

or to any delegate of the Board and shall be accompanied by such fee as may from time to time be prescribed by the Board.

"13.04 The term "flotation" where it is used in section 13.0 of these rules shall not include the issue of debentures or stock by the New Zealand Government or by any local body within New Zealand.

"13.05 Assurance of authority to act given to any one member shall be deemed to be authority for all other members to be associated with the particular flotation but shall not confer upon such other members any right to demand to be allowed to place a portion of the issue.

"13.06 In each case in which assurance of authority to act has been received, there shall be endorsed upon the relevant prospectus or other document soliciting applications for shares or other securities the following statement:

"The New Zealand Stock Exchange has authorised members to act in this issue but accepts no responsibility for any statement in this prospectus."

14.0 Delete and replace with:

"14.01 Upon receipt of an application for assurance pursuant to rule 13.01 that a member has authority to act in a flotation which he is underwriting whether wholly or in part or in conjunction with any other person, the Board may request the Inspector appointed under rule 23.04 to verify, by examination of the records of the applicant, the details contained in the application in so far as they relate to the underwriting of the flotation and to report to the Board on the accuracy of such application with any comments which he considers may affect the Board's consideration of the application. In considering the application the Board shall satisfy itself that the obligations likely to devolve upon the member are within his financial capacity."

17.02 Delete and replace with:

"The inclusion of a transaction in a member's matched trade report shall be *prima facie* evidence that the transaction has taken place and of the terms thereof."

18.0 Delete and replace with:

"18.01 In order to ensure that members at all times meet their obligations regarding delivery of documents relating to share transactions and the settlement thereof:

18.011 all members shall deliver and settle according to the procedures and within the time limits set out in the regulations.

18.012 the Board shall make regulations setting out procedures to buy in shares or to provide a cash settlement in lieu where any member fails to meet delivery obligations. Such regulations shall include provision for charges which may be levied against the member in breach as a result of such procedures having to be invoked with regard to any particular transaction.

"18.02 Where any client of a member has failed to meet an obligation with regard to delivery or settlement then in the case of failure to deliver, the member concerned shall have the right to pass on and the client shall have the obligation to meet any charge or levy incurred by the member because of the client's failure to make delivery with the time needed to enable the member to meet the time limits set out in the regulations.

"18.03 Where a client has failed to settle with a member, both parties shall have the rights and obligations set out in the regulations regarding cancellation of the contract and the mitigation of any loss relating thereto."

20.01 Delete the words "sitting chairman of a regional exchange, or a member of its committee" and replace with "member of the Board." on lines 6 and 7.

20.05 Delete the words "regional exchange or a" on line 4.

Insert the words after "committee" on line 5 "appointed in terms of rule 20.29." and delete the words "or the chairman thereof" on line 5.

20.06 Insert the words after "committee" on line 2 "appointed in terms of rule 20.29."

20.072 Delete.

20.08 Delete the words "the regional exchange or" on lines 2 and 3.

Delete the words "or any bylaw of a regional exchange," on lines 4 and 5.

Delete the words "or regional exchanges generally" on line 7.

20.081 Delete and replace with:

"Expel him from membership";

20.082 Delete and replace with:

"Suspend his membership for a stated period";

"20.083 Add a new section 20.083:

"Order him to pay to the Exchange a sum by way of penalty not exceeding \$50,000";

20.084 Add a new section 20.084:

"Censure him."

20.10 Delete the word "whether" and replace with "that" on line 2.

Delete the words "regional exchange or" on lines 3 and 4.

Delete the word "whether" and replace with "that" on line 4.

Delete the words "the circulation of" on line 4.

Insert the words "circulated generally" after the word "be" on line 5.

Delete the words "to members only or generally" on line 5.

20.11 Delete the words "shall not be heard by his committee but" on lines 4 and 5.

Delete the words "by such committee" on line 5.

20.12 Delete the words "regional exchange or" on line 4.

20.13 Delete the words "regional exchange or" on lines 1 and 4.

20.22 Delete the words "his regional exchange" and replace with "the Exchange," on line 4.

20.23 Delete the words "and regional exchanges" on line 5.

Insert the words "appointed in terms of rule 20.29." after "committee" on line 8.

20.27 Delete the words "or a committee of a regional exchange or the chairman thereof" and replace with "or any Vice Chairman" on lines 2 and 3.

20.29 Delete and replace with:

"The Board shall have the power to appoint local disciplinary committees either on a standing basis or to consider a particular charge. Any such local disciplinary committee (hereinafter referred to in section 20.0 of these rules as a "committee") shall consist of a minimum of 1 individual member and shall have such powers and follow such procedures as shall be provided by these rules and except as provided in rule 20.11 hereof, such a committee may hear any charge made against any member and referred to it in writing by the Disciplinary Committee, the Board, a Vice Chairman, the investigating committee established under rule 20.34 or by any other person."

20.33 Delete the words "or any bylaw of his regional exchange," on lines 3 and 4.

Delete the words "or of regional exchanges generally," on line 6.

20.0332 Delete the words "his regional exchange" and replace with "the Exchange" on line 1.