

44.4 Any failure by a Dealer to pay any costs payable by it in accordance with Rule 44.3 within fourteen days shall be regarded as a breach of these Rules.

45. COSTS

45.1 If at any time the parties to an arbitration settle their differences, the arbitrator shall determine the amount of the costs payable to him or her and the Business Conduct Committee, and shall direct by whom those costs or any part thereof must be paid, unless the parties have notified the Business Conduct Committee in writing that they have agreed by whom such costs are to be paid.

45.2 Where the Company pays the costs of an Award under Rule 44.3, each party shall be jointly and severally liable to the Company for payment of those costs.

45.3 Unless the parties to an arbitration agree in writing that this provision shall not apply and notify the Business Conduct Committee of such agreement within twenty-eight days of the date of the notification under Rule 42.4 if the arbitrator orders a party to pay the whole or any part of the costs of any other party the arbitrator may, after considering the costs claimed by any party, disallow any amounts which in the opinion of the arbitrator should not properly be payable by the party or parties ordered to pay such costs.

SECTION 8—COMMITTEES AND COMMITTEE PROCEDURES

46. COMMITTEES

46.1 There shall be a standing committee of the Exchange, known as the Business Conduct Committee, which shall be constituted in accordance with Rule 48.

46.2 The Company may from time to time appoint other committees of the Exchange for such purpose or purposes, and with such powers, as the Company thinks fit.

47. COMMITTEE PROCEDURES

47.1 A committee may elect a chairperson of its meetings; if no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the persons present may choose one of their number to be chairperson of the meeting.

47.2 The quorum for committee meetings shall be three. Decisions of the committee shall require a two thirds majority of votes of the members present and voting.

47.3 A committee may meet and adjourn and otherwise regulate its proceedings in whatever manner it thinks fit.

47.4 The contemporaneous linking together by telephone or other means of communication of a number of committee members not less than a quorum, whether or not any of the members are out of New Zealand, shall be deemed to constitute a meeting of the committee.

47.5 A resolution in writing signed by all the committee members for the time being in New Zealand, shall be as valid and effectual as if it had been passed at a meeting of the committee duly convened and held, provided that the committee members signing such resolution would constitute a quorum. Any such resolution may consist of several documents in similar form each signed by one or more committee members. Any such document sent by a committee member by telegram, cable, facsimile copier, telex or other means of electronic communication in permanently visible form shall be deemed to have been signed by the committee member.

47.6 Appointments to a committee shall be made for a maximum term of three years provided that a member retiring under this Rule may, unless ineligible for reappointment, be reappointed for a further term or terms of a maximum of three years each.

47.7 The Company may review the membership of a committee at any time and subject to the provisions of these Rules may remove or replace any member then serving.

47.8 The Company shall promptly fill up any casual vacancy in a committee by appointing to the committee a person of the same category as the person who vacated office.

47.9 A committee may delegate any of its powers to a sub-committee consisting of such member or members of its body as the committee thinks fit and may, from time to time, revoke any such delegation. Any sub-committee so formed shall, in the exercise of the powers delegated to it, conform to any regulation that may, from time to time, be imposed upon it by the committee by which it was appointed. Decisions of a sub-committee shall require the unanimous approval of all members of the sub-committee. The provisions of Rules 47.3 to 47.8 shall (with all necessary modifications) apply to each sub-committee appointed pursuant to this Rule 47.9.

47.10 Any notice or other communication to be given to any committee shall be delivered or posted, addressed to that Committee, at the address for the time being of the principal place of business of the Exchange.

SECTION 9—BUSINESS CONDUCT COMMITTEE

48. CONSTITUTION AND FUNCTIONS

48.1 The Business Conduct Committee shall consist of five persons appointed by the Company of whom at least two shall be persons who are independent in terms of Rule 3.3. The Company will advise Trading Permit Holders before appointing a person to the Business Conduct Committee and give them a reasonable opportunity to comment on the proposed appointment.

48.2 The chairperson of the Business Conduct Committee shall be a person who is independent in terms of Rule 3.3

48.3 The functions of the Business Conduct Committee shall be to:

- (a) supervise the business conduct of Dealers;
- (b) exercise the powers of investigation, suspension and termination, and any other powers, conferred on the Business Conduct Committee by these Rules; and
- (c) recommend to the Board any changes to the Rules which the Committee considers necessary or desirable.

48.4 In order to assist it in fulfilling its functions under these Rules the Business Conduct Committee may:

- (a) appoint the Company, any officers or employees of the Company, the auditors of the Company or of the Exchange, or such other persons as the Committee sees fit, to act as agent or agents of the Committee in carrying out any investigation, inspection or other function;
- (b) employ, or otherwise seek advice or assistance from external investigators, auditors, accountants, lawyers and other experts, and such other persons as the Committee thinks fit.