

member's registered office may be situated at the same location as that of its parent company.

- (f) The articles of association of the company comply in all material respects with the standard form (if any) prescribed from time to time for such articles by the Board and the determination of the Board that the articles of association of a company do or do not at any time comply with this Rule 6 (7) (f) shall be final and binding on the company member.
- 6 (7) The shares of a company member may be held in the name of a nominee but where any shares of a company member are held in or transferred into the names of nominees, the directors of the company member shall immediately advise the Board of the identity of the beneficial owner or owners of such shares.
- 6 (8) No company member shall have any of its shares held in such a way that the identity of the beneficial owner of those shares cannot be determined or disclosed to the Board and to all other members. All company members shall provide the Managing Director with a schedule of their shareholders, listing the identity of the beneficial owners of such shares and the number of shares held by each beneficial owner. The Managing Director shall maintain a file of such schedules and the file shall be open for inspection by any person at an office of the Exchange nominated by the Managing Director.
- 6 (9) Where there is a change in either the registered ownership or the beneficial ownership of any shares in a company member, the directors shall immediately advise the Managing Director, giving full details of the change and also confirming the identity of the beneficial owner of such shares so that the register referred to in Rule 6 (8) may be updated.
- 6 (10) Failure by a company member to disclose either changes in shareholding or the identity of the beneficial owners of its shares shall render the member liable to suspension by the Board. A suspension pursuant to this rule shall continue until such disclosure shall have been made to the satisfaction of the Board.
- 6 (11) Whenever a new director of a company member is appointed, the company shall forthwith deliver to the Exchange a statutory declaration by the director stating that the company is complying with Rule 6 (6) and that the director will ensure that the company will abide by the Rules of the Exchange.
- 6 (12) Whenever a company member files with the Registrar of Companies an annual return or a notice of a change in its share capital, or its directors or articles of association, it shall at the same time send a copy of such return or notice to the Managing Director.
- 6 (13) Every sharebroking firm shall designate one individual member to be managing partner or managing director as the case may be.

7 Sharebroking Offices

- 7 (1) A member may have more than one sharebroking office and any sharebroking office may be situated anywhere in New Zealand or overseas:
- Provided that no member shall operate such sharebroking office under a name which is different from that of his sharebroking firm.
- 7 (2) Every sharebroking office shall be under the direct full time control of either at least one individual member or a suitably qualified and experienced employee of that member.
- 7 (3) Where a member proposes to operate a sharebroking office under the control of a non-member employee, that member shall first seek the consent of the Board to the proposal by satisfying the Board that the employee

concerned has the necessary qualifications and experience to be in charge of a sharebroking office.

- 7 (4) As a minimum, an employee so proposed should:
- Have at least 2 years' full time experience in the office of a member or in the giving of investment advice to the public; and
 - Hold a sharebroker's licence; and
 - Have attained a pass in such examinations or part thereof as the Board may from time to time prescribe or have completed any educational programme which in the opinion of the Board should qualify such a person to be in charge of a sharebroking office.
- 7 (5) A member wishing to open his first sharebroking office, or to establish a new sharebroking firm, whether as a sole trader, as a company member or in association with another member, shall first be required to satisfy the Board that:
- He and any other member with whom he is associated in the venture, is able to meet the capital and equity requirements set out in these rules or in any regulations made thereunder;
 - His office and book keeping systems are of an acceptable standard when measured against those already in place in other sharebroking firms. For the purposes of this rule, a certificate to the appropriate effect from the Stock Exchange Inspector will suffice;
 - his senior staff are suitably experienced and capable to enable his business to be conducted in a way which will not place other members and the investing public at financial risk;
 - he has fully met all obligations arising from his previous activities as a principal of a sharebroking firm.
- For the purposes of this Rule, no sharebroking firm shall be deemed to be "new" merely because another member has become associated with it or because any part of its shareholding may have changed hands or because it has merged with another sharebroking firm.
- 7 (6) Any person admitted to membership who is at the time of his admission a principal or director of a sharebroking business and wishes to continue to operate that business as a sharebroking firm in terms of these Rules, shall first satisfy the Board that he and his business are able to meet the criteria set out in Rule 7 (5).
- 7 (7) A member wishing to open further sharebroking offices in addition to his principal place of sharebroking business or to join in partnership or become formally associated with another member shall give the Exchange at least 21 days' written notice of his intention to do so. In the case of a sharebroking office, the notice shall state the full address of the office and the full names of the person or persons under whose direct full time control it will be placed. On receipt of any such notice the Managing Director shall forthwith advise all members of its details.
- 7 (8) A member shall be entitled to participate either in person or through an authorised clerk in the official trading meetings on any trading floor of the Exchange so long as that member has paid such fees and levies as the Board shall reasonably determine.
- 7 (9) Where a member has more than one sharebroking office, deliveries to the member shall be made to the office of the Exchange nominated by the member for that purpose unless otherwise agreed between the parties.
- 7 (10) Where a member has a sharebroking office situated overseas:
- Subject to Rule 7 (10) (b), the provisions of these Rules which relate to the operation of sharebroking offices