

Graduated Fines Framework

| OFFENCE | PENALTY FOR FIRST OFFENDER | PENALTY FOR SECOND OFFENDER | PENALTY FOR PERPETUAL OFFENDER (THIRD OFFENDER AND ABOVE) | ADDITIONAL PENALTY FOR PERPETUAL OFFENDERS |
|--|--|--|---|---|
| <p>Failure to submit Annual Reports in accordance with sections 46, 70, 95 and 146 of the Securities Act</p> <p>(including failure to submit monthly and quarterly returns in accordance with the CIS Rules)</p> | <p>Fine of ZMW10,000</p> <p>Additional fine of ZMW100 for each day for which the contravention continues</p> | <p>Fine of ZMW30,000 for an offender that had not submitted the annual report for any of the previous financial years</p> <p>An additional fine of K200 for each day for which the contravention continues</p> | <p>Fine of ZMW150,000 for offenders who have not filed more than two annual reports within the stipulated timeframe or have filed in more than two annual reports outside the stipulated timeframe.</p> <p>Additional fine of K300 for each day for which the contravention continues</p> | <p>Maximum fine of 150,000</p> <p>Where the Commission has previously fined the offender the maximum fine, the Commission may Institute Market Misconduct Proceedings before the Capital Markets Tribunal</p> |

Graduated Fines Framework

| OFFENCE | PENALTY FOR FIRST OFFENDER | PENALTY FOR SECOND OFFENDER | PENALTY FOR PERPETUAL OFFENDER (THIRD OFFENDER AND ABOVE) | ADDITIONAL PENALTY FOR PERPETUAL OFFENDERS |
|--|----------------------------|-----------------------------|---|--|
| Failure to submit confirmation in writing as required under Rule 16(2)(b) of the Accounting and Financial Requirements Rules | ZMW3,000 | ZMW3,000 | ZMW3,000 | ZMW3,000 |
| Failure to comply with Rule 18 | ZMW3,000 | ZMW3,000 | ZMW3,000 | ZMW3,000 |
| Failure to submit separate Auditor's report in accordance with Rule 16(2) of the Accounting and Financial Requirements Rules | ZMW3,000 | ZMW3,000 | ZMW3,000 | ZMW3,000 |

Graduated Fines Framework

| OFFENCE | PENALTY FOR FIRST OFFENDER | PENALTY FOR SECOND OFFENDER | PENALTY FOR PERPETUAL OFFENDER (THIRD OFFENDER AND ABOVE) | ADDITIONAL PENALTY FOR PERPETUAL OFFENDERS |
|---|--|--|---|---|
| Failure to publish, distribute and submit Annual and interim reports as required under clauses 49 and 52 of the schedule to the CIS Rules | <p>Fine of ZMW10,000</p> <p>Additional fine of ZMW100 for each day for which the contravention continues</p> | <p>Fine of ZMW30,000 for an offender that had not submitted the annual report for any of the previous financial years</p> <p>An additional fine of K200 for each day for which the contravention continues</p> | <p>Fine of ZMW150,000 for offenders who have not filed more than two annual reports within the stipulated timeframe or have filed in more than two annual reports outside the stipulated timeframe.</p> <p>Additional fine of K300 for each day for which the contravention continues</p> | <p>Maximum fine of 150,000</p> <p>Where the Commission has previously fined the offender the maximum fine, the Commission may Institute Market Misconduct Proceedings before the Capital Markets Tribunal</p> |

Graduated Fines Framework

| OFFENCE | PENALTY FOR FIRST OFFENDER | PENALTY FOR SECOND OFFENDER | PENALTY FOR PERPETUAL OFFENDER (THIRD OFFENDER AND ABOVE) | ADDITIONAL PENALTY FOR PERPETUAL OFFENDERS |
|--|--|--|---|---|
| Failure to publish the latest offer and redemption prices and net asset value of the scheme in accordance with clauses 51 & 52 of the schedule to the CIS Rules. | <p>Fine of ZMW10,000</p> <p>Additional fine of ZMW100 for each day for which the contravention continues</p> | <p>Fine of ZMW30,000 for an offender that had not submitted the annual report for any of the previous financial years</p> <p>An additional fine of K200 for each day for which the contravention continues</p> | <p>Fine of ZMW150,000 for offenders who have not filed more than two annual reports within the stipulated timeframe or have filed in more than two annual reports outside the stipulated timeframe.</p> <p>Additional fine of K300 for each day for which the contravention continues</p> | <p>Maximum fine of 150,000</p> <p>Where the Commission has previously fined the offender the maximum fine, the Commission may Institute Market Misconduct Proceedings before the Capital Markets Tribunal</p> |

Graduated Fines Framework

| OFFENCE | PENALTY FOR FIRST OFFENDER | PENALTY FOR SECOND OFFENDER | PENALTY FOR PERPETUAL OFFENDER (THIRD OFFENDER AND ABOVE) | ADDITIONAL PENALTY FOR PERPETUAL OFFENDERS |
|---|---|---|---|---|
| Failure to be a member of an association of Capital Markets Operators | <p>Fine of ZMW10,000 for corporates</p> <p>Fine of ZMW3,000 for individuals</p> | <p>Fine of ZMW10,000 for corporates</p> <p>Fine of ZMW3,000 for individuals</p> | <p>Fine of ZMW10,000 for corporates</p> <p>Fine of ZMW3,000 for individuals</p> | <p>Fine of ZMW10,000 for corporates</p> <p>Fine of ZMW3,000 for individuals</p> |