SECTION 10

INTEGRATORS

Discovery's Integrator range consists of the Comprehensive Integrator and the Core Integrator. In order to qualify for the Comprehensive Integrator, your Life Plan must comprise of at least one of the following:

- At least one of the qualifying benefits listed below is defined as at least 50% of the Life Fund or the maximum allowed:
  - Spouse Life Cover
  - Capital Disability
  - Comprehensive Severe Illness Benefit
  - Child Protector Benefit
  - Female Severe Illness
  - Minimum Income Continuation Benefit of R10 000 per month.

OR

- At least two of the above qualifying benefits are defined as at least 30% of the Life Fund or the maximum allowed.

OR

- One of the above qualifying benefits is defined as at least 30% of the Life Fund plus a minimum Income Continuation Benefit of R7 500 per month.

These criteria may be changed from time to time.

If none of these criteria are met you will only be able to qualify for Core Integration. Both of these Integrators offer you a choice of mechanisms which give you the ability to control your premium increases and, in certain cases, to receive PayBack.

The four mechanisms are:

- the Health Integrator
- the Vitality Integrator
- the Active Integrator
- the Bank Integrator.

The Comprehensive Integrator offers higher upfront premium reductions than the Core Integrator and also offers PayBack on the Health, Vitality and Active Integrator on the Classic or Purple Life Plan, but the requirements to qualify for the Comprehensive Integrator are stricter.

Should you choose to Integrate your Life Plan and you select certain qualifying ancillary benefits, you will qualify for the Comprehensive Integrator. Should your policy not meet the qualifying ancillary requirements, you will qualify for the Core Integrator. If you move to a Core integrator, you will no longer qualify for PayBacks. Future PayBacks and any PayBacks accrued to date will be forfeited.

Should you initially have qualified for the Comprehensive Integrator but your policy fails to meet these qualifying requirements during the policy term, except in the case where benefits have reached the benefit expiry age or where benefits have reduced due to a claim, Discovery Life will change your policy to be Core Integrated and the premium will be adjusted to the premium that would have been paid on a Core Integrator. By Integrating your Life Plan, you immediately get the benefits of Integration, such as the upfront premium discount. For this reason, you are unable to remove the Integrator from your Life Plan. This also applies if your Life Plan no longer meets the qualifying criteria for Integration, for example if you cancel your Vitality membership or your qualifying health plan (administered by Discovery Health).

Should you have selected the Health Integrator (Section 10.1), the Vitality Integrator (Section 10.2), the Active Integrator (Section 10.3) or the Bank Integrator (Section 10.4) on your Life Plan, the initial premium reduction, annual review and PayBack, will apply to the Cover Integrator Fund and Financial Integrator Fund as well. Please note that the five-yearly PayBack does not apply to any Buy-up-Cash Conversion premium (described in Section 9). In addition to the above integrators, there is the Managed Care Integrator. The Managed Care Integrator is only offered to lives assured with specific medical conditions that have resulted in a health loading applied to their premium.

10.1 HEALTH INTEGRATOR

Policyholders may select the Health Integrator as long as the principal and spouse lives assured are members of the same qualifying health plan from a participating medical scheme administered by Discovery Health and the same Vitality. Your Policy Schedule will indicate if your health plan is a qualifying health plan. KeyCare and schemes administered by Discovery Health which are KeyCare equivalents are excluded.

10.1.1 INITIAL PREMIUM REDUCTION

The Life Plan initial premium is reduced, depending on the Life Plan Funding structure and the life assured's Health Plan. For schemes administered by Discovery Health, the equivalent Discovery Health Medical Scheme Plan will be used. The premium reduction applies to the premiums of all benefits excluding Vitality and Discovery Retirement Optimiser. The premium reduction will be:

Comprehensive Integrator

HEALTH PLAN	LIFE PLAN FUNDING STRUCTURE	
	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
EXECUTIVE/COMPREHENSIVE/ PRIORITY	20%	15%
SMART/SAVER/CORE	17.5%	15%

Core Integrator

HEALTH PLAN	LIFE PLAN FUNDING STRUCTURE	
	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
EXECUTIVE/COMPREHENSIVE/ PRIORITY	10%	7.5%
SMART/SAVER/CORE	8.75%	7.5%

Please note that if you change your Health Plan, Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

EXAMPLE

Your policy is Health Integrated and increases follow the Accelerator funding plan. You are on an Executive Health Plan and qualify for an initial premium reduction of 20%. You later change your Health Plan to a Saver Health Plan which qualifies for a lower initial premium reduction. This change may result in an increase in your Life Plan premium.

10.1.2 ANNUAL PREMIUM REVIEW

On the policy anniversary of the Life Plan, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active and the Discovery Retirement Optimiser may increase or decrease annually on the policy anniversary by an additional percentage depending on the amount of all submitted claims on the life assured's Health Plan and on his/her Vitality status (as at three months before your policy anniversary . If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary.). The calculations of the health claims used to determine your annual premium adjustment are specified in Appendix 14. The Personal Health Matrix shown on your Policy Schedule determines this additional percentage increase or decrease, which is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

EXAMPLE

For example, assume that your monthly premium is R500 and you have selected an automatic annual premium increase of 10% and that the applicable adjustment in your Personal Health Matrix is an increase of 1%. Then your premium adjustment will be: R500 x (1 + 10%) x (1 + 1%) = R555.50.

Please note that Discovery Life may adjust your Personal Health Matrix on an annual basis taking into account changes to qualifying health plans on participating medical schemes administered by Discovery Health and to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Premium reductions attributable to your Personal Health Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Health Integrator discount will be possible.

Should any life assured (apart from the parents of the principal life or spouse) on the Life Plan cease to be a member of Vitality, the policy will remain on the Health Integrator and the additional annual premium increase percentage will be set at a fixed rate of 2.25% per year instead of using the Personal Health Matrix. Should either of the principal or spouse lives assured described above cease to be a member of the same qualifying Health Plan on a participating medical scheme administered by Discovery Health, the following will apply:

- In the event that the lives assured are all on the same Vitality policy, they will be moved to the Vitality Integrator. In this case, any positive or negative balance of the Health Integrator PayBack (described below) will be transferred to the Vitality Integrator PayBack.
- If the principal life is the one that has cancelled the health plan and therefore has lost the Vitality membership that was linked to the Health Plan, we will add Vitality to the Life Plan and automatically move the Life Plan to the Vitality Integrator. In this case, any positive or negative balance of the Health Integrator PayBack (described below) will be transferred to the Vitality Integrator PayBack.
- If the principal and spouse lives assured are not on the same Vitality policy, the additional annual premium increase percentage will be set at a fixed rate of 2.25% and the PayBack will be set to 0%. Any accumulated PayBack Fund will also fall away. In this instance, any additional cover added while the cover is in this defaulted state will not receive any additional Integrator discounts. If Vitality is later added to the Life Plan so that all lives assured are on the same Vitality policy, the Life Plan will be moved to a Vitality Integrator.

Should your Health Integrator plan lapse and should you purchase another Life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Personal Health Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Health Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction specified above.

The Health Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are is still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

10.1.3 THE HEALTH INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Health Integrator:

- Irrespective of the life assured's health claims and/or Vitality status, your reduced premium plus premium increases relating to the Personal Health Matrix on the Health Integrator will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

The tables below reflect this relationship (where the client is a member of a scheme administered by Discovery Health the equivalent Discovery Health Medical Scheme Plan will be assumed):

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS		FLEXRATER PLAN
	EXECUTIVE/COMPREHENSIVE/ PRIORITY HEALTH PLANS	SMART/SAVER/CORE HEALTH PLANS	EXECUTIVE/COMPREHENSIVE/ PRIORITY/SMART/SAVER/CORE HEALTH PLANS
0 to 5	NI	NI	NI
6 to 10	NI + 10%	NI + 7.5%	NI + 7.5%
11 to 15	NI + 15%	NI + 11.25%	NI + 15%
16 +	NI + 20%	NI + 17.5%	NI + 15%

NI: Equivalent Non-Integrated Premium

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS		FLEXRATER PLAN
	EXECUTIVE/COMPREHENSIVE/ PRIORITY HEALTH PLANS	SMART/SAVER/CORE HEALTH PLANS	EXECUTIVE/COMPREHENSIVE/ PRIORITY/SMART/SAVER/CORE HEALTH PLANS
0 to 5	NI	NI	NI
6 +	NI + 10%	NI + 8.75%	NI + 7.5%

NI: Equivalent Non-Integrated Premium

- For example: with a Comprehensive Health Plan and a Standard Life Plan, your premium on the Health Integrator, after increases relating to the Personal Health Matrix, could not exceed the Equivalent Non-Integrated Premium in years one to five and the Equivalent Non-Integrated Premium applicable in each of years six to 10 Plus an additional 10%.
- The maximum additional annual percentage increase will never exceed 3.75%.

10.1.4 PAYBACK STRUCTURES AVAILABLE ON THE HEALTH INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURES ARE AVAILABLE TO ME?

If you are a member of a qualifying Health Plan on a participating medical scheme administered by Discovery Health and a member of Vitality, you will benefit by receiving PayBacks from the Health Integrator. There are two PayBack structures available to you which determine how your PayBacks will be accumulated:

- The Five-yearly PayBack which vests every five years; and
- Annual Guaranteed PayBack which vests on an annual basis together with a Health Surplus PayBack Fund which vests every five years. This PayBack structure is only available if you have the Financial Integrator benefit on your policy.

In addition to the PayBack structures mentioned above you can select the Double PayBack Option which allows you to double your PayBack percentage (and your guarantee percentage, in the case of the Annual Guaranteed PayBack). If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

Please note that the PayBack will only be paid to the owner of the policy.

The payment of the PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of the PayBack structure you qualify for and whether or not you take up the Double PayBack Option, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Health Integrator will end on the first policy anniversary after you reach age 65, or 10 years after your PayBack benefit has started, if this is later.

If your PayBacks are due to expire at age 65 and you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of a participating Health Plan on a medical scheme administered by Discovery Health and a member of Vitality with the Comprehensive Health Integrator, you are eligible for the Five-Yearly PayBack from the Health Integrator.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests at the end of the five year period. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your and your spouse's claims on your Health Plan in that year and your Vitality status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. The calculations of the health claims used to determine your PayBack percentage are specified in Appendix 14. Discovery Life may alter your Personal PayBack Matrix from time to time taking into account emerging experience with due consideration for the general economic and regulatory environment. Your Personal PayBack Matrix will depend on your Health Plan as at three months prior to your anniversary as well as whether your Life Plan has one or multiple lives assured. A change in your Health Plan or the number of lives assured on your Life Plan will result in a different matrix being applied to your Life Plan at the following policy anniversary.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack Matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated over the five-year period. This means that at the end of the first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 20% based on your Vitality Status and your Health Plan claims. This PayBack percentage is applied to the R12 000 worth of qualifying premiums you paid over the year resulting in R2 400 (20% x R12 000) being accumulated in your PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 35% based on your Vitality Status and your Health Plan claims over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R5 082 (35% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R11 112.

At the end of year five, your calculated PayBack percentage is 42.5%. R7 467 (42.5% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R25 367. The PayBack fund vests and you receive a payment of R25 367. Your accumulated PayBack fund resets to zero after you receive your payment.

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	20%	R2 400	R2 400	
2	R13 200	Bronze	27.5%	R3 630	R6 030	
3	R14 520	Silver	35%	R5 082	R11 112	
4	R15 972	Gold	42.5%	R6 788	R17 900	
5	R17 569	Gold	42.5%	R7 467	R25 367	R25 367
6	R19 326	Diamond	50%	R9 663	R9 663	
7	R21 259	Diamond	50%	R10 630	R20 293	
8	R23 385	Silver	35%	R8 185	R28 477	
9	R25 723	Gold	42.5%	R10 932	R39 410	
10	R28 295	Gold	42.5%	R12 025	R51 435	R51 435

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of your health claims experience and claims on your Life Plan over the previous five-year period. You can choose to have your PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described below.

You must keep the Health Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

ANNUAL GUARANTEED PAYBACK

If you have the Comprehensive Health Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed PayBack for the first 10 years on your policy. At the end of this initial 10 year period your PayBack accumulation will follow the structure for the Five-Yearly Payback, described in the previous section.

The Annual Guaranteed PayBack pays you a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack, Discovery Life guarantees a level of annual PayBack which will not vary with Health Plan claims or your Vitality status. You can choose to have your Annual PayBack paid to you immediately or you may defer the payment by five years and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

The guarantee under the Annual Guaranteed PayBack depends on your Health Plan at the anniversary when the PayBack is calculated. Please refer to your Policy Schedule to see the guarantee percentage that you qualify for.

If a higher PayBack percentage is calculated for a particular year based on your Vitality status and Health Plan claims (as discussed in the Five-Yearly PayBack section above), the difference between the calculated PayBack and the Annual Guaranteed PayBack is accumulated in the Health Surplus PayBack Fund. The Health Surplus PayBack Fund is paid at the end of year 5 and year 10, and is reduced to zero when the fund is paid out. You can choose to have your Surplus PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

Any claims from your Life Plan will only reduce the Health Surplus PayBack Fund. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your policy for the first time.

When you change your Health Plan, this may result in a different guarantee percentage being applied to your Annual Guaranteed PayBack. Discovery Life may also alter the Annual Guaranteed PayBack table shown in your Policy Schedule to remain relevant to changes to qualifying health plans on participating medical schemes administered by Discovery Health and to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

EXAMPLE

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R12 000 worth of qualifying premiums that you paid over year one and is paid at the end of year one (R1 200). The calculated PayBack percentage for this year is 20% based on your Vitality Status and your Health Plan claims. The difference between the calculated PayBack and the Annual Guaranteed Payback ([20% -10%] x R12 000 = R1 200) is accumulated in the Health Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R1 452). The calculated PayBack percentage for this year is 35% based on your Vitality Status and your Health Plan claims. The difference between the calculated PayBack and the Annual Guaranteed Payback ([35% -10%] x R14 520 = R3 630) is accumulated in the Health Surplus PayBack Fund.

At the end of year five, you are paid the Annual Guaranteed PayBack percentage over that year (10% x R17 569 = R1 757) as well as what has accumulated in the Health Surplus PayBack Fund (R18 041). The accumulated Health Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([42.5%-10%] x R17 569 = R5 710).

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	CONTRIBUTION TO SURPLUS PAYBACK FUND	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	HEALTH SURPLUS FUND PAYMENT
1	R12 000	Blue	20%	10%	R1 200	R1 200	R1 200	
2	R13 200	Bronze	27.5%	10%	R1 320	R2 310	R3 510	
3	R14 520	Silver	35%	10%	R1 452	R3 630	R7 140	
4	R15 972	Gold	42.5%	10%	R1 597	R5 191	R12 331	
5	R17 569	Gold	42.5%	10%	R1 757	R5 710	R18 041	R18 041
6	R19 326	Diamond	50%	10%	R1 933	R7 730	R7 730	
7	R21 259	Diamond	50%	10%	R2 126	R8 504	R16 234	
8	R23 385	Silver	35%	10%	R2 338	R5 847	R22 080	
9	R25 723	Gold	42.5%	10%	R2 572	R8 360	R30 441	
10	R28 295	Gold	42.5%	10%	R2 830	R9 195	R39 636	R39 636

DOUBLE PAYBACK OPTION

In addition to the PayBack structure you qualify for, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, as well as a doubling of the guarantee percentage if you qualify for Annual Guaranteed PayBack, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter. For the Annual Guaranteed PayBack, annual guaranteed payments will be paid for ten years on each policy anniversary starting from your sixth policy anniversary. Your Surplus PayBack fund will be paid on your 10th and 15th policy anniversary respectively.

If you qualify for the Annual Guaranteed PayBack structure, your annual guaranteed PayBack payments will still be paid for 10 years. Thereafter your PayBack accumulation and payment will follow the structure described for the Five-Yearly PayBack with the Double PayBack Option, as described above.

The PayBack percentage you qualify for will depend on your and your spouse's claims on your Health Plan in that year and your Vitality status three months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. For the Annual Guaranteed PayBack the guarantee percentage will depend on your Health Plan at the anniversary when the PayBack is calculated. Please refer to your Policy Schedule for the Personal PayBack matrix, and if applicable, the guarantee percentage you qualify for.

EXAMPLE

Your policy is Health Integrated and you have the Financial Integrator benefit, which means that your PayBack accumulation will follow the Annual Guaranteed PayBack structure. You have a Comprehensive Health Plan and you have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one the Annual Guaranteed PayBack percentage is 10%. This is doubled to 20% since you have selected the Double PayBack Option. The Annual Guaranteed PayBack is 20% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R2 400 (20% x R12 000). This PayBack will be paid at the end of your sixth policy year. The calculated PayBack percentage for this year is 20% based on your Vitality Status and your Health Plan claims. Your PayBack percentage is doubled to 40%. The difference between the calculated PayBack and the Annual Guaranteed Payback ([40% - 20%] x R12 000 = R2 400) is accumulated in the Health Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 20%. The Annual Guaranteed PayBack is 20% of the R14 520 worth of qualifying premiums that you paid over year three (R2 904) and is paid at the end of year eight. The calculated PayBack percentage for this year is 70% based on your Vitality Status, your Health Plan claims and because you have taken up the Double PayBack Option. The difference between the calculated PayBack and the Annual Guaranteed Payback ([70% -20%] x R14 520 = R7 260) is accumulated in the Health Surplus PayBack Fund.

At the end of year five, the Annual Guaranteed PayBack over that year is R3 514 (20% x R17 569 which will be paid at the end of year 10 and the accumulation in the Health Surplus PayBack Fund is R36 082. The accumulated Health Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([85%-20%] x R17 569 = R11 420). Assuming there were no claims on your Life Plan over the accumulation period, the accumulated Health Surplus PayBack Fund will be paid out at the end of year 10.

The profile of payments under the deferred PayBack structure for the first ten years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK CALCU-LATION AMOUNT	ANNUAL PAYBACK PAYMENT	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	HEALTH SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	40%	20%	R2 400		R2 400	
2	R13 200	Bronze	55%	20%	R2 640		R7 020	
3	R14 520	Silver	70%	20%	R2 904		R14 280	
4	R15 972	Gold	85%	20%	R3 194		R24 662	
5	R17 569	Gold	85%	20%	R3 514		R36 082	
6	R19 326	Diamond	100%	20%	R3 865	R2 400	R15 461	
7	R21 259	Diamond	100%	20%	R4 252	R2 640	R32 468	
8	R23 385	Silver	70%	20%	R4 677	R2 904	R44 161	
9	R25 723	Gold	85%	20%	R5 145	R3 194	R60 880	
10	R28 295	Gold	85%	20%	R5 659	R3 514	R79 272	R36 082

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack payment that would have been accumulated under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack payment will be recalculated using the Guaranteed PayBack percentage and the Personal PayBack matrix that applies under the Annual Guaranteed PayBack structure and your beneficiaries will receive the following payments:

- The Annual PayBack payment which vested on your second policy anniversary and was due to be paid on your seventh policy anniversary, recalculated at the lower PayBack percentage (R1 320)
- The Annual PayBack payment which vested on your third policy anniversary and was due to be paid on your eighth policy anniversary, recalculated at the lower PayBack percentage (R1 452)
- The Annual PayBack payment which vested on your fourth policy anniversary and was due to be paid on your ninth policy anniversary, recalculated at the lower PayBack percentage (R1 597)
- The Annual PayBack payment which vested on your fifth policy anniversary and was due to be paid on your tenth policy anniversary, recalculated at the lower PayBack percentage (R1 757)
- The Health Surplus PayBack fund which vested on your fifth policy anniversary and was due to be paid on your 10th policy anniversary, recalculated at the lower PayBack percentage (R18 041), and
- The Annual PayBack payment which vested on your sixth policy anniversary and was due to be paid on your 11th policy anniversary, recalculated at the lower PayBack percentage (R1 933)

The total Payback death payment will be R26 100.

POLICY YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT (WITHOUT DOUBLE PAYBACK OPTION)	CONTRIBUTION TO HEALTH SURPLUS PAYBACK FUND	ACCUMULATED HEALTH SURPLUS PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	20%	10%		R1 200	R1 200	
2	R13 200	Bronze	27.5%	10%	R1 320	R2 310	R3 510	
3	R14 520	Silver	35%	10%	R1 452	R3 630	R7 140	
4	R15 972	Gold	42.5%	10%	R1 597	R5 191	R12 331	
5	R17 569	Gold	42.5%	10%	R1 757	R5 710	R18 041	R18 041
6	R19 326	Dia-mond	50%	10%	R1 933			

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack structure or the Annual Guaranteed PayBack structure, if you have the Financial Integrator benefit. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payments or vested Health Surplus PayBack fund which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option, in addition to any annual PayBack payment, or vested Health Surplus PayBack Fund due at that time. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the lower PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to opt out of the Double PayBack Option, your PayBack payment will be re-calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Health Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the five-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.
- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.2 VITALITY INTEGRATOR

Policyholders may select the Vitality Integrator plan as long as the principal and spouse lives assured are members of the same Vitality policy. Members of a medical scheme which is administered by Discovery health cannot select the Vitality Integrator. Where the lives assured become members of a qualifying medical scheme administered by Discovery Health, they will be moved to the Health Integrator as discussed above. If the life assured decides to end their Vitality membership but they become a member of Vitality Active they will be moved to the Active Integrator.

10.2.1 INITIAL PREMIUM REDUCTION

On the Vitality Integrator, all premiums (excluding Vitality and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

Comprehensive Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
17.5%	15%

Core Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
8.75%	7.5%

Please note that if you change your Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.2.2 ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active and the Discovery Retirement Optimiser may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured's Vitality status as at policy anniversary. If the life assured's Vitality Status at the time of the policy anniversary is better than your Vitality Status three months before the anniversary, we will use the Vitality Status at the policy anniversary. These additional annual increases/decreases are shown in the Vitality matrix as follows:

VITALITY STATUS	PERCENTAGE ADJUSTMENT
Blue	2.25%
Bronze	1.5%
Silver	0.5%
Gold	-0.5%
Diamond	-0.75%

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

EXAMPLE

Assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you are on bronze Vitality status. Then your premium adjustment will be: R500 x (1 + 10%) x (1 + 1.5%) = R558.25.

Please note that Discovery Life may adjust your Vitality Matrix on an annual basis to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Premium reductions attributable to your Vitality Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Vitality Integrator discount will be possible.

Should the principal or spouse on the Life Plan cease to be a member of the same Vitality policy, the additional annual premium increase percentage will be at a fixed rate of 2.25% per year instead of using the Vitality table above. While the policy is in this default state, any additional cover added will not qualify for the Integrator discount.

Should your Vitality Integrator plan lapse and should you purchase another Life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Vitality Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D),the Vitality Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction detailed above.

The Vitality Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

10.2.3 THE VITALITY INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Vitality Integrator:

- Irrespective of the life assured's Vitality status, your reduced premiums on the Vitality Integrator Plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 to 10	NI + 10%	NI + 10%
11 to 15	NI + 15%	NI + 15%
16 +	NI + 17.5%	NI + 15%

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 +	NI + 8.75%	NI + 7.5%

- The maximum additional annual percentage increase will never exceed 2.25%.

10.2.4 PAYBACK STRUCTURES AVAILABLE ON THE VITALITY INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURES ARE AVAILABLE TO ME?

As a member of Vitality with the Vitality Integrator, you will benefit by receiving PayBacks from the Vitality Integrator. There are two PayBack structures available to you which determine how your PayBacks will be accumulated:

- The Five-yearly PayBack which vests every five years; and
- Annual Guaranteed PayBack which vests on an annual basis together with a Surplus PayBack Fund which vests every five years. This PayBack structure is only available if you have the Financial Integrator benefit on your policy.

In addition to the PayBack structures mentioned above you can select the Double PayBack Option which allows you to double your PayBack percentage (and your guarantee percentage, in the case of the Annual Guaranteed PayBacks). If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

The PayBack will only be paid to the owner of the policy.
The PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit.

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of the PayBack structure you qualify for and whether or not you take up the Double PayBack Option, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Vitality Integrator will end on the first policy anniversary after you reach age 65, but will at least be provided for 10 years. This means that if your PayBack benefit starts after age 55, it will end 10 years later.

If you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of Vitality with the Comprehensive Vitality Integrator, you are eligible for the Five-Yearly PayBack.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests every five years. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your Vitality status three months before your policy anniversary (If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary) and when your PayBack will be paid. Discovery Life may alter your Personal PayBack Matrix to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated for over the five-year period. This means that at the end of the first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 5% based on your Vitality Status. This PayBack percentage is applied to the R12 000 worth of qualifying premiums you paid over the year resulting in R600 (5% x R12 000) being accumulated in your PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 10% based on your Vitality Status over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R1 452 (10% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R3 042.

At the end of year five, your calculated PayBack percentage is 15%. R2 635 (15% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R8 073. The PayBack fund vests and an amount of R8 073 will be paid to you at the end of year five. Your accumulated PayBack fund resets to zero after you receive your payment.

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	5%	R600	R600	
2	R13 200	Bronze	7.5%	R990	R1 590	
3	R14 520	Silver	10%	R1 452	R3 042	
4	R15 972	Gold	15%	R2 396	R5 438	
5	R17 569	Gold	15%	R2 635	R8 073	R8 073
6	R19 326	Diamond	20%	R3 865	R3 865	
7	R21 259	Diamond	20%	R4 252	R8 117	
8	R23 385	Silver	10%	R2 339	R10 456	
9	R25 723	Gold	15%	R3 858	R14 314	
10	R28 295	Gold	15%	R4 244	R18 558	R18 558

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of claims on your Life Plan over the previous five-year period. You can choose to have your PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described below.

You must keep the Vitality Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

ANNUAL GUARANTEED PAYBACKS

If you have the Comprehensive Vitality Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed PayBack benefit for the first 10 years on your policy. At the end of this initial 10 year period your PayBack accumulation will follow the structure described for the Five-Yearly Payback, described in the previous section.

The Annual Guaranteed PayBack is a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack Discovery Life guarantees a level of annual PayBack which will not vary with your Vitality status. Please refer to your Policy Schedule to see the guarantee percentage that you qualify for. You can choose to have your Annual PayBack paid to you immediately or you may defer the payment and double your PayBack percentages by five years by taking up the Double PayBack Option, described in the next section.

If a higher PayBack percentage is calculated for a particular year based on your Vitality status (as discussed in the Five-Yearly PayBack section above), the difference between the calculated PayBack and the Annual Guaranteed PayBack is accumulated in the Surplus PayBack Fund. The Surplus PayBack Fund is paid at the end of year 5 and year 10, and is reduced to zero when the fund is paid out. You can choose to have your Surplus PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described in the next section.

Any claims from your Life Plan will only reduce the Surplus PayBack Fund. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals thereafter.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your plicy for the first time.

EXAMPLE

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 5%. The Annual Guaranteed PayBack is 5% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R1 200 (10% x R12 000) and is paid to you at the end of year one. The calculated PayBack percentage for this year is 5% based on your Vitality Status. Since the calculated PayBack percentage is equal to the Guaranteed PayBack percentage no contribution is made to the Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 5%. The Annual Guaranteed PayBack is 5% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R1 452). The calculated PayBack percentage for this year is 10% based on your Vitality Status. The difference between the calculated PayBack and the Annual Guaranteed Payback is R726 ([10%-5%] x R14 520) and the Accumulated Surplus Fund grows to R1 056.

At the end of year five, the Annual Guaranteed PayBack is R878 (5% x R17 569) and the accumulation in the Surplus PayBack Fund is R4 410. The accumulated Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([15%-5%] x R17 569 = R1 757). Assuming there was no claims on your Life Plan over the accumulation period, the accumulated Surplus PayBack Fund vests and will be paid out at the end of year five.

The profile of payments under the Annual Guaranteed PayBack structure for the first ten years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	5%	5%	R600		
2	R13 200	Bronze	7.5%	5%	R660	R300	
3	R14 520	Silver	10%	5%	R726	R1 056	
4	R15 972	Gold	15%	5%	R799	R2 653	
5	R17 569	Gold	15%	5%	R878	R4 410	R4 410
6	R19 326	Diamond	20%	5%	R966	R2 899	
7	R21 259	Diamond	20%	5%	R1 063	R6 088	
8	R23 385	Silver	10%	5%	R1 169	R7 257	
9	R25 723	Gold	15%	5%	R1 286	R9 829	
10	R28 295	Gold	15%	5%	R1 415	R11 244	R11 244

DOUBLE PAYBACK OPTION

In addition to the PayBack structure you qualify for, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, as well as a doubling of the guarantee percentage if you qualify for Annual Guaranteed PayBack, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter. For the Annual Guaranteed PayBack, annual guaranteed payments will be paid for ten years on each policy anniversary starting from your sixth policy anniversary. Your Surplus PayBack fund will be paid on your 10th and 15th policy anniversary respectively.

If you qualify for the Annual Guaranteed PayBack structure, your annual guaranteed PayBack payments will still be paid for 10 years. Thereafter your PayBack accumulation and payment will follow the structure described for the Five-Yearly PayBack with the Double PayBack Option, as described above.

The PayBack percentage you qualify for will depend your Vitality statusthree months before your policy anniversary. If your Vitality Status at the time of your policy anniversary is better than your Vitality Status three months before your anniversary, we will use your Vitality Status at your policy anniversary. Please refer to your Policy Schedule for the Personal PayBack matrix, and if applicable, the guarantee percentage you qualify for.

EXAMPLE

Your policy is Vitality Integrated and you have the Financial Integrator benefit, which means that your PayBack accumulation will follow the Annual Guaranteed PayBack structure. You have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one the Annual Guaranteed PayBack percentage is 5%. Since you have selected the Double PayBack Option this your guarantee percentage is doubled to 10%. The Annual Guaranteed PayBack is 10% of the R12 000 worth of qualifying premiums that you paid over year one. This results in an Annual Payback of R1 200 (10% x R12 000). This PayBack will be paid at the end of your sixth policy year. The calculated PayBack percentage for this year is 5% based on your Vitality Status. Your PayBack percentage is doubled to 10% because you have selected the Double PayBack Option. Since the calculated PayBack percentage is equal to the Guaranteed PayBack percentage no contribution is made to the Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 10%. The Annual Guaranteed PayBack is 10% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year eight (R1 452). The calculated PayBack percentage for this year is 20% based on your Vitality Status and because you have selected the Double PayBack Option. The difference between the calculated PayBack and the Annual Guaranteed Payback is R1 452 ([20% - 10%] x R14 520) and your accumulated Surplus Fund grows to R2 112.

At the end of year five, the calculated Annual Guaranteed PayBack over that year is R1 757 (20% x R17 569) which will be paid at the end of year 10 and the accumulated Surplus PayBack Fund is R8 820. The accumulated Surplus PayBack Fund includes the difference between the Annual Guaranteed Payback and calculated PayBack for year five ([30%-10%] x R17 569 = R3 514). Assuming there were no claims on your Life Plan over the accumulation period, the accumulated Surplus PayBack Fund will be paid out at the end of year 10.

The profile of payments under the Double PayBack Option for the first 10 years of the policy is summarised in the table below:

YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARAN-TEED PAY-BACK PERCENTAGE	ANNUAL PAYBACK AMOUNT	ANNUAL PAYBACK PAYMENT	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	10%	10%	R1 200			
2	R13 200	Bronze	15%	10%	R1 320		R660	
3	R14 520	Silver	20%	10%	R1 452		R2 112	
4	R15 972	Gold	30%	10%	R1 597		R5 306	
5	R17 569	Gold	30%	10%	R1 757		R8 820	
6	R19 326	Diamond	40%	10%	R1 933	R1 200	R5 798	
7	R21 259	Diamond	40%	10%	R2 126	R1 320	R12 176	
8	R23 385	Silver	20%	10%	R2 339	R1 452	R14 514	
9	R25 723	Gold	30%	10%	R2 572	R1 597	R19 659	
10	R28 295	Gold	30%	10%	R2 830	R1 757	R25 318	R8 820

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack payment that would have been accumulated under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack payment will be recalculated using the Guaranteed PayBack percentage and the Personal PayBack matrix that applies under the Annual Guaranteed PayBack structure and your beneficiaries will receive the following payments:

- The Annual PayBack payment which vested on your second policy anniversary and was due to be paid on your seventh policy anniversary, recalculated at the lower PayBack percentage (R1 320)
- The Annual PayBack payment which vested on your third policy anniversary and was due to be paid on your eighth policy anniversary, recalculated at the lower PayBack percentage (R1 452)
- The Annual PayBack payment which vested on your fourth policy anniversary and was due to be paid on your ninth policy anniversary, recalculated at the lower PayBack percentage (R1 597)
- The Annual PayBack payment which vested on your fifth policy anniversary and was due to be paid on your tenth policy anniversary, recalculated at the lower PayBack percentage (R1 757)
- The Surplus PayBack fund which vested on your fifth policy anniversary and was due to be paid on your 10th policy anniversary, recalculated at the lower PayBack percentage (R4 410), and
- The Annual PayBack payment which vested on your sixth policy anniversary and was due to be paid on your 11th policy anniversary, recalculated at the lower PayBack percentage (R1 933)

The total Payback death payment will be R12 469.

POLICY YEAR	PREMIUM	VITALITY STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL GUARANTEED PAYBACK PERCENTAGE	ANNUAL PAYBACK (WITHOUT DOUBLE PAYBACK OPTION)	ANNUAL CONTRIBUTION TO SURPLUS PAYBACK FUND	ACCUMULATED SURPLUS PAYBACK FUND	SURPLUS PAYBACK FUND PAYMENT
1	R12 000	Blue	5%	5%				
2	R13 200	Bronze	7.5%	5%	R1 320	R300	R330	
3	R14 520	Silver	10%	5%	R1 452	R726	R1 056	
4	R15 972	Gold	15%	5%	R1 597	R1 597	R2 653	
5	R17 569	Gold	15%	5%	R1 757	R1 757	R4 410	R4 410
6	R19 326	Diamond	20%	5%	R1 933			

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack structure or the Annual Guaranteed PayBack structure, if you have the Financial Integrator benefit. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payments or vested Surplus PayBack fund which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option, in addition to any annual PayBack payment, or vested Surplus PayBack Fund due at that time. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure or the Annual Guaranteed PayBack structure, without the Double PayBack Option. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to opt out of the Double PayBack Option, your PayBack payment will be re-calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Vitality Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the 5-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.
- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces, your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.3 ACTIVE INTEGRATOR

Policyholders may select the Active Integrator as long as the principal and spouse (if applicable) are members of the Vitality Active programme. Members of Vitality cannot select the Active Integrator.

10.3.1 INITIAL PREMIUM REDUCTION

On the Active Integrator, all premiums (excluding Vitality Active and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

Comprehensive Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
15%	10%

Core Integrator

STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
7.5%	5%

Please note that if you change your Life Plan, Funding Structure or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.3.2 ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality Active and the Discovery Retirement Optimiser) may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured's Vitality Active status as at three months prior to policy anniversary. These additional annual increases/decreases are shown in the Active Integrator Matrix below:

VITALITY ACTIVE STATUS	PERCENTAGE ADJUSTMENT
Blue or No Vitality Active	1.75%
Bronze	1%
Silver	0.5%
Gold/Diamond	-0.5%

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan.

For example, assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you have a Bronze Vitality Active status, giving an additional 1% increase. Your premium after the increases have been applied will be as follows: R500 x (1 + 10%) x (1 + 1%) = R555.50.

Please note that Discovery Life may adjust your Active Integrator Matrix on an annual basis to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

Note that premium reductions attributable to your Vitality Active status (over the lifetime of the policy) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated policy less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Active Integrator discount will be possible.

Given that the principal and spouse may have different Vitality Active statuses, if there is a spouse who is insured on the policy,
the percentage increase applied to all benefits is the average of the principal and spouse percentages.

EXAMPLE

If the principal's Vitality Active status is Bronze (giving an additional 1% premium increase) and the spouse's Vitality Active status is Silver (giving an additional 0.5% premium increase), the additional percentage increase applied to the policy is (1.00% + 0.50%) ÷ 2 = 0.75%.

Should you cease to be a member of Vitality Active, the additional annual premium increase percentage due to the Active Integrator will be at a fixed rate of 1.75% per year instead of using the Active Integrator Matrix above, unless you upgrade, then new Integrator increases will apply.

Should your Active Integrator plan lapse and should you purchase another life plan at some future date, the initial premium reduction percentage on the new plan may be reduced by any increases that you had on your original policy as a result of the Active Integrator Matrix.

If you or your spouse (if applicable) have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Active Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who have a Vitality Active status of Gold or Diamond, subject to the maximum Active Integrator discount allowed.

The Active Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

10.3.3 THE ACTIVE INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Active Integrator:

- Irrespective of the life assured's Vitality Active status, your reduced premiums on the Active Integrator plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

Comprehensive Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6 to 10	NI + 10%	NI + 10%
11 to 15	NI + 15%	NI + 10%
16+	NI + 15%	NI + 10%

Core Integrator

YEARS	STANDARD/ACCELERATER PLANS	FLEXRATER PLAN
1 to 5	NI	NI
6+	NI + 7.5%	NI + 5%

10.3.4 PAYBACK STRUCTURES AVAILABLE ON THE ACTIVE INTEGRATOR (ONLY AVAILABLE ON THE CLASSIC AND PURPLE LIFE PLANS)

WHAT PAYBACK STRUCTURE IS AVAILABLE TO ME?

As a member of Vitality Active with the Active Integrator, you will benefit by receiving Five-Yearly PayBacks from the Active Integrator. The PayBack is payable and only vests every five years.

In addition to the Five-Yearly PayBack you can select the Double PayBack Option which allows you to double your PayBack percentage. If you select this option, each PayBack payment that was due on the PayBack structure you selected above will only vest five years later.

The PayBack will only be paid to the owner of the policy.

The PayBack will have no impact on your Life Fund.

HOW IS MY PAYBACK CALCULATED?

The value of your PayBack is determined by a percentage of all qualifying Classic or Purple Life Plan premiums used in the calculation of your PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Top-Up Income Continuation Benefit
- Overhead Expenses Benefit.

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality Active
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status
- Global Education Protector
- Buy-Up Income Continuation Fund.

During the time that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or for any other reason, the PayBack Fund will not increase.

Regardless of whether you take up the Double PayBack Option or not, any outstanding premiums will be deducted from the PayBack at the time that the PayBack is paid to you.

WHEN DOES MY PAYBACK EXPIRE?

The PayBacks from your Active Integrator will end on the first policy anniversary after you reach age 65, but will at least be provided for 10 years. This means that if your PayBack benefit starts after age 55, it will end 10 years later.

If you are in a position where you have less than five years between your last PayBack payment and turning age 65, you will still be eligible for a PayBack payment at that point. The PayBack calculation will remain unchanged, but will only be based on your eligible premiums between the previous PayBack payment and turning age 65. You will only be eligible for this payment if your PayBack benefit began before you turned age 55.

The accumulation of PayBacks under each PayBack structure is described below:

THE FIVE-YEARLY PAYBACK

As a member of Vitality Active with the Comprehensive Active Integrator, you are eligible for the Five-Yearly PayBack.

The Five-Yearly PayBack accumulates a percentage of your qualifying Life Plan premiums in a fund over a five-year period. This fund vests every five years. The PayBack percentage that is applied annually to each year's qualifying premiums in a particular five-year period is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your Vitality Active status at your policy anniversary and when your PayBack will be paid. Discovery Life may alter your Personal PayBack Matrix to take account of emerging experience over time, with due consideration for the general economic and regulatory environment.

The PayBack calculation works as follows:

- The percentage as per your Personal PayBack Matrix of each policy year's qualifying premiums is accumulated over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) occurring between the start of the five-year period and up to three months before the end of the period are deducted from the amount that has been calculated for over the five-year period. This means that at the end of first five year cycle, only the claims in the first 57 months since the PayBack benefit started will be considered. Thereafter, at the end of the second and subsequent five year cycles, the claims occurring in the preceding 60 months will be considered, but with a three month lag.
- If the end value is positive, this Fund will vest at the end of the five-year period.
- Any elective reductions to your Life Plan premiums at any point in a particular five-year period may also reduce your accumulated PayBack fund.
- If your policy is cancelled before the fund vests, any accumulated PayBack Fund will be forfeited.

EXAMPLE

Your policy is Active Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Five-Yearly PayBack:

In year one your calculated PayBack percentage is 0% based on your Vitality Active Status. There will not be any contribution to the PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 5% based on your Vitality Active Status over the last year. This PayBack percentage is applied to the R14 520 worth of qualifying premiums you paid over the year and a further R726 (5% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R1 056.

At the end of year five, your calculated PayBack percentage is 10%. R1 757 (10% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R4 410. The PayBack fund vests. Your accumulated PayBack fund resets to zero and the next five year period begins. The vested PayBack amount of R4 410 will be paid to you at the end of year five.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ANNUAL CONTRIBUTION TO PAYBACK FUND	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	0%			
2	R13 200	Bronze	2.5%	R330	R330	
3	R14 520	Silver	5%	R726	R1 056	
4	R15 972	Gold	10%	R1 597	R2 653	
5	R17 569	Gold	10%	R1 757	R4 410	R4 410
6	R19 326	Diamond	10%	R1 933	R1 933	
7	R21 259	Diamond	10%	R2 126	R4 059	
8	R23 385	Silver	5%	R1 169	R5 228	
9	R25 723	Gold	10%	R2 572	R7 800	
10	R28 295	Gold	10%	R2 830	R10 630	R10 630

The Five-Yearly PayBack Fund balance starts again at zero at the beginning of each five-year period, irrespective of claims on your Life Plan over the previous five-year period. You can choose to have your PayBack Fund paid to you immediately or you may defer the payment and double your PayBack percentages by taking up the Double PayBack Option, described below.

You must keep the Active Integrator for the entire five-year period to qualify for the Five-Yearly PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality Active for any reason during the five-year period, your Five-Yearly PayBack will also cease and you will not be eligible for a PayBack at the end of the five-year period. This means that any existing PayBack Fund will also fall away. If you change your Life Plan from a Classic or Purple Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life or Purple Plan that qualifies for PayBack, your first PayBack payment will be made at the first policy anniversary that falls at least five years from the date of changing to the Classic or Purple Life Plan. If you reduce your monthly Life Plan premiums at any point during the five-year period, your total accumulated PayBack Fund to date may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your PayBack payable at the end of the five-year period.

DOUBLE PAYBACK OPTION

In addition to the Five-Yearly PayBack structure, as described above, you may choose to add the Double PayBack Option to your Life Plan. The Double PayBack Option results in a doubling of the PayBack percentage you qualify for, but will delay the payment of your PayBack by 5 years. For the Five-yearly PayBack this will result in your first PayBack payment being paid on your 10th policy anniversary with subsequent payments made every five years thereafter.

The PayBack percentage you qualify for will depend your Vitality Active status at your policy anniversary.
Please refer to your Policy Schedule for the PayBack matrix.

EXAMPLE

Your policy is Active Integrated and you have selected the Double PayBack Option. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the payments under the Double PayBack Option:

In year one your calculated PayBack percentage is 0% based on your Vitality Active Status. There will not be any contribution to the PayBack Fund at the end of year one.

In year three your calculated PayBack percentage is 5% based on your Vitality Active Status over the last year. Your PayBack percentage is doubled to 10% because you have selected the Double PayBack Option. This PayBack percentage is applied to the R14 520 worth of qualifying premium you paid over the year and a further R1 452 (10% x R14 520) is added to your accumulated PayBack Fund. This brings the total accumulated PayBack fund at this point to R2 112.

At the end of year five, your calculated PayBack percentage is 20%. R3 513 (20% x R17 569) is added to your accumulated PayBack fund bringing the total accumulated PayBack fund to R8 820. Your accumulated PayBack fund resets to zero and the next five year period begins. The PayBack amount of R8 820 will be paid to you at the end of year ten.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ACCUMULATED PAYBACK FUND	VESTED PAYBACK	PAYBACK PAYMENT
1	R12 000	Blue	0%			
2	R13 200	Bronze	5%	R660		
3	R14 520	Silver	10%	R2 112		
4	R15 972	Gold	20%	R5 306		
5	R17 569	Gold	20%	R8 820	R8 820	
6	R19 326	Diamond	20%	R3 865		
7	R21 259	Diamond	20%	R8 117		
8	R23 385	Silver	10%	R10 456		
9	R25 723	Gold	20%	R15 600		
10	R28 295	Gold	20%	R21 259	R21 259	R8 820

WHAT HAPPENS TO MY PAYBACK IF I PASS AWAY DURING THE DEFERRED PERIOD?

Should you pass away during the deferred period your nominated beneficiaries will receive the PayBack death payment that would have been accumulated under the Five-Yearly PayBack structure.

EXAMPLE

Continuing with the example above, you pass away in the seventh year of your Life Plan. Your PayBack death payment will be recalculated using a lower Personal PayBack matrix that applies under the Five-Yearly PayBack structure and your beneficiaries will receive a payment of R4 410.

YEAR	PREMIUM	VITALITY ACTIVE STATUS	PAYBACK PERCENTAGE CALCULATED	ACCUMULATED PAYBACK FUND	PAYBACK PAYMENT
1	R12 000	Blue	0%		
2	R13 200	Bronze	2.5%	R330	
3	R14 520	Silver	5%	R1 056	
4	R15 972	Gold	10%	R2 653	
5	R17 569	Gold	10%	R4 410	R4 410

CAN I OPT OUT OF THE DOUBLE PAYBACK OPTION?

Up to one week before you reach your policy anniversary you can change when you would like to receive your PayBack payments. You have the option of receiving your PayBack immediately rather than waiting until the end of the deferred period. If you choose to receive your PayBack immediately you will qualify for the PayBack payments described under the Five-yearly PayBack. Once you have decided to remove the Double PayBack Option from your Life Plan, all future PayBack payments will be paid as they vest under the Five-Yearly or Annual Guaranteed PayBack structure, unless you opt into the Double PayBack Option again.

Opting in and out of the Double PayBack Option is subject to the following restrictions:

- You may only opt out of the Double PayBack Option twice. Opting out of the Double PayBack option can only happen during the first 10 years after qualifying for PayBacks.
- You may opt in to the Double PayBack option at any time during your policy lifetime.

Any PayBack payment which had been deferred will be paid to you at your next policy anniversary after you have opted out of the Double PayBack Option. These payments will not be doubled but will be calculated using the Personal PayBack matrices you qualified for under the Five-Yearly PayBack structure. Any deferred PayBack payment which was due to be paid on your next policy anniversary after the servicing change will also be calculated using the PayBack percentage applicable without the effect of the Double PayBack Option.

Please note that if you choose to service to the Five-Yearly PayBack structure, your PayBack payment will be re-calculated on the Personal PayBack matrix applicable without the effect of the Double PayBack Option and any claims on the Life Plan (excluding the AccessCover, AccessCover Plus, claims for temporary disability on the Income Continuation Benefit and premium waiver benefit claims) in the five year accumulation period will reduce your PayBack payment. This may result in a lower, or possibly no PayBack payment remaining after claims have been deducted.

HOW DOES THE DOUBLE PAYBACK OPTION AFFECT THE PAYBACK EXPIRY?

The PayBack from your Active Integrator will still end when you reach age 65, or 10 years after your PayBack benefit started, if this is later. If you have taken up the Double PayBack Option your final PayBack payment will be paid five years after you reach PayBack expiry age.

OTHER CONSIDERATIONS

The Double PayBack Option is subject to the following:

- Any claims on your Life Plan during the 5-year deferred period will not reduce the PayBack payment under the Double PayBack Option.
- Your Life Plan must remain in-force for the full deferred period. If you lapse your Life Plan during the deferred period you will forfeit any PayBack payments which you have deferred.
- If you perform servicing on your Life Plan during the deferred period in such a way that your premium reduces, your PayBack payment under the Double PayBack Option may be reduced proportionately.

10.3.5 POLICY SERVICING RESTRICTIONS

The Active Integrator is designed for clients who are not members of Vitality. If you and/or your spouse (if applicable) become members of Vitality after taking out an Active Integrator policy, future servicing of your policy will be limited.

10.4 BANK INTEGRATOR

The Bank Integrator may be selected as an Integrator on your Life Plan as long as the principal life assured has a Discovery Bank account or a previous Discovery Card. The Bank Integrator can be selected on its own or in addition to the Vitality, Health or Active Integrator.

10.4.1 INITIAL PREMIUM REDUCTION

On the Bank Integrator, all premiums (except Vitality, Vitality Active, Discovery Retirement Optimiser, Cover Integrator Buy-up Cash Conversion; Financial Integrator Buy-up Cash Conversion and Buy-up Income Continuation Fund) are reduced by a percentage that depends on the colour of your associated Discovery Bank account or previous Discovery Card, the funding plan chosen on your Life Plan, and whether your Life Plan qualifies for

Comprehensive or Core Integration.

In the case of you having more than one Discovery Bank account or previous Discovery Card, the premium reduction will be based on the account or previous Discovery Card colour associated with the highest discount across all your Linked Discovery Bank accounts.

Your Linked Discovery Bank accounts are the Discovery Bank accounts that your Bank Integrator will link to and are defined as:

All Discovery Bank Transactional Accounts and/or Discovery Bank Card Accounts and/or previous Discovery Cards where you are either the primary or secondary cardholder on that account.

The initial Bank Integrator premium reductions will be indicated in your Policy Schedule.

The Bank Integrator premium reduction is applied multiplicatively to the Health Integrator, Vitality Integrator or Active Integrator premium reduction (where applicable).

EXAMPLE

Your Life Plan premium before integration is R1 000 a month. You integrate your policy with both the Health and Bank Integrator. You qualify for a discount of 15% on the Health Integrator and 10% on the Bank Integrator. Your monthly premium is then R765 which is R1 000 x (100% - 15%) x (100% - 10%).

Please note that if you change the colour of Discovery Bank account or previous Discovery Card, Life Plan, Funding Plan or Integrator type at any time during the term of your policy, your initial premium reduction will update to reflect the changes you have made.

10.4.2 ANNUAL PREMIUM REVIEW

On the policy anniversary of your Life Plan, the premiums for all benefits will increase as described in Section 4.1.

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active, the Discovery Retirement Optimiser, Cover Integrator Buy-Up Cash Conversion, Financial Integrator Buy-up Cash Conversion, and Buy-up Income Continuation Fund) may increase or decrease on the policy anniversary by an additional percentage. The Personal Bank Matrix shown on your Policy Schedule determines the additional percentage increase or decrease.

This additional percentage will depend on your Vitality Money status, the colour of your Discovery Bank account or previous Discovery Card and your qualifying card spend, which will be the average monthly level of qualifying spend made on all your Linked Discovery Bank accounts, over the 12 months preceding policy anniversary. Discovery Life will use your Vitality Money status three months before your policy anniversary to determine your adjustment from the Personal Bank Matrix. Please note that in the case of you having multiple Discovery Bank accounts or previous Discovery Cards, the additional percentage will be based on the best colour across all your Linked Discovery Bank accounts or previous Discovery Cards.

Premium reductions attributable to your Personal Bank Matrix (over the lifetime of the Life Plan) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated Life Plan less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Bank Integrator discount will be possible.

If you or your spouse have claimed on either the Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Bank Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged, subject to the maximum Integration premium reduction specified above.

The Bank Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while you are still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

The Personal Bank Matrix is not guaranteed and will be reviewed annually by Discovery Life to take account of emerging experience over time, with due consideration for the general economic and regulatory environment. Furthermore, should changes occur in the future such that the Personal Bank Matrix is no longer relevant (e.g. Discovery Bank cancels Vitality Money), then Discovery Life reserves the right to alter the wealth management criteria used to determine the annual premium adjustments.

The transactions used to determine your card spend are defined as purchases on all the cards linked to your Linked Discovery Bank accounts, where a merchant fee is charged. We may review the amounts taken into consideration in calculating your card spend from time to time. Transactions that will not be taken into account include (but are not limited to):

- Cash withdrawals
- Money transfers, for example money transferred to a current account of a retailer or service provider, or inter-account transfers
- Debit orders.

The additional percentage attributable to the Personal Bank Matrix is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. The Personal Bank Matrix will be used multiplicatively with the Vitality Matrix, Active Integrator Matrix or the Personal Health Matrix to determine annual premium increases or decreases.

EXAMPLE

Assume that your premium is R500 and you have selected an automatic annual premium increase of 10%, the applicable adjustment on your Personal Bank Matrix is an increase of 1% and that the applicable adjustment on your Personal Health Matrix
is an increase of 1.5%. Then your new premium will be: R500 x (1 + 10%) x (1 + 1%) x (1 + 1.5%) = R563.83.

Should you cease to be a member of Vitality Money, or cancel all of your Discovery Bank accounts or previous Discovery Cards, the additional annual premium increase percentage due to the Bank Integrator will be at a default rate of 2.75% per year instead of using the Personal Bank Matrix.

Should your Bank Integrator Life Plan lapse and should you purchase another Life Plan at some future date, the initial premium reduction percentage on the new plan will be reduced by any increases that you had on your original policy as a result of the Personal Bank Matrix.

Please note that if for any reason you are not enrolled on the Vitality Money programme when the Bank Integrator is taken out, you will be treated as a Blue Vitality Money Status. Additionally, if your Vitality Money Status is classified as "unengaged" by Discovery Bank, you will be treated in line with a Blue Vitality Money Status for the annual premium review.

10.4.3 THE BANK INTEGRATOR'S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees that your premium (plus any premium increases above any automatic annual increases) on the Bank Integrator will not exceed the Maximum Protected Premium.

The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The NI is the premium that would have been payable had you not integrated your Life Plan with Discovery Bank, after automatic annual premium increases have been taken into account.

The following table gives the Maximum Protected Premiums:

		FUNDING PLAN		
		STANDARD	FLEXRATER	ACCELERATER
Comprehensive Bank Integrator	Gold Card	NI + 5.00%	NI + 7.50%	NI + 10.00%
	Platinum Card	NI + 7.50%	NI + 10.00%	NI + 12.50%
	Black/Purple Card	NI + 10.00%	NI + 12.50%	NI + 15.00%
Core Bank Integrator	Gold Card	NI + 2.50%	NI + 3.75%	NI + 5.00%
	Platinum Card	NI + 3.75%	NI + 5.00%	NI + 6.25%
	Black/Purple Card	NI + 5.00%	NI + 6.25%	NI + 7.50%

10.4.4 VITALITY FUND

If you have selected the Bank Integrator on a Classic or Essential Life Plan, you may qualify for the Vitality Fund benefit. Please see section 9.5 for more detail on this benefit.

10.5 THE MANAGED CARE INTEGRATOR

The Managed Care Integrator may be offered only for a life assured on your life plan in the event that the underwriters have imposed a premium loading for that life assured in respect of any or all of the Severe Illness, Capital Disability or Life Cover Benefits because of Diabetes, HIV or Obesity. A loading imposed for any other condition will not qualify for this benefit.

In addition, the following conditions also need to be met for consideration to be given if the benefit may be offered:

- The Diabetes, HIV or Obesity has not progressed to the extent that the conditions have given rise to other co-morbid conditions.
- The Life Assured is registered as a member of Discovery Health Medical Scheme or as a member of a participating scheme administered by Discovery Health.
- The Life Assured is a member of Vitality.
- The Life Assured is enrolled on the specified management programme that is recommended for their condition through either Discovery Health or Vitality. You may be offered the Managed Care Integrator if you meet all criteria except being on the recommended managed care programme for your condition. In this instance, you will have three months from the commencement of the policy to enrol in the programme otherwise the Managed Care Integrator will be removed from your policy.
- The Life Assured is a non-smoker.

The Managed Care Integrator may include the following features, please check your Policy Schedule to see which features are included for the life assured's specified condition:

- A discount to the life assured's Health Loadings which are applied to their Life Cover, Capital Disability or Severe Illness premium
- An automatic re-assessment of the life assured's Health Loadings which are applied to their Life Cover, Capital Disability or Severe Illness premium at every anniversary with automatic reduction of the Health Loadings if the required criteria are met. The health loading on the Life Cover may be reduced to 0% if the criteria are met.
- An opportunity to apply for Capital Disability and Severe Illness cover in the event that the life assured was previously declined this cover but has since showed the required improvement in management of the specific condition.
- A PayBack of 50% of the amount the premium reduces by in the year that the life assured's Health Loading reduces as a result of the automatic re-assessment of the life assured's health loading at anniversary.

10.5.1 MANAGED CARE INTEGRATOR DISCOUNT

Through the Managed Care Integrator you may qualify for a discount of 10% to be applied to the life assured's Health Loadings on their Life Cover, Capital Disability and Severe Illness Benefit loadings.

In order to maintain the Managed Care Integrator discount at each anniversary the life assured must demonstrate that they are actively managing their medical condition through engagement with the recommended management programme on which they are registered. Engagement is measured through completing activities required by the specific management programme that result in earning Vitality points. The life assured will need to earn a specified minimum number of Vitality points that are specific to their condition in order to maintain the 10% discount on the policy. Where the client loses their Managed Care Integrator Discount, there will be a resultant increase in premium.

We will check for the number of points earned over the previous year, three months prior to anniversary. If the life assured fails to meet the minimum Vitality point requirement the discount will be removed and they will not be able to qualify for it again. If the management programme has been in force for less than 12 months the required Vitality points will be proportionately adjusted.

The Policy Schedule will clearly indicate what points the life assured need to earn and how they can be earned.

FOR EXAMPLE:

A life assured is quoted a Life Cover premium of R1 000 and a Capital Disability premium of R2 300. The client is underwritten and it emerges that he is Diabetic. The underwriters offer the client cover with a Life Cover Health Loading of 100% and a Capital Disability Health Loading of 150%. This translates to a Life Cover premium of R2 000 (R1 000 x [1+100%]) and a Capital Disability premium of R5 750 (R2 300 x [1+150%]).

This life assured's medical condition qualifies him for the Managed Care Integrator. If he is offered the Managed Care Integrator he will receive a 10% discount to his Life Cover Health Loading and Capital Disability Health loading leading to 90% and 135% health loadings respectively. This means the Life Cover premium charged is R1 900 (R1 000 x [1+90%]) and the Capital Disability Premium charged is R5 405 (R2 300 x [1+135%]).

10.5.2 ASSESSMENT OF YOUR HEALTH LOADING THROUGH THE MANAGED CARE INTEGRATOR

At every anniversary we will assess the life assured's medical condition and if their health has improved we may lower their Life Cover, Capital Disability and Severe Illness Health Loadings. For each condition there are specific metrics that we need to monitor to be able to conclude if the condition is managed. For each metric a score is applied, the sum of the scores across all metrics will make up the Managed Care Integrator Score. The Managed Care Integrator score translates to the health loading that the life assured should qualify for that would be applicable to the life assured's Life Cover, Capital Disability or Severe Illness premium. The Policy Schedule will clearly indicate which metrics we will measure and how they are used to determine the Managed Care Integrator score. These metrics may be adjusted over time.

We will obtain the Managed Care Integrator Score if the life assured completes the required tests as indicated by their specified management programme and they are a member of Discovery Health Medical Scheme or a member of a qualifying scheme administered by Discovery Health.

FOR EXAMPLE:

A diabetic life assured currently has a loading of 125% on their Life Cover premium. They perform all the required tests and we are able to determine a Diabetic Managed Care Integrator Score that indicates that the client qualifies for a loading of 75%. We will reduce the health loading at anniversary.

The next year the life assured performs all the required tests but the Diabetic Managed Care Integrator Score indicates that the client qualifies for a loading of 100%. We will make no change to the loading.

The next year the life assured fails to perform all their required tests and so no change will be made to the loading.

We will obtain these metrics three months prior to anniversary. The required metrics must be from tests that were performed in the year prior to this. The anniversary letter will outline a Managed Care Integrator score that is calculated. Where the suggested health loadings are lower than the loadings in force, we will reduce them at anniversary. Where the suggested health loadings are higher or equal to the loadings in force, the health loadings will remain unchanged. If any of the required metrics are missing, we will not be able to calculate a Managed Care Integrator score and the life assured's health loadings will remain unchanged that year.

Before reducing your health loading through the process outlined above we may require a health declaration to determine if, other than the medical condition we are monitoring, the life assured health has changed. You may request to review the health loading at any stage outside of the process described above.

10.5.3 OPPORTUNITY TO APPLY FOR CAPITAL DISABILITY AND SEVERE ILLNESS

This opportunity is only available for Diabetic clients who have the Managed Care Integrator. Initially, the life assured may not qualify for Capital Disability or Severe Illness due to the fact that their diabetes is not as well managed as it should be. If the life assured is able to improve their Diabetic Score through improved management of their condition, they can be given the opportunity to purchase the accelerated Capital Disability Benefit or the accelerated Severe Illness Benefit. Please note that if the life assured qualified for Accidental Disability this would have been offered to them upfront and is not part of the opportunity described here.

Depending on how well managed the condition has become there may be limits on what percentage of the Life Fund may be selected for the life assured's Capital Disability and Severe Illness benefits. Where the life assured has not yet accessed the opportunity to purchase up to 100% of your Life Fund, there are restrictions on the type of cover that can be purchased:

- Capital Disability must be Core Capital Disability with an expiry age of 65. No converted Severe Illness will apply to this Capital Disability.
- Severe Illness must be Comprehensive Severe Illness with an expiry age of 65.

Once the opportunity to purchase 100% of your Life Fund is available any accelerated Capital Disability or Severe Illness benefit option may be purchased.

If the life assured has opted for Accidental Disability they may elect to purchase the Capital Disability up to the amount that they have accessed but the sum of the Accidental Disability and Capital Disability benefit percentages cannot be more than 100%.

Your anniversary letter will indicate to you when you have the opportunity to purchase Capital Disability or Severe Illness cover. You must then contact your financial adviser and follow the usual process to add a new benefit to your policy, for that life assured. The life assured may be underwritten when adding or increasing either of these benefits and cover is therefore not guaranteed.

10.5.4 MANAGED CARE INTEGRATOR PAYBACK

This benefit applies to Classic or Purple Plans only. This PayBack is based on the Life Cover, Capital Disability and Severe Illness Benefit Loadings for the life assured who has the Managed Care Integrator benefit. This PayBack is independent of any PayBack paid under the Health Integrator, Active Integrator or Vitality Integrator

At anniversary we check the health loading that has applied over the last year against the health loading that will apply going forward. Where the life assured has improved their health loading through the automatic assessment process at anniversary, we will calculate the premium that would have been paid over the last year had it been on the lower health loading and we will accumulate 50% of the difference into the Managed Care Integrator PayBack fund which will pay out at the end of every five year period.

EXAMPLE:

A client has a monthly life cover premium of R2 000 and a monthly Capital Disability premium of R5 750. Included in these premiums is a health loading of 100% for Life Cover and 150% for Capital Disability. Assume the client has not maintained the 10% discount to the loading.

At anniversary, through the Managed Care Integrator, the loadings are reduced to 50% for Life Cover and 100% for Capital Disability. The premiums payable over the last year would have been R1 500 [R2 000 x (1+50%) ÷ (1+100%)] per month for the Life Cover and R4 600 [R5 750 x (1+100%) ÷ (1+150%)] per month for Capital Disability if the lower loadings applied.

Premiums received over the year were R93 000 (R2 000 x 12 + R5 750 x 12) based on the loading at the start of the year.

Premiums received over the year would have been R73 200 (R1 500 x 12 + R4 600 x 12) based on the reviewed loading at anniversary.

The PayBack accumulated would therefore be R9 900 [(R93 000 - R73 200) x 50%] and will be paid at the end of year 5.

The Managed Care Integrator PayBack will not be reduced by any claims paid on the policy. A life assured may request a review of their health loadings outside of the Managed Care Integrator process. If a life assured requests a review, the underwriter will assess whether or not the condition has improved sufficiently to reduce the applicable health loading. There is no PayBack if the health loading is reduced outside of the Managed Care Integrator process.

10.5.5 WHEN WILL THE MANAGED CARE INTEGRATOR BE REMOVED FROM A POLICY

If any of the following occurs, the Managed Care Integrator will be removed from the life assured:

- If the life assured claims against any Disability or Severe Illness cover that they have with us indicating that medical condition that resulted in the health loading has progressed or that another condition has emerged.
- If the life assured is no longer a member of Discovery Health Medical Scheme or any Health Plan administered by Discovery Health.
- If the life assured is no longer a member of Vitality.
- If the life assured is no longer registered on the required management programme.
- The Health loading on the life assured's Life Cover premium is reduced to 0%.
- If the life assured becomes a smoker.

As a result of removing the Managed Care Integrator:

- The Managed Care Integrator discount would be removed resulting in a premium increase reverting to the premium that would have been payable had the client not qualified for the Managed Care Integrator discount.
- We will no longer collect the required metrics to monitor the life assured's management of their condition so the health loading will no longer automatically reduce if the life assured's management improves.
- The life assured will not qualify for any further Managed Care Integrator Payback. Any Managed Care Integrator PayBack Fund already accumulated will be removed except in the scenario where the Managed Care Integrator is removed as a result of reaching standard rates in which case any accumulated PayBack will still be payable after five years.
- The option to purchase Capital Disability and Severe Illness benefits will no longer become available automatically.

THE DISCOVERY RETIREMENT OPTIMISER

11.1 INTRODUCTION

The Discovery Retirement Optimiser the 'Benefit' may be selected as an ancillary benefit to your Discovery Life Plan and is aimed at providing cost-effective funding for your retirement. It provides:

- A Retirement Fund, to give you an income in retirement and a lump-sum payment at your selected retirement date.
- Reductions on the fees you pay within your Retirement Fund on qualifying funds through the Retirement Investment Integrator.
- Admin fee refunds within your Retirement Fund on non-qualifying funds through the Fee PayBack benefit.
- Enhancements to your retirement savings from the Contribution Boost.
- The ability to reinvest your Discovery Life PayBacks into your Retirement Fund and have it boosted at retirement through the Retirement PayBack Booster.
- Enhancements to your retirement benefits from the Life Plan Optimiser.
- Enhancements to your retirement income from the Ill-health Income Booster in the event of suffering a severe illness or becoming disabled.

The Benefit is funded through a Retirement Annuity provided by the Discovery Retirement Annuity Fund (the 'RA Fund'). All the fees, premiums and benefits of the Discovery Retirement Optimiser may be reviewed or modified by Discovery from time to time.

Through the RA Fund, you have a range of investment choices covering the various asset classes such as equities, properties, bonds and cash which you may choose in line with your investment objectives.

11.2 THE DISCOVERY RETIREMENT ANNUITY FUND

If you choose to contribute to the Retirement Annuity Fund, you will apply to become a member of the Discovery Retirement Annuity Fund (number 37469). On acceptance, you will be bound by the rules of the Retirement Annuity Fund.

Your benefit in the Retirement Annuity Fund (referred to in the fund rules as your 'member's share') cannot be ceded, transferred, assigned, reduced, hypothecated or pledged and is subject to the provisions of the Pension Funds Act No 24 of 1956.

Participation in the Retirement Annuity Fund will only be confirmed if Discovery Invest, acting as the fund's appointed administrator, has confirmed to you in writing that your application for membership has been accepted and that your first contribution has been received.

The fund rules provide that, at your selected retirement age, your member's share in the Retirement Annuity Fund accrues to you. This consists of your contributions plus/minus any investment returns and minus all fees that have been levied. The fund rules and the Income Tax Act provide that you may take up to one-third of your member's share as a cash lump sum and that the balance of the benefit must be used to purchase an annuity from a registered insurer.

You are only entitled to the Life Plan Optimiser and the Ill-health Income Booster if you purchase the annuity from Discovery Invest.

Tax, in accordance with the applicable tax rules and rates, as determined by the South African Revenue Service (SARS), will be applied on any lump-sum and annuity payments. The income you receive from the annuities will be taxable as gross income in terms of the Income Tax Act.

Your contributions will be administered in terms of the provisions of the Pension Funds Act and the fund rules.

11.3 CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER

You may make monthly contributions to the Retirement Annuity Fund through the Discovery Retirement Optimiser, which may be deductible from your taxable income in terms of the Income Tax Act.