

part or in conjunction with any other person, the Board may request the Inspector appointed under Rule 23 (4) 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 floatation 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.

15 Quotations and Sales Reporting

- 15 (1) To maintain a quotation at official trading sessions, members offering to buy or sell shall be deemed to be bound to deal in numbers prescribed by the regulations, which numbers shall be known as marketable parcels. Nothing in this rule shall prevent any member agreeing to deal in quantities other than a marketable parcel or any multiple thereof.
- 15 (2) Sales shall be reported within such times and in such manner as shall from time to time be prescribed by the regulations.

16 Brokerage

- 16 (1) Subject to the provisions of the Rules and subject to the laws of the country wherein the register of securities dealt in is situated, stamp duty and transfer fees shall be paid by the purchaser. Where the transaction is for less than a marketable parcel as defined by the regulations the buyer and/or the seller shall pay such stamp duty and fees as may be prescribed from time to time by odd lot regulations of the Exchange.

17 Contracts

- 17 (1) In contracts between members for the sale and purchase of shares and stocks, they shall be held to be principals to each other, unless a written arrangement to the contrary is made between buying and selling brokers at the time the contract is made.
- 17 (2) 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.
- 17 (3) Refusal of the Board of Directors of any company to register a transfer shall not invalidate a contract between members.

18 Delivery and Settlement

- 18 (1) In order to ensure that members at all times meet their obligations regarding delivery of documents relating to share transactions and the settlement thereof:
- (a) all members shall deliver and settle according to the procedures and within the time limits set out in the regulations.
 - (b) 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 (2) 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 (3) 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.

19 Trading Activities

- 19 (1) The Board may from time to time determine the method or methods by which the trading of securities takes place on the Exchange.
- 19 (2) Without limiting the Board's power to determine that trading in a particular security or class of securities may be carried on by a particular method, trading in any securities which may from time to time be listed on the Exchange, may take place by electronic means, or on a trading floor or in any combination of those two methods.
- 19 (3) The Board may at its discretion resolve that a trading floor or trading floors shall be established or maintained in a particular location or locations and may also by resolution establish the terms under which such a trading floor shall operate and the basis on which it is to be funded.
- 19 (4) In considering whether a trading floor shall be established or maintained in any location, the Board shall have regard to the needs of members and investors in that location, the effect which the establishment or maintenance of such a trading floor might have on the market generally and any other factor which the Board may reasonably take into account in making its decision.
- 19 (5) The Board may in respect of any electronic system of trading, determine the method by which such electronic trading shall be established and take place including its initial and ongoing funding, and the purchase and development of any computer hardware or software which in the opinion of the Board is necessary to establish and maintain such a system.
- 19 (6) Without in any way limiting the powers in Rule 8 (24) relating to the making of regulations, the Board shall make regulations for the conduct of trading, whether on an electronic system or on a trading floor or on any combination thereof, established or maintained pursuant to Rules 19 (3) or 19 (5). Such regulations may include provision for the terms under which any person, whether a member or an employee of a member, may have access to any electronic system or trading floor, or may trade any of the securities listed on the Exchange.

20 Discipline

20 (1) Disciplinary Committee

- (a) The Board shall appoint a Disciplinary Committee consisting of:
 - a barrister of not less than seven years' practice who shall be chairman;
 - three individual members, none of whom shall be a member of the Board;
 - one lay member, appointed in terms of Rules 20 (2) (a) and 20 (2) (b).
- (b) Subject to Rules 20 (1) (d) and 20 (1) (e) each appointment of a chairman shall be for a term of five years but the Board may reappoint any chairman for a further term or terms at its complete discretion.
- (c) Subject to Rules 20 (1) (d) and 20 (1) (e) each appointment of a member of the Disciplinary Committee (other than the lay member) shall be for a term of 3 years, provided that the Board may at its complete discretion appoint a retiring member for a further term or terms.
- (d) The Board may from time to time remove from office any member of the Disciplinary Committee or fill any