

shall apply in respect of that overseas sharebroking office except in so far as they conflict with any requirements whether statutory or otherwise that apply in the jurisdiction in which that sharebroking office is situated;

- (b) Rule 23 shall apply in respect of that sharebroking office, except that an inspector appointed under Rule 23 (4) may appoint an overseas chartered accountant in public practice as his agent and delegate to him any or all of his powers as inspector in relation to that sharebroking office.

8 Board of Directors

- 8 (1) The management and control of the business and affairs of the Exchange shall be in the hands of a Board of Directors ("the Board"). The powers of the Board shall be subject only to such limitations as are expressly imposed by these rules.
- 8 (2) The Board shall consist of 10 persons of whom at least 5 shall be individual members of the Exchange, at least 2 shall be non-members and a maximum of 2 may be full time employees of the Exchange who shall be appointed by the Board at the recommendation of the Chairman.
- 8 (3) All appointments to the Board, other than that of any fulltime employee of the Exchange, shall be by election at the annual meeting of members and such appointees shall be subject to nomination as specified by these Rules.
- 8 (4) Nominations for member appointees to the Board shall be made by two other individual members and submitted in writing to the Managing Director no later than five weeks prior to the date of the annual meeting. All persons nominated shall confirm in writing to the Managing Director their willingness to accept nomination.
- 8 (5) No person who is not a member other than any fulltime employee of the Exchange appointed in terms of Rule 8 (2), shall be eligible for election to the Board unless he has first been nominated by the Chairman and he has suitable business experience (as determined by the Board). Any person so nominated shall signify in writing his willingness to accept the nomination and the nomination shall be submitted in writing to the Managing Director no later than five weeks prior to the date of the annual meeting.
- A non-member Director elected to the Board shall:
- (a) Not be employed concurrently in any office of the New Zealand Stock Exchange or any of its sharebroking firms;
- (b) Be entitled to all information and any notices circulated to members and may attend, but not vote, at general meetings of members;
- (c) Not by reason of his election become a member of the Exchange.
- 8 (6) All directors shall be entitled to remuneration at such a rate or by such sum as the members may at any general meeting from time to time determine. The remuneration so determined shall apply to the year specified in such determination and to all subsequent years until altered by the members in general meeting.
- 8 (7) The remuneration shall not be altered unless notice of intention to move accordingly stating the amount of the proposed increase or decrease has been given in the notice convening the relevant meeting.
- 8 (8) The remuneration of the Directors may be fixed individually or collectively or by both of such means. Remuneration payable to any Directors collectively shall be divided amongst them in such proportions and in such manner as they may determine, and in default of

such determination shall be divided amongst them equally.

- 8 (9) The Directors shall be entitled to be paid reasonable expenses incurred in attending meetings of the Board and whenever else engaged on the business or affairs of the Exchange.
- 8 (10) The Board may allow special remuneration by a fixed sum or salary to any Director rendering any special services or undertaking work additional to that normally required of the Directors. This provision shall also empower the Board to authorise additional payment to the Chairman where his commitment to the affairs of the Exchange substantially exceeds that reasonably expected of a non-executive chairman.
- 8 (11) Any Director or any firm of which that Director is a member or partner may act in a professional capacity for the Exchange and shall be entitled to remuneration for professional services as if the Director were not a Director. A Director or that Director's firm shall not act as auditor to the Exchange.
- 8 (12) At each annual meeting 2 member Directors and 1 non-member Director shall retire from office. The Directors to retire shall be those who have been longest in office since their last election.
- 8 (13) As between persons who became Directors on the same day those to retire by rotation shall (unless they otherwise agree) be determined by lot.
- 8 (14) A Director who is retiring in terms of Rule 8 (12) may offer himself for re-election and shall be deemed to have been re-elected unless at the meeting it is resolved that the vacated office shall not be filled or that the retiring Director shall not be re-elected.
- 8 (15) A retiring Director who is not standing for re-election shall hold office until the closure or adjournment of the meeting at which any successor of the retiring Director is elected.
- 8 (16) The appointment of any Director shall be terminated:
- (a) At any time agreed upon by a majority of the Board;
- (b) Upon the death or resignation in writing of that Director;
- (c) By a resolution approved by a majority of those members, present in person or by proxy at any general meeting of members.
- 8 (17) At its first meeting following the annual meeting, the Board shall elect two of its members to act as Chairman and Deputy Chairman. A non-member Director shall not be eligible for election either as Chairman or Deputy Chairman but shall be eligible to act as Chairman of a meeting in terms of Rule 8 (26).
- 8 (18) Where a member of the Board is temporarily unable to act, for whatever reason, that member may in writing, appoint an alternate (being a member or non-member as appropriate) who is not already a Director and who is approved by a majority of the other Directors, to act in all matters for him during his temporary inability to act.
- 8 (19) The appointee while holding office as an alternate shall be entitled to notice of meetings of the Directors and in the absence from meetings of the appointor to attend and vote at meetings as a Director but shall not be entitled to be remunerated otherwise than out of the remuneration of the appointor.
- 8 (20) The appointment may be revoked at any time by the appointor or by a majority of Directors by notice in writing delivered to the Managing Director.
- 8 (21) In the event of any member of the Board being unable or unwilling to act for the term or balance of the term for which he was appointed, then the Board at its