SECTION 16

16.1 DISCIPLINARY PROCEEDINGS

a) CDS may discipline any Participant for a violation of any provision of the Rules or the Procedures of CDS, such Participant's agreements with CDS, or for any error, delay or other conduct detrimental to the operations of CDS, or for not providing adequate facilities for such Participant's, business with CDS, by expulsion, suspension, limitation of or restriction of activities, functions and operations, fine or censure of any other action that may be deemed to be necessary, provided, however, that the fine for any single offence shall not exceed the sum of Rupees 5,000,000/=.

b) Before imposing any disciplinary sanction on a Participant pursuant to this Rule, CDS shall notify such Participant of the charges against such Participant and its right to a hearing. If the Participant is aggrieved by such decision he shall have the right of appeal to the Securities and Exchange Commission of Sri Lanka under section 46 of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 as amended with in fourteen days being informed of the said decision.

16.2 FINES FOR VIOLATION OR NON-COMPLIANCE OF RULES

CDS may impose fines for violation or non-compliance of these Rules by the Listed Entities. The amount of such fines may be determined by the Board of Directors of the CDS from time to time.