

any additional sum payable as aforesaid, he shall immediately, upon the expiration of such twelve months, *ipso facto*, cease to be a member, and his seat shall be forfeited to and become the property of the Exchange.

Election.

8. Every candidate for admission to membership must be proposed by a member and seconded by another member, and such nomination shall then be submitted to the Committee, whose decision thereon shall be final. No rejected candidate shall be again proposed for election within the space of one year after his rejection. Every member shall sign the rules, and no member shall be entitled to the privileges of membership until he has done so.

9. The rights and privileges of every member shall be personal to himself and shall not be transferable by operation of law or by his own act or otherwise howsoever, nor shall members who resign or cease to be members from any cause whatever or the executors or administrators of any deceased member have any claim whatsoever on the assets of the Exchange.

Defaulters.

10. (a) 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 by the Committee without payment of fee after he has obtained his discharge from his insolvency, or a release from his creditors.

(b) 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 current rate of brokerage to the defaulter, and such brokerage shall be the property of the Chairman. Members shall, without delay, render full statements of account to the Committee.

(c) In case any member shall make default in payment of any amount payable to any other member, the last mentioned member shall give notice in writing of such default to the Chairman, within twenty-four hours after such default.

(d) The Committee shall have power to investigate the accounts of members with a member in default, and to reject or require the correction of any items which they may deem unsatisfactory.

(e) Members, creditors of a member in default, shall have a preferential claim on all surpluses in the hands of other members, resulting on the closing of transactions open at the time of default, and also on all moneys which may become payable to a member in default out of funds in the hands of the Committee from the estate of another member in default. All surpluses in the hands of members resulting on the closing of open transactions with a member in default shall be paid to the Committee.

(f) The Committee shall distribute as soon as possible amongst members, creditors of the member in default the surpluses received from other members on his account, and all moneys due to him out of funds in the hands of the Committee from the estate of another member in default.

Commission.

11. The rates of brokerage shall be those fixed or adopted from time to time by the London Stock Exchange.

Official Meetings.

12. (a) The official meetings of the Exchange shall be the meetings of members held at such place and times as the Committee shall appoint, at which the business shall be to make prices, effect sales, and receive and record quotations of sales; also to do any general business in accordance with these rules. The quorum for an official meeting shall be not less than one-sixth of the total members of the Exchange for the time being entitled to vote.

(b) A member shall not leave an official meeting without the permission of the Chairman under penalty of a fine of £5, which shall be paid within seven days.

Quotations.

13. (a) At the official meetings the prices made shall be binding on members making them to the extent of the minimum quotation. No sale shall be made while the record of business done is being called over, or during any time of suspense ordered by the Chairman.

(b) The highest declared buyers shall have priority over all other members in purchasing the stock in question at the price named. But having made a purchase, he must, to retain his priority, immediately declare himself as still a buyer.

(c) The lowest declared seller shall have priority over all other members in supplying the stock in question at the price named. But having made a sale, he must, to maintain his priority, immediately declare himself as still a seller.

(d) After any stock has been called and passed, business in that particular stock can only be re-opened at the buying or selling quotation.

(e) All sales of stocks and shares made at official meetings shall be quoted, except sales not amounting to a quotation. Due date must accompany quotation of debentures. Members shall not publish in the newspapers quotations of shares. Time bargains shall not be made at an official meeting, except in the following manner—viz., at the conclusion of the ordinary business. Any member may name any stock or shares in which he wishes to make a time quotation, and such stock or shares shall then be called for time transactions only. Sales effected by members as intermediate brokers shall not be quoted.

(f) If any quotation of sale be challenged, the Chairman of the day shall immediately accompany the member whose quotation is doubted to his office, and there satisfy himself by examination of the books or papers of such member as to the *bona fides* of the quotation; and shall report the result either to the Committee in the first instance or direct to the members in official meeting assembled, as to him shall seem fit. Any member refusing to the Chairman an inspection of his books shall be treated by the Committee as guilty of making a false quotation. An offender shall be considered as guilty of conduct unworthy of a member, and be dealt with accordingly.

Official List.

14. (a) The list of quotations of prices and of purchases and sales effected and reported at the daily meetings of the Exchange shall be the official list of the Exchange. The Committee may, if it so thinks fit, issue a monthly list. No member shall issue a private list or general report.

(b) Admission of companies to quotation on the official list shall be on such terms and conditions as the Committee shall from time to time determine. The Exchange shall have power to suspend for any period, or withdraw altogether, the name of any company or association from the official list.

Register of Sales.

15. All sales made at official meetings shall be recorded in a register kept for that purpose, which record shall be called over before the close of such meeting, and members shall be bound thereby. Stamped contract notes for all transactions in mining shares shall be passed between members, and in the event of a dispute, unless the contract note shall have been returned within a reasonable time, it shall be *prima facie* evidence of a sale having been effected, and at the price stated therein.

Inviolability of Contract.

16. 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 be made between buying and selling broker at the time of the contract being made.

Delivery and Settlement.

17. (a) Three clear days shall be allowed for delivery of documents by the seller, and failing delivery thereof during that period, the buyer may after 1 p.m. on the third day give twenty-four hours' written notice to the seller to deliver such documents, and failing such delivery the buyer may either cancel the purchase or buy at the risk of the seller through the Chairman of the Stock Exchange. Any deficiency or surpluses shall be adjusted between the parties by the Chairman. The defaulter shall settle the amount of any resulting deficiency within twenty-four hours. If, however, at the time of the sale the seller shall inform the buyer that the transfer has to come from a distance requiring a longer period than three days to deliver, it shall be at the option of the purchaser to refuse to complete the transaction.