

## INTEREST IN MEMBERSHIP.

## Members to have interest in their membership.

43. Every member shall have an interest in his membership, but he shall have no power to and shall not encumber or assign the same by way of mortgage, and the Exchange shall have a preferential lien thereon for any debt or debts owing by the said member to the Exchange or to any member or members thereof.

## TRANSFER OF MEMBERSHIP.

## Members may transfer membership.

44. Any member may propose a candidate for membership in his stead, provided he at the time of such proposal lodge with the Secretary the resignation of his own membership. In the event of such candidate being rejected the member may again propose a candidate, until a candidate proposed by him shall be elected. Pending the election of a candidate proposed by him the member shall retain his membership and all the privileges thereof; but as soon as a candidate proposed by him shall be elected the resignation of such member shall take effect.

45. Any member may resign his membership, and thereafter nominate a candidate to be proposed for membership in his stead. In the event of such nominee being rejected, the resigning member may again nominate a candidate until a candidate nominated by him shall be elected.

## Resignation must be accepted by Committee.

46. The resignation of a member who shall not at the time of lodging such resignation propose a candidate for membership in his stead shall not take effect unless it be accepted by the Committee.

## Deceased member.

47. The executors or administrators of any deceased member shall have the same privilege as that possessed by a resigning member of nominating a candidate, who may be proposed for membership in the place of the deceased member.

## Form of notice of transfer of membership.

48. On transfer of a membership under Rules 44, 45, or 47 notification of same shall be made in the following form:—  
Auckland, 19 .

To the Secretary of the Auckland Stock Exchange.  
SIR,—I [or We], the undersigned , do hereby notify to you that I [or we] have sold my membership [or the membership of the late ] in the Auckland Stock Exchange to , of , for the sum of £ , and that it is my [or our] intention to propose [or have proposed] the said for membership in my stead [or the stead of the said ].  
I am, &c.,

## Form of notice of purchase of membership.

SIR,—Referring to the above notice, I, the said , have purchased the above membership for the sum of £ , and am desirous of being admitted a member of the Auckland Stock Exchange, upon the terms of and under and subject in all respects to its rules and regulations which now are or hereafter may be for the time being in force.

I have read the rules as at this date, and am willing to sign them when called upon to do so.

Enclosed I beg to hand you a cheque for £ , being amount of entrance fee payable by me.

I am, &c.,

## Entrance fee of members by purchase.

49. On transfer of a membership, 10 per cent. of the gross sum which the transferee shall have paid or agreed to pay for the said membership shall be paid to the Exchange as the entrance fee of the said transferee; but in no case shall the amount of the fee be less than £20, and the transferee shall not be eligible for election until the said fee be paid. In the event of his rejection the said fee so paid shall be returned to him. The Committee may require from any or all of the parties concerned such evidence as they may deem necessary as to the price paid for the membership, and may further require, if they think fit, the whole of the consideration-money to be passed through the hands of the Treasurer.

All claims against members to be paid before election of nominee.

50. The election of any candidate for admission to membership by virtue of his purchase of a membership from a member, or the executors or administrators of a deceased member, shall not be proceeded with until all claims which the Exchange or any member or members thereof may, under these rules, have or have had against the said member or deceased member shall have been satisfied.

Committee may sell membership of a late member who is indebted to Exchange or any member of it.

51. At any time after the resignation, retirement, or death of any member who is indebted to the Exchange, or to any

member or members thereof, the Committee may sell and transfer the membership of the said late member, subject to the purchaser being duly elected. The Committee shall apply the proceeds, in the first place, in payment of the amount due to the Exchange for the purchaser's transfer fee, and of any subscription, fine, or other liability owing by the late member; in the second place, in payment of the claims or the indemnification of any member or members who may at the time of such resignation, retirement, or death be creditors of the said member; and, lastly, in payment of the balance, if any, to the resigning or retiring member, or the executors or administrators of the deceased member, as the case may be.

committee's power of transfer to supersede all other rights of transfer.

The exercise by the Committee of the power contained in this rule shall supersede all other rights of transfer of membership.

## FORFEITURE AND DISPOSAL OF INTEREST IN MEMBERSHIP.

A member expelled to forfeit membership, which Committee may sell and transfer.

52. Any member expelled from the Exchange shall forfeit to the Exchange all interest whatsoever in his membership, and shall cease to have any claim whatever on or to the property or funds of the Exchange; and the Committee may, at their discretion, sell and transfer such forfeited membership, subject to the purchaser being duly elected.

The Committee shall apply the proceeds, in the first place, in payment of the amount due to the Exchange for the purchaser's transfer fee, and of any subscription, fine, or other liability owing by the late member; in the second place, in payment of the claims or the indemnification of any member or members who may at the time of such expulsion be creditors of the said member; and the balance, if any, shall be disposed of as provided by Rule 51.

Form of application for admission on purchase of membership from Committee.

53. On the sale of a membership under Rule 51 or 52 the purchaser shall apply for admission in the following form:—

Auckland, 19 .

To the Secretary of the Auckland Stock Exchange.

SIR,—Having purchased from the Committee of the Auckland Stock Exchange the membership of for the sum of £ , I am desirous of being admitted a member of the Auckland Stock Exchange, upon the terms of and under and subject in all respects to its rules and regulations which now are or hereafter may be for the time being in force.

I have read the rules as at this date, and am willing to sign them when called upon to do so.

I am, &c.,

## DECEASED OR EX MEMBERS HAVE NO CLAIM ON ASSETS.

Deceased or ex members have no claim on the assets of the Exchange.

54. Members who resign or cease to be members from any cause whatever, or the executors or the administrators of any deceased member, shall have no claim on the assets of the Exchange.

## DEFAULTERS.

Defaulters. Committee to deal with them, and how.

55. The Committee shall suspend for such period as it shall think fit, and may also fine or recommend for expulsion, any member who shall fail to pay when due any debt incurred by him to another member. Should the Committee decide to recommend the member's expulsion they shall report accordingly to the members at a special general meeting called for that purpose. It shall be competent for the said special general meeting to confirm the Committee's recommendation and expel the member so brought before them, or deal with him by fine or suspension from membership. A member who becomes insolvent or assigns his estate for the benefit of or compounds with his creditors shall, *ipso facto*, cease to be a member, and shall forfeit to the Exchange all interest in his membership and in the funds and property of the Exchange, notwithstanding that he may not be at the same time a defaulter on the Exchange; but such member may be reinstated without payment of fee, after he has obtained his discharge from his insolvency or a release from his creditors, by ballot taken in the same manner as provided by Rule 38.

Open transactions of defaulters to be closed at order of Committee.

56. The Committee shall have power to order that all open transactions, including time bargains, between any member unable to meet his engagements and other members shall be closed within a time to be named by the Committee. Such transactions shall be closed accordingly by the Chairman buying or selling in the market, on account of the member in default, such stocks or shares as he may have contracted to sell or purchase. The Chairman shall charge