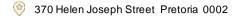
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Administrative penalty order (issued in terms of section 167(1) of the Financial Sector Regulation Act 9 2017 (Land Bank Insurance Company SOC Limited)

- 1. The Prudential Authority (PA) hereby imposes an administrative penalty of R5 000 000 (five million rand) in terms of section 167(1) of the Financial Sector Regulation Act 9 of 2017 (FSRA) on Land Bank Insurance Company SOC Limited (LBIC).
- 2. R3 000 000 (three million rand) of the administrative penalty will be suspended for a period of three years from the date the penalty is imposed, subject to LBIC not committing a similar offence during this period.
- 3. The remaining balance of R2 000 000 (two million rand), inclusive of costs, must be paid within 14 working days from the date of this order.
- 4. The penalty arises from the following contraventions of the Insurance Act No. 18 of 2017 (Insurance Act), by LBIC:
 - a) The PA found that on 02 December 2015 LBIC amended its Memorandum of Incorporation (MoI). Amongst the amendments to the MoI was a change in the capital structure, which resulted in the increase of the authorised shares without the approval required in terms of the now repealed section 23(1)(a) of the then Short-term Insurance Act, 1998 (Act no. 53 of 1998), that was in force at that time;
 - b) The PA also found that LBIC appointed various directors to their Board of Directors without the required approvals from the PA in terms of section 14(1) of the Insurance Act; and
 - c) The PA found that LBIC effected terminations of directors without the required notifications to the PA in terms of section 16(1) of the Insurance Act.

F Tshazibana Chief Executive Officer

Date: 29 April 2022