.14 Except as otherwise provided in these Rules, the Disciplinary Committee shall regulate its own procedures.
- 20.15 The Disciplinary Committee, by notice in writing signed by its chairman or secretary, may require any person to attend and give evidence before it at the hearing of a charge to produce for inspection all books, documents and papers that are in his custody or under his control, relating to the subject matter of any such hearing. The Disciplinary Committee, by notice in writing signed as aforesaid, may require a company member to ensure that an officer or employee of the company attends and gives evidence before it at the hearing of a charge and to produce for inspection all books, documents and papers that are in the custody or under the control of the company member and that relate to the subject matter of any such hearing.
- 20.16 The Disciplinary Committee by notice in writing may require any investigating committee or member thereof to appear before it and to produce all evidence arising from and the reports of the results of any investigation.
- 20.17 The Disciplinary Committee may require evidence to be