

6. TRADING MEMBERS – CONDUCT

- 6.1 A Trading Member shall at all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange and its Members, and in particular it shall be the responsibility of each Trading Member:
- (a) to maintain internal records showing the time, date and nature of instructions received from, and trades executed for, clients and to maintain separate internal records showing the time, date and nature of its own orders and trading and the source of funds used for that trading. Such records are to be maintained for a period of not less than two years from the date of a trade;
 - (b) to maintain such accounting records as correctly record and explain the transactions of the Member and the financial position of the Member, and in addition as will enable compliance with these Articles and the By-Laws to be conveniently ascertained by the Investigations Committee and otherwise conveniently and properly audited;
 - (c) to ensure that at all times the value of the net tangible assets of the Trading Member is not less than five hundred thousand dollars (\$500,000) or such greater amount as may from time to time be fixed by special resolution of the Exchange, or by a resolution of the Board duly passed at a meeting specially convened to consider the matter and which is supported by the affirmative votes of at least four Directors appointed in accordance with clause 24.2(a)(i) or alternates for such Directors;
 - (d) to provide the Investigations Committee with such financial reports, within such time, as the Investigations Committee requires. Such information shall include true and correct statements of the following:
 - (i) a monthly return of the Member's position with regard to clients' funds, within five working days of the last business day of the month;
 - (ii) a quarterly return of the Member's financial position, within two months of the last business day of the months of March, June, September and December in each year, and at such other times as may be requested in writing by the Committee;
 - (iii) signed audited annual financial accounts, within three months of the Member's annual balance date.Such statements shall be binding on the Member, and are to be signed by the Member, or by a partner or director of the Member, as the case may be, or by a person duly authorised by the Member to sign such statements;
 - (e) to obtain appropriate written acknowledgements from clients, which shall include as a minimum the matters contained in the appropriate form set out in the Schedule hereto;
 - (f) to obtain proper authorities from clients in relation to accepting instructions from any person