

Date: 17 November 2021

Prudential Authority  
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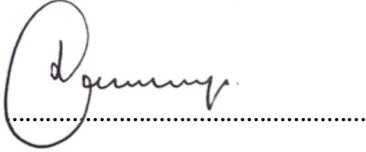
Per email:

Dear Sir/Madam

### NOTIFICATION OF RETURN OF CAPITAL TO A SHAREHOLDER

1. The above matter refers
2. 3Sixty Life Limited ("3Sixty Life") is a wholly owned subsidiary of Doves Group (Pty) Ltd ("Doves"). In or around September 2018, 3Sixty Life's management anticipated that it would need additional capital to prevent a breach of its solvency capital requirements. 3Sixty Life's board of directors proactively ("Board") resolved by an ordinary resolution that Doves should provide the needed capital in the form of a share subscription. In this regard, sufficient number of shares were issued to Doves in return for proceeds of R7,47 million.
3. Prior to entering into the above transaction in September 2018, the share capital of 3Sixty Life was R24 million. The reasons for the additional capital invested by Doves in the amount of R7,47 million was in response to solvency capital requirements. Subsequent to the additional capital investment, 3Sixty Life's share capital temporarily increased to R31 million.
4. When 3Sixty Life's level of solvency capital requirements showed signs of improvement, the management considered prudent to return the additional capital to Doves. This was approved by 3Sixty Life's Board on the basis that this was not a general reduction of 3Sixty Life's share capital, but a return of the 'specific' capital that had previously been invested by the shareholder in exercise of caution against deteriorating levels of solvency.
5. On 27 March 2021, 3Sixty Life's auditors reported to IRBA a reportable irregularity stating that the return of capital to the shareholder had reduced 3Sixty Life's capital in breach of section 38 of the Insurance Act, 2017 ("the Act"). At the time of the return of the capital to the shareholder, 3Sixty Life's management was of the view that the transaction did not require the approval of the Prudential Authority as, on objective facts, the share capital of 3Sixty Life was not reduced as it was R24 million prior to the capital investment and it remained R24 million post the return of capital.

6. It should be noted that, at the time of implementing the return of capital, 3Sixty Life's management had completed all the required governance internal processes which included the conducting of the liquidity and solvency tests, as well as obtaining the necessary Board's approvals.



Olu Luthaga  
Group Chief Financial Officer

CC: Khandani Msibi, Neo Bodibe, Ellan Cornish