Fact File

RETIREMENT FUNDS GUIDE

Contents

Key terms we use in this guide

Approved fund: A fund that is registered and approved by the Financial Sector Conduct Authority (FSCA).

Member share: The total amount of all net contributions and add itional contributions a member has made to the Funds, increased or decreased by investment returns, less any deductions allowed under the rules of the Funds and the Pension Funds Act.

Paid-up member: A member who has left the service of the employer and has chosen to leave their accumulated benefits in the Funds, or a member who has left the service of the employer and has not made an election for the payment of his benefit from the Funds.

About this guide

This guide explains the rules and policies of the registered Discovery Life Pension Umbrella Fund and Discovery Life Provident Umbrella Fund (collectively called the Discovery Retirement Funds or the Funds). The assets of the Discovery Retirement Funds are invested in a policy of insurance underwritten by Discovery Life Limited, a licensed long-term insurer.

The guide is made up of two parts:

Section A:
About the Discovery Retirement Funds.

This section gives a summary of general rules of the Funds, which applies to all participating employers and their employees. If there is a conflict between this guide and rules of the Funds, the rules of the Funds apply.

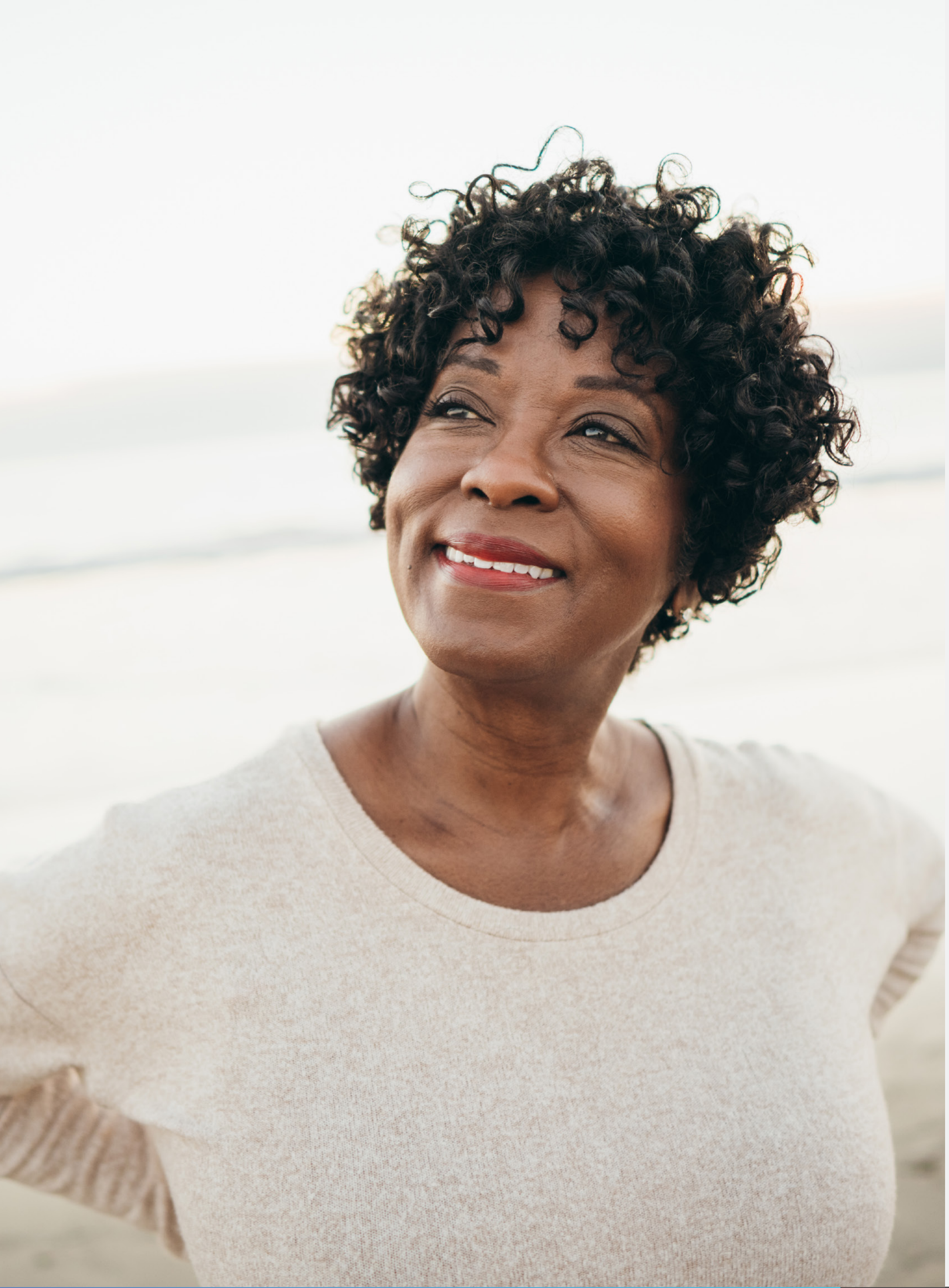
Section B:
About the retirement rewards.

This section explains the retirement rewards that Discovery Life offers to encourage employees who become members of these Funds to reach their retirement goals.

All figures are correct as at 1 August 2021

Section A

ABOUT THE DISCOVERY RETIREMENT FUNDS



Legal framework

About umbrella funds generally

Umbrella funds pool members from many participating employers (referred to in this document as 'employers') into one fund. This helps to lower costs and minimise legislative requirements, which is especially beneficial for smaller employers who can't afford the costs and effort of a stand-alone fund. Under an umbrella fund, the employer operates in an environment of greater certainty, enjoys substantially lower costs and has fewer obligations compared to a stand-alone fund.

The rules of funds must be registered and approved by the Financial Sector Conduct Authority (FSCA) - previously known as the Financial Services Board (FSB). All benefit payments made from funds are regulated by the South African Revenue Service (SARS).

About the Discovery Retirement Funds (the Funds)

The Funds were established on 1 March 2017 and are multi-employer funds for employees, and former employees of an employer.

The object of the Funds is to provide a retirement savings vehicle and other benefits for employees and former employees of employers, and benefits in the event of their death as set out in the rules.

The Funds are separate legal entities that can, in their own names, sue and be sued, and acquire, hold and sell (or otherwise alienate) property, both movable and immovable.

The rules of the Fund comprise the general rules which apply to all employers and their employees; and special rules that may apply to individual employers and their employees. If there is a conflict between the general rules and the special rules, the rules will apply.

How the Funds work

The Funds are registered as type A pension and provident umbrella funds. Type A umbrella funds require special rules and provisions specific to each employer (such as retirement date and contribution rates).

Each employer who participates is governed by the rules of the Funds and their own special rules. Under the Funds, the employer can choose to participate in a pension fund or a provident fund or both.

The Funds are known as *defined contribution funds.* Under a defined contribution fund, the employer or member or both pay a specified and guaranteed amount of money to the Funds as contributions. Applicable tax laws provide that any contribution the employer makes is treated as a contribution made by the member. The contributions will qualify for a tax deduction in each tax year of assessment. The net contributions in the Funds are invested within the specified investment portfolios and attract investment growth.

Benefits depend on the following

The member share: this is the total amount of all net contributions and additional contributions made to the Funds, increased or decreased by investment returns, less any deductions allowed under the rules of the Funds and the Pension Funds Act No 24 of 1956, as amended.

The Funds are underwritten by Discovery Life. At all times, the assets of the Funds are invested in a policy of insurance issued by Discovery Life Limited, a registered insurer under the Long-term Insurance Act, No.52 of 1998, as amended.

Stakeholders in the Funds

There are various stakeholders of the Funds, including:

Stakeholders	Description
Sponsor	Discovery Life Limited, a company registered under the laws of the Republic of South Africa, with registration number 1966/003901.
Fund	A pension fund organisation, arrangement or business prescribed by the Financial Sector Conduct Authority (FSCA) as a fund as contemplated and defined in the Pension Funds Act and the Income Tax Act.
Member	A person having been admitted to membership of the Funds according to the rules and who has not ceased to be a member under the rules.
Employer	An employer who applies to the board of trustees in writing for participation in the Funds.
Board of trustees	A Board constituted in terms of the rules of the Funds and is made up of sponsors trustees and independent trustees.
Administrator	Discovery Life Limited appointed by the board of trustees and approved by the FSCA as a benefit or investment administrator. The administrator is responsible for the daily administration and management of the members' benefits in terms of the rules of the Funds.
Principal Officer	Appointed by the board of trustees and approved by the FSCA as the Fund's representative with the FSCA. The Deputy Principal Officer is similarly appointed.

Stakeholders	Description
Financial Sector Conduct Authority (previously known as the Financial Services Board)	The Financial Services Board has been transformed into the Financial Sector Conduct Authority, effective from 1 April 2018. The FSCA's objectives are to: ■ Protect financial customers by promoting their fair treatment by financial institutions, providing financial education programmes and promoting financial literacy ■ Enhance and support the efficiency and integrity of financial markets ■ Assist in maintaining financial stability The FSCA provides for the registration of the rules and the amendments to the rules that regulate the administration of a pension fund. The FSCA also has the right to inspect and investigate a fund and its administrator in terms of the Pension Funds Act.
South African Revenue Service (SARS)	Provides for the taxation around retirement fund benefits as prescribed in the Income Tax Act.
Pension Funds Adjudicator	The main object of the Pension Funds Adjudicator is to dispose of complaints lodged in terms of section 30A (3) of the Act, in a procedurally fair, economical and expeditious manner.
Licensed insurer	Discovery Life Limited, registration number 1966/003901/06, is a licensed long-term insurer, and an authorised financial services and registered credit provider, NCR registration number NCRCP3555. The Funds' assets are invested in a policy of insurance with Discovery Life Limited.

About the rules of the Funds

There are general rules and special rules.

The general rules	The special rules
Apply to all members of the Funds and their employers or former employees who participate in the Fund. Deal with, among other things: ■ Establishment of the Funds ■ Membership in the Funds ■ Rules on contributions ■ Management of the board of trustees and delegation of authority ■ Investment options ■ Payment of pre-retirement and post-retirement benefits to members or dependants of members ■ Transfers in and out of the Funds ■ Risks benefits ■ Termination of employers and the Funds Override special rules if there is any inconsistency between them.	Apply only to the employees of a specific employer. Where the employer has subsidiaries listed, each subsidiary will have their own set of registered special rules. Deal with, among other things: ■ Eligibility criteria determined by the employer for employees who must participate and remain members of the Fund under their contracts of employment ■ The rates at which those employees and the employer must contribute to the Fund according to specified scales ■ The benefits that will be payable upon the permanent disablement or death before a member reaches retirement age (risk benefits) ■ The deduction from the employees' or employer's contributions to the Funds as their share of the Fund's admin costs and other specified costs, if applicable ■ If applicable, the amount of premiums payable by the Funds to the insurer that underwrites the Fund's liabilities for those risk benefits (approved risk benefits) ■ Member investment choices ■ The retirement age of each member or each member within a category of members employed by the employer - for the purposes of the rules.

Management of the Funds

Board of trustees (the trustees)

The objectives, responsibilities, powers and duties of the trustees are set out in the rules of the Fund. These correspond directly to the requirements of the Pension Funds Act. The trustees are appointed in terms of the rules and are responsible for managing and controlling the Funds in line with the registered and approved rules and relevant legislation.

Membership

Manco

A management committee (Manco) is a committee constituted by an employer to manage the retirement fund solution on its behalf for the benefit of employees. The committee usually consists of employer representatives, member-elected representatives and sometimes financial advisers. Member-elected representatives are there to ensure that the members' concerns can be voiced at meetings.

Legally, the ultimate responsibility for the umbrella fund lies with the board of trustees and not with the Manco. The Manco, however, makes a number of decisions on behalf of the employer and members, for example, rate of contributions, choice of investment portfolios, and the normal retirement age for members.

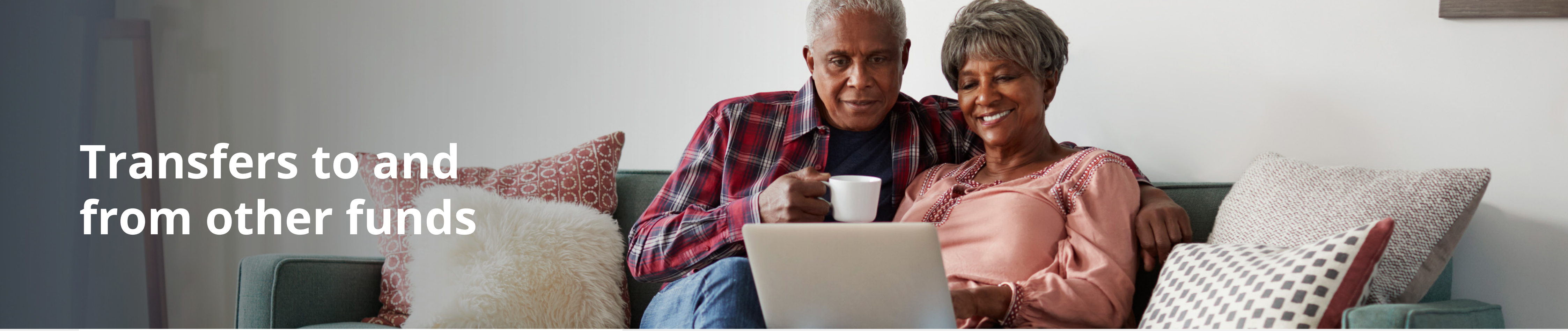
An employer may appoint a financial adviser to provide services such as advice on the appropriate benefits and investment portfolios. Financial advisers are accountable to the Manco and employer, and not the Funds.

Eligibility criteria for members

Eligible employees must join the Funds if it's a condition of their employment with the employer.

Unless the rules allow otherwise, members cannot withdraw from membership while they remain employed by the employer. A member's membership of the Funds will end in any one or more of these circumstances:

- Their dependants or beneficiaries have received all benefits owed to them under the rules, following the member's death
- The employer stops participating in the Funds for any reason
- Their member share has been transferred out of the Funds
- Their employer starts contributing for them in another approved fund as result of the sale of the business



Transfers to and from other funds

The rules provide for certain deductions to be made against contributions. These may include admin expenses, approved risk costs and other fund expenses. The net contributions will be invested in the selected investment portfolios. Contributions are payable to the Funds within seven days from the end of the month for which it is due. Contributions made to the Funds will qualify for an income tax deduction in the tax year in which the contribution is made. Limits will apply. Employers can allow the flexibility to employees to contribute from a minimum of 5% to a maximum of 27.5% of their pensionable salary (a contribution scale).

Please note these percentages may be reviewed and could change from time to time. Where an employee wishes to contribute more than the maximum of 27.5% of their pensionable salary, the extra contribution will be treated as an additional voluntary contribution.

All contribution scales relating to employers must be specified in the special rules. Where contribution increases are allowed, those increases must be in increments of 0.5% up to the maximum that an employment category would allow in the special rules.

Transfers are only allowed between approved funds. Approved funds are funds whose rules have been registered with the Financial Services Board (now the Financial Sector Conduct Authority) and approved by SARS. The Funds do not accept the transfer in of unclaimed benefits (as defined in the Pension Funds Act).

Transfers into the Funds from another approved fund

Fund to Fund transfers

If a group of members transfers to the Funds from another approved fund, the other approved fund must transfer the amount payable for each member to the Funds. The relevant amount will be credited to each member's member share in the Funds.

Transfer of paid-up members

If a member is a paid-up member of any other approved fund, the Funds may accept the transfer in of the member's paid-up benefit.

Transfer of divorce settlement amounts awarded to members

The Funds may accept a transfer in from an approved fund of an amount awarded to a member in terms of a court order under section 7 of the Divorce Act of 1979. The member must have chosen to transfer the amount to the Funds.

Transfers out of the Funds

Transfers out while members are still employed

A member can transfer out of the Funds while remaining employed if the transfer out is a result of any of the following:

- The restructuring of the employer, where the member becomes a member of another approved fund in which the employer participates
- The member elects, with the approval of the employer, to transfer the benefits in the Funds to another approved fund in which the employer participates and of which they're already a member
- The member no longer qualifies as an eligible employee in terms of the employer's special rules

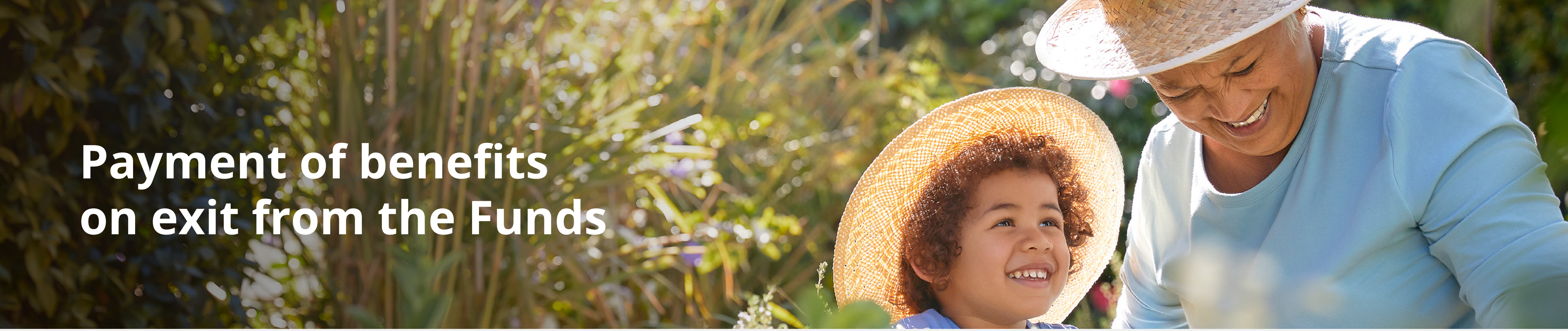
Compulsory transfers

Where a member is compulsorily transferred to the service of a new employer, the value of the member share will be transferred to the new employer's approved fund.

Investment of the Funds

At all times, the assets of the Funds remain wrapped in a policy of insurance issued by a registered insurer in terms of the Long-Term Insurance Act.

The rules of the Funds allow for individual member choice of their investment portfolios.



Payment of benefits on exit from the Funds

It is the duty of the board of trustees to pay benefits according to the rules of the Fund and the relevant legislation. If a trustee negligently pays an incorrect amount, or makes a payment to a person not entitled to such a benefit, the trustee may be held personally responsible for making good the loss to the Funds.

On exit from the Funds the member, or upon death the member's beneficiaries or dependants, are entitled to the member's member share in the Funds. Retirement benefit counsellors will be available to guide members on their options available on exit from the Funds, so that they can make informed decisions.

Withdrawal, retrenchment and dismissal benefit

Withdrawal benefits are payable to members on termination of employment before age 55 following a resignation, dismissal, termination of contract or retrenchment. The member may elect to:

01 | Receive all benefit as a cash lump-sum

02 | Take part of the benefit in cash and transfer the balance to another approved fund

03 | Transfer the full amount to another approved fund

04 | Preserve their benefit in the Funds

Legislation prescribes that when the Funds become aware of the member's termination of service, the member's benefit in the Funds will remain paid-up according to the Funds' rules until the member submits an instruction to the Funds regarding the payment of their member share.

Where a member becomes a paid-up member in the Funds, the Funds will issue the member with a paid-up certificate. A paid-up member continues their membership and their member share will stay invested in the portfolio of their choice and continue to grow with investment return less fees that are deductible. A paid-up member is not allowed to make further contributions to the Funds in respect of their paid-up member record.

Transfer to preservation funds (translocation of benefits)

If a member resigns, is retrenched or dismissed from employment or if the Fund is winding up, the member's benefit (called a 'translocation benefit') may be transferred to a preservation fund. Translocation to a preservation fund is not permitted if an employer has either merged with or been taken over by another entity and an employee is employed by the merged employer or entity. The member of a preservation fund is entitled to one withdrawal during their membership of the preservation fund.

Retirement benefits – for early, normal, ill-health or late retirement

What a member can withdraw when they retire (pension fund)

On retirement from a pension fund, a member's options depend on the total value of their retirement interest in the Funds. The rules below are determined by legislation (as at June 2018), and so will change if legislation changes.

If the total market value of their retirement interest in the Funds is below R247 500:

- They can take the full value as a lump-sum cash payment. (They will pay tax on this payment.)

If the total market value of their retirement interest is R247 500 or more:

- They can take up to one-third of the value of the investment as a lump-sum cash payment. (They will pay tax on this payment.)
- They must use the remaining two-thirds to buy an annuity that will pay them an income after they retire.

A member can choose to use the full amount (three-thirds) to buy an annuity.

A member can choose to transfer their retirement interest in the Funds to a retirement annuity fund.

A member can choose to defer their retirement in the Funds.

What a member can withdraw when they retire (provident fund)

On retirement from a provident fund, a member may choose to take their full member share in cash.

The member can also choose any of the following options:

- Take part of the benefit in cash and buy an annuity (including a living annuity) from a registered insurer
- Defer their retirement in the Funds
- Transfer their retirement interest in the Funds to a retirement annuity fund

Normal retirement (including for disability in an approved fund)

Normal retirement date is when the member reaches the normal retirement age as set by the employer in the special rules. Different employees of the same employer may have different normal retirement ages if the special rules specifically allow for this. The value payable is the member share and may include disability payments (if applicable).

Voluntary early retirement

With the prior consent of the employer, when a member reaches age 55, they may retire from service. If they apply to retire early from service, they may only do so on the last day of the month in which they apply.

If a paid-up member reaches age 55, they may retire from the Funds or choose to defer their retirement in the Funds to a later date.

Ill-health retirement

The board of trustees may allow a member to retire from the Fund before reaching normal retirement age where the member:

- Becomes totally and permanently unable to carry out their work duties due to ill health and
- Does not qualify for a benefit under an employer-owned (unapproved) insurance agreement. When the board of trustees approves the member's ill-health retirement, the member will be entitled to their member share.

Late retirement

If an employee remains in service after their normal retirement date as allowed by the employer, they will remain a member of the Funds until their contract of service with their employer ends. The employee and the employer must continue to contribute to the Funds. On the date that the member elects to leave the employer's service, the member will be entitled to receive their member share.

Members who defer retirement may become ineligible for insured benefits. This will be determined by the special rules.

Death benefits

On death, the member's current member share will be paid out as a lump sum, unless the trustees or beneficiaries or dependants elect an alternate payment option. The trustees of the Funds may alone decide who receives the death benefits (for example, the member's dependants or beneficiaries or both), and in what proportion the death benefits will be distributed.

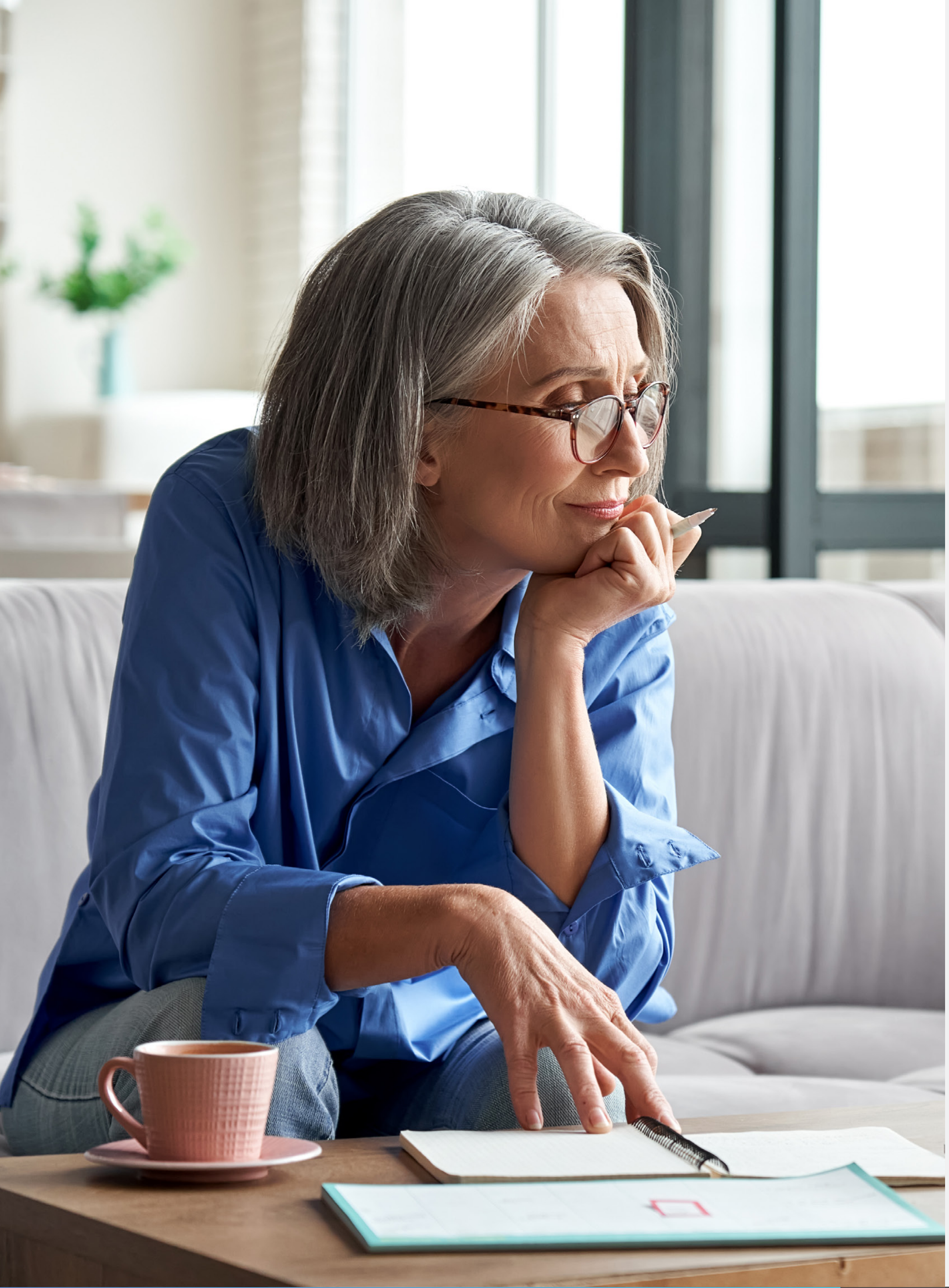
The trustees are allowed up to 12 months to finalise investigations including the tracing of any dependants or beneficiaries of the deceased member.

To ensure that the payment of a benefit can be made as quickly as possible, it's important for members to complete a Nomination of Beneficiary Form and to review and update this form regularly. This will save time following the death of a member so that the payment is not delayed.

Deferred retiree

On reaching normal retirement age and leaving the employer's service, a member can defer the payment of their retirement benefit. Their benefit remains invested in their investment portfolios but they cannot make more contributions to it. All approved insured benefits fall away so no insured portion will be payable on death.

The member may choose to receive retirement benefits from the Funds at any time after they defer their retirement from the Funds. Where no choice is made and the member dies, the death benefit will become payable.



Deductions the law allows us to make

We may deduct the following amounts from the benefit payments according to the rules of a registered fund:

01 | Any amount outstanding for housing loans which the Fund or employer made to the employee. Personal loans made by the employer to the member under a contract (for example, a car loan) may not be deducted from the member's member share.

02 | Any amount for which the Fund or employer is responsible according to a guarantee by the Fund or employer.

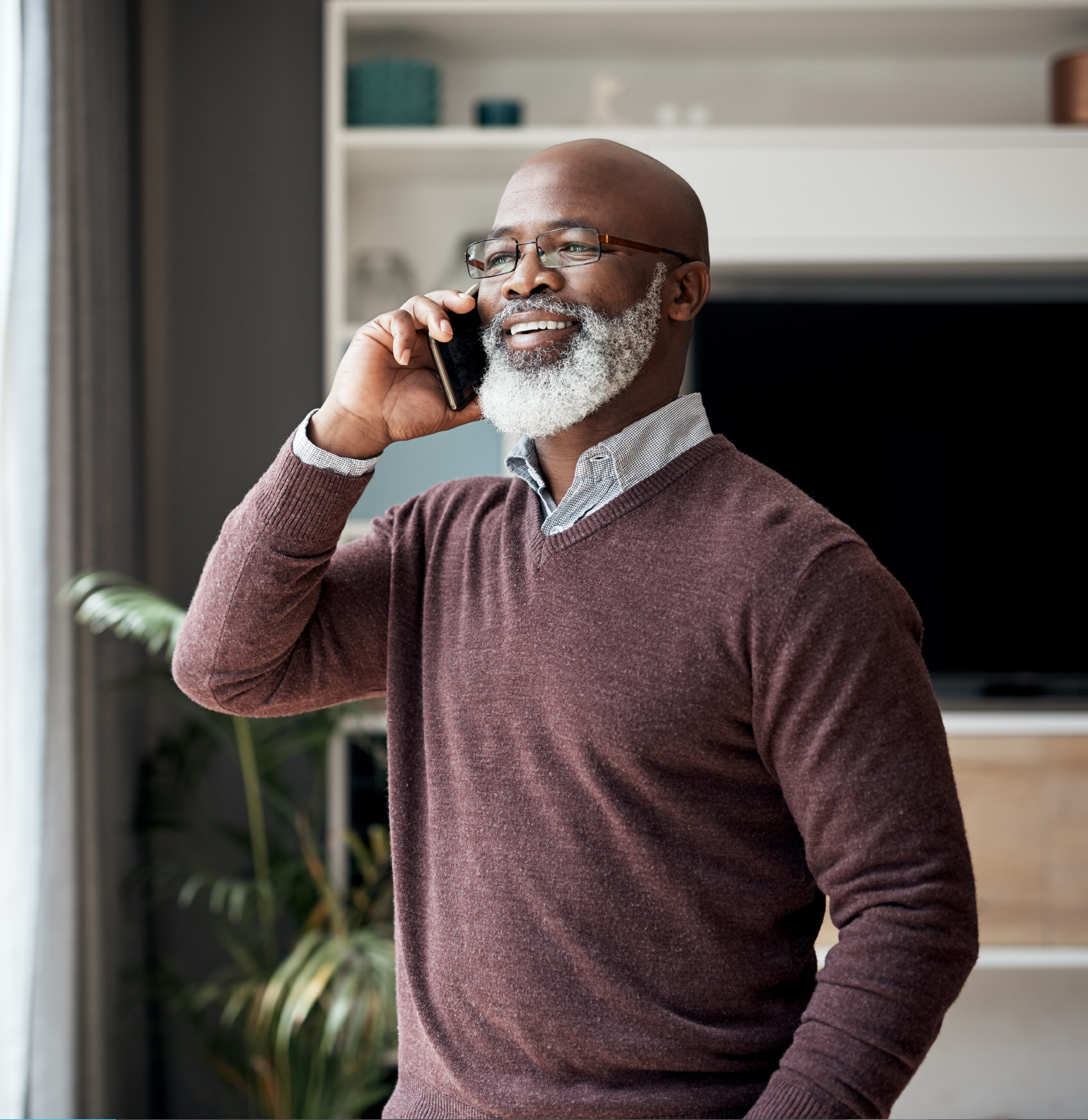
03 | Damages caused to the employer by the employee as a result of theft, fraud, dishonesty or misconduct while the employee was still a member of the Fund. Before this amount can be recovered, the member would have to admit liability to the employer in writing. If the member refuses to sign an admission of liability, the employer may obtain a court judgment against the member.

04 | With the member's consent, medical aid subscriptions and insurance premiums.

05 | Such other deductions as the Commissioner of the FSCA may agree to.

Fund benefits may not be used as security for debt

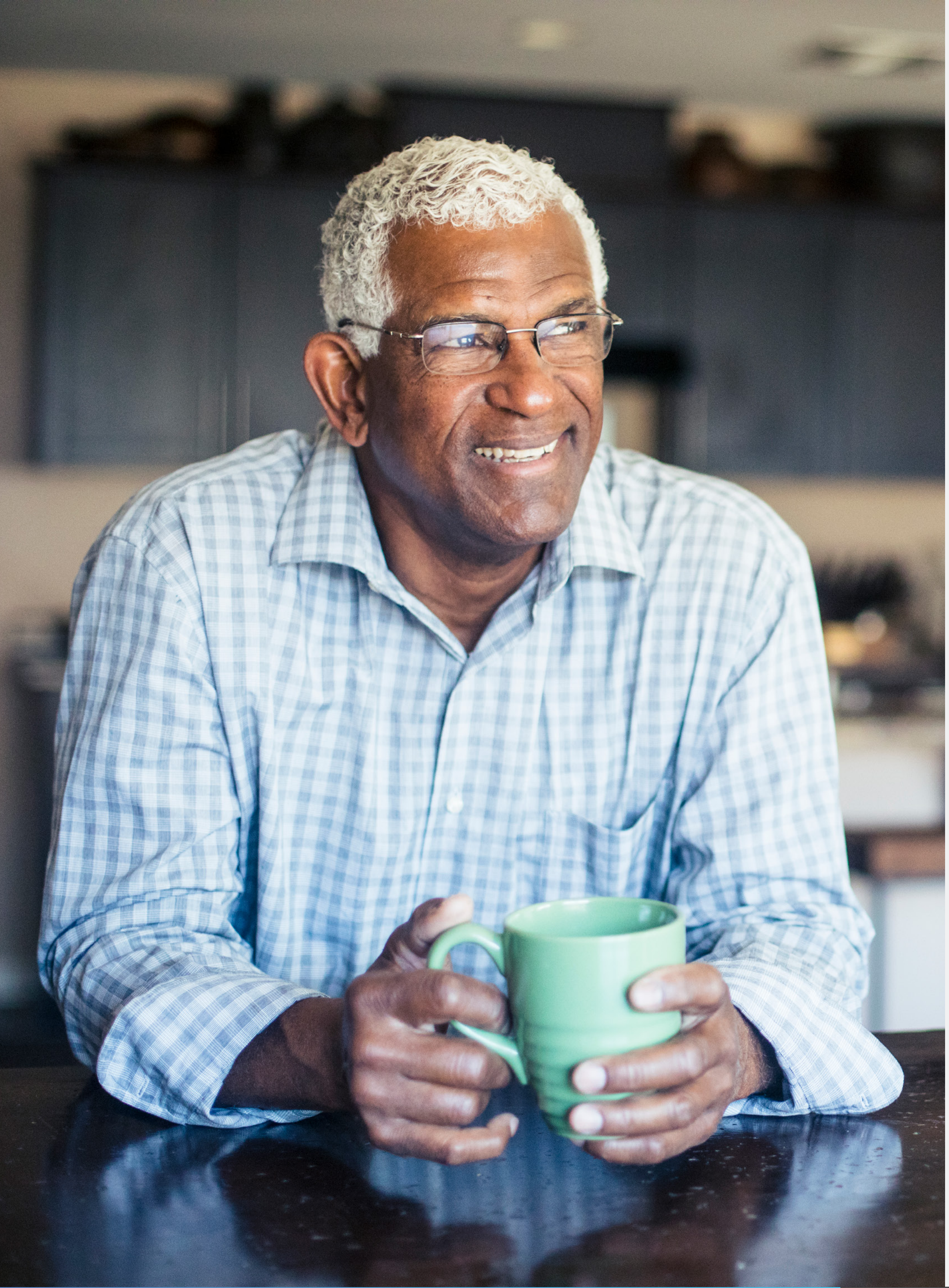
A member or beneficiary may not use their retirement benefit as security for other debts (except housing loans if the rules of the Fund allow for this). The member or beneficiary may not transfer, cede, pledge or hypothecate benefits while they are in the Funds.



Creditors may not attach Fund benefits

Creditors are not allowed to attach benefits in the Funds, except in the following circumstances:

- Payment of income tax on lump sums and arrear taxes
- Deductions for housing loans and damages caused to the employer by an employee due to theft, fraud, dishonesty or misconduct
- Judgment debts of up to R3 000
- Maintenance payable
- Amounts to be paid to an ex-spouse under a divorce order



Duty to inform the members

Members are bound by the rules

The employer has a duty to inform the members that their admission to membership in the Funds is an acknowledgement that:

- They agree to the rules (including any approved amendments to the rules)
- The rules are a binding on them and anyone else who claims a benefit from the Funds

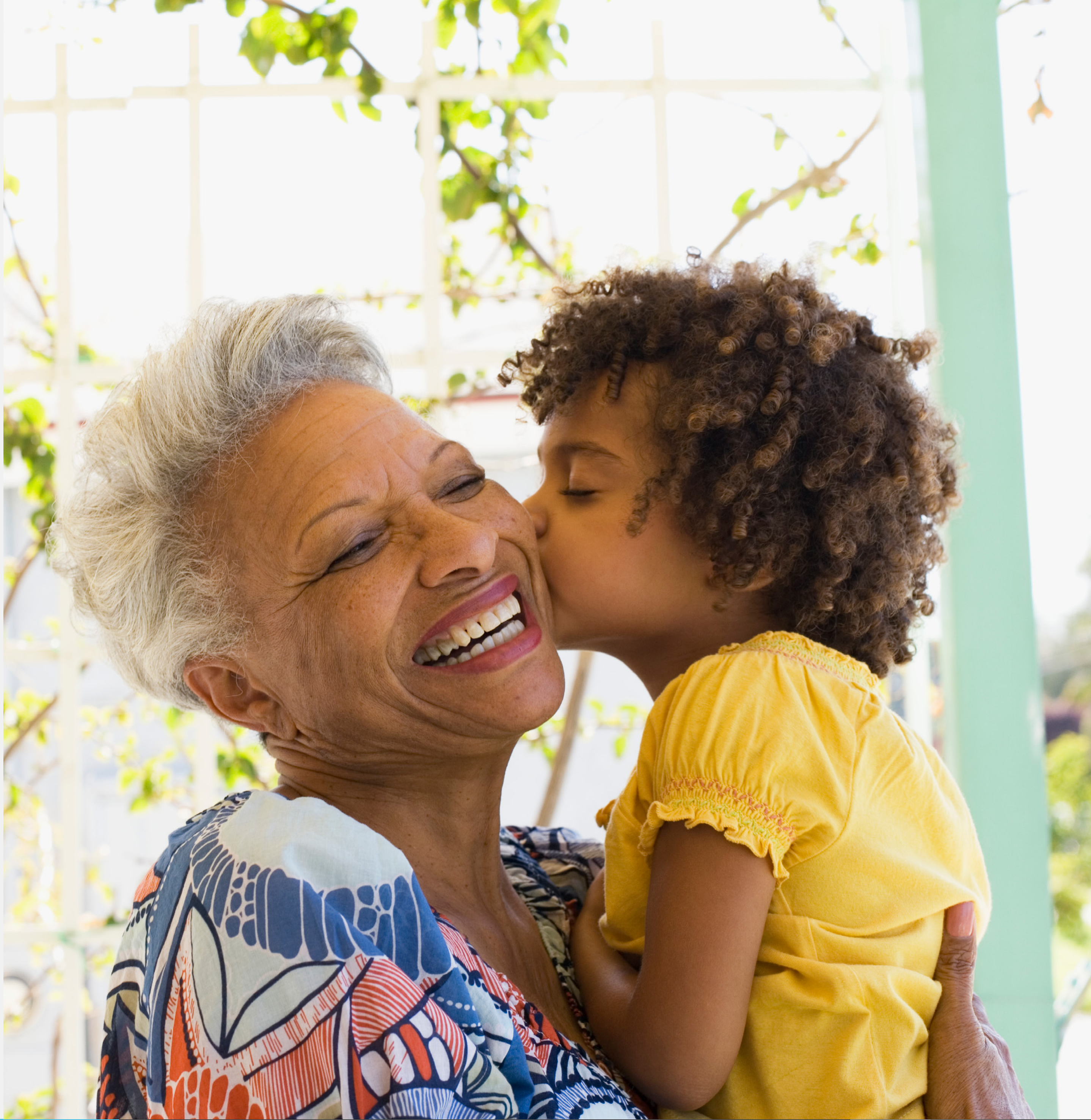
Members can get a copy of the rules

For a fee set by the trustees, a member can ask for a copy of the general rules (or a summary of them). Members can also ask for the latest revenue account and statement of investments of the particular Funds.

Communications in writing

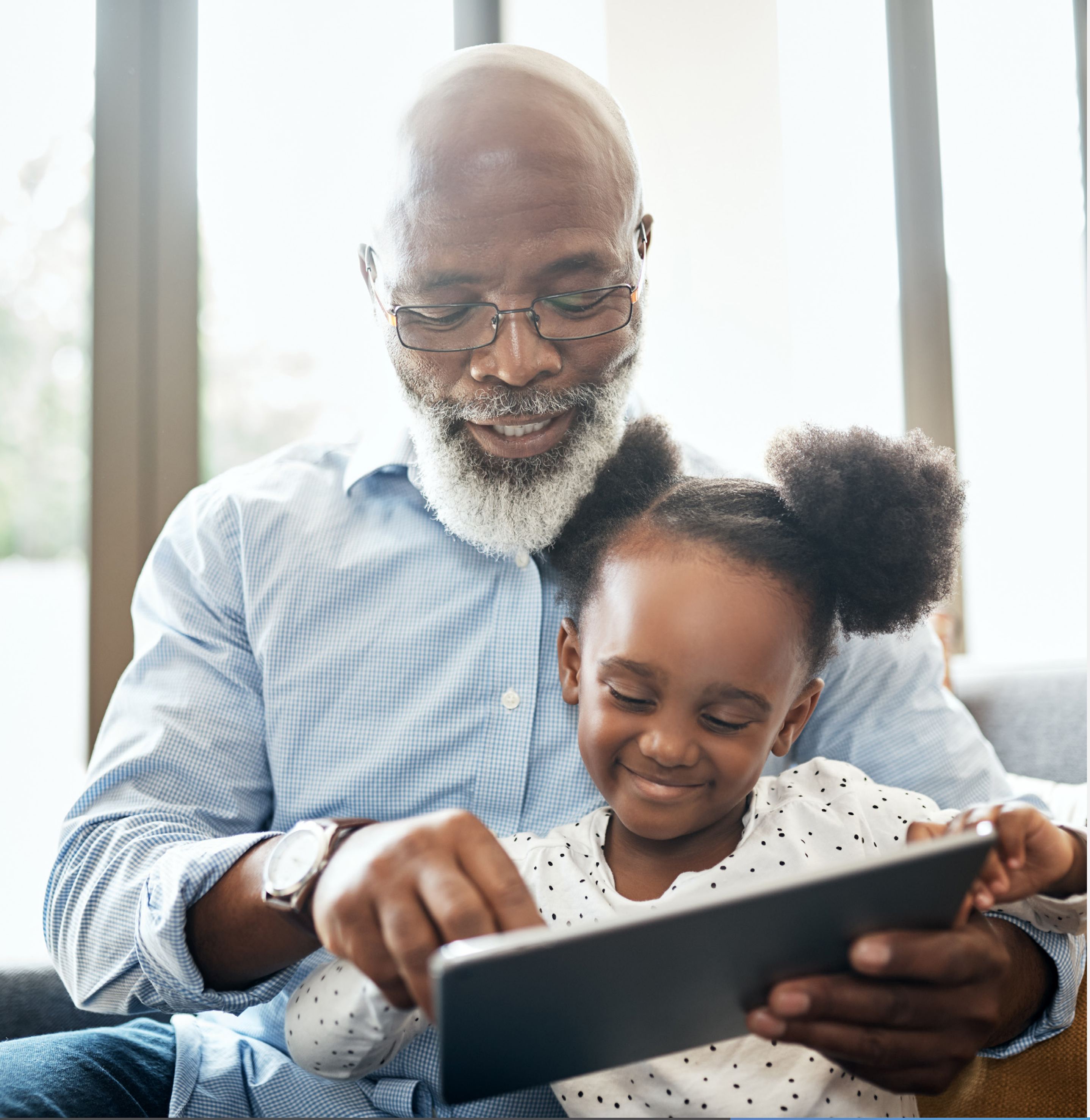
All communications about the general rules, special rules and the administration of the Funds must:

- Be in writing
- Be addressed to the person specified by the Funds
- Be sent to this email address: retirementfunds@discovery.co.za



Section B

ABOUT THE RETIREMENT REWARDS



Discovery's shared value model

Our retirement rewards encourage your employees to make decisions that can lead to a more comfortable retirement.

Through our shared value model, we are able to reward positive retirement savings behaviour change. We encourage members to:

- Get healthier, drive better and get financially healthier
- Contribute more
- Contribute for longer periods and preserve their savings

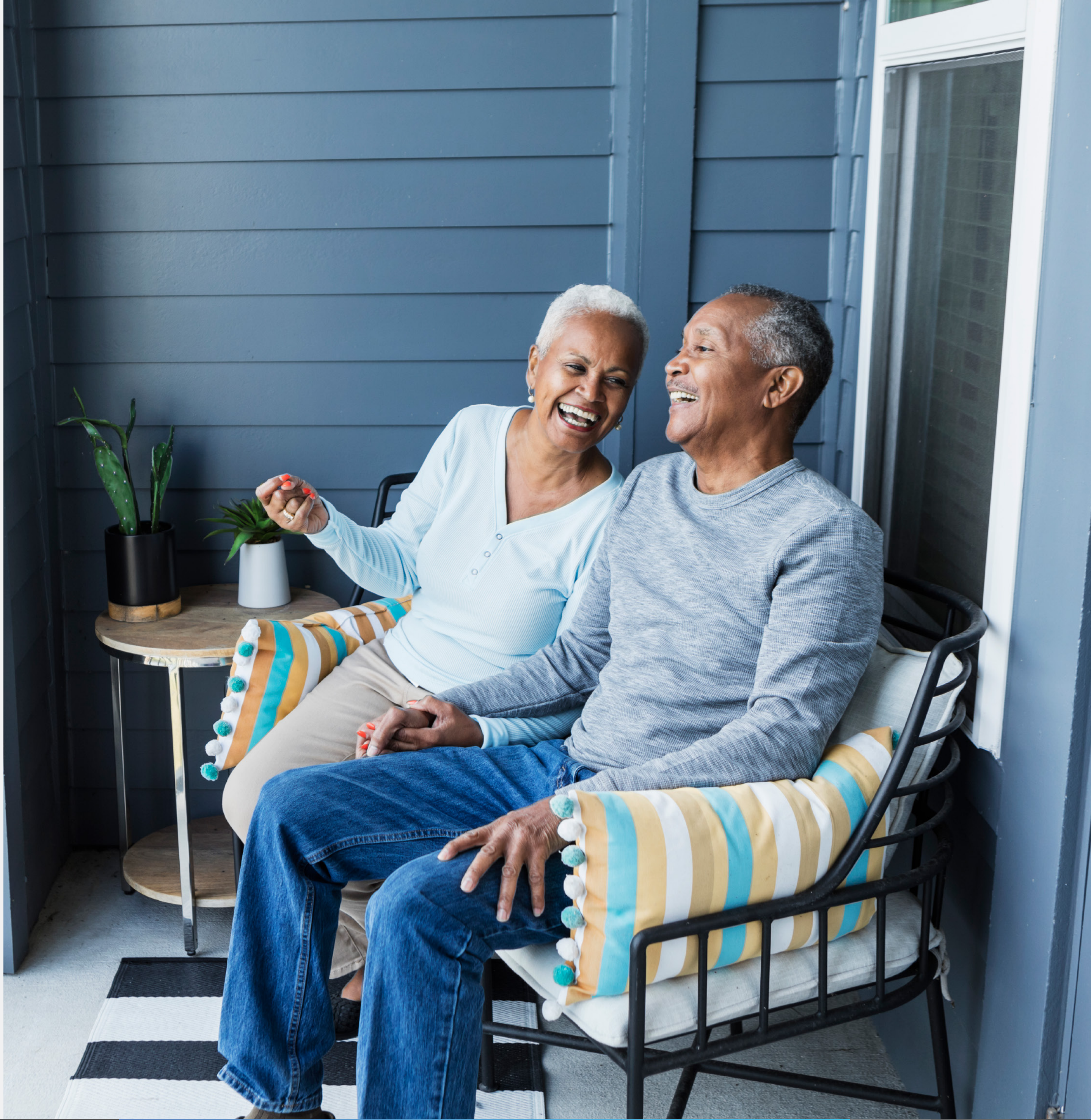
The rewards for these behaviours are designed to build up more retirement assets for our members to help close the gaps in their retirement needs.

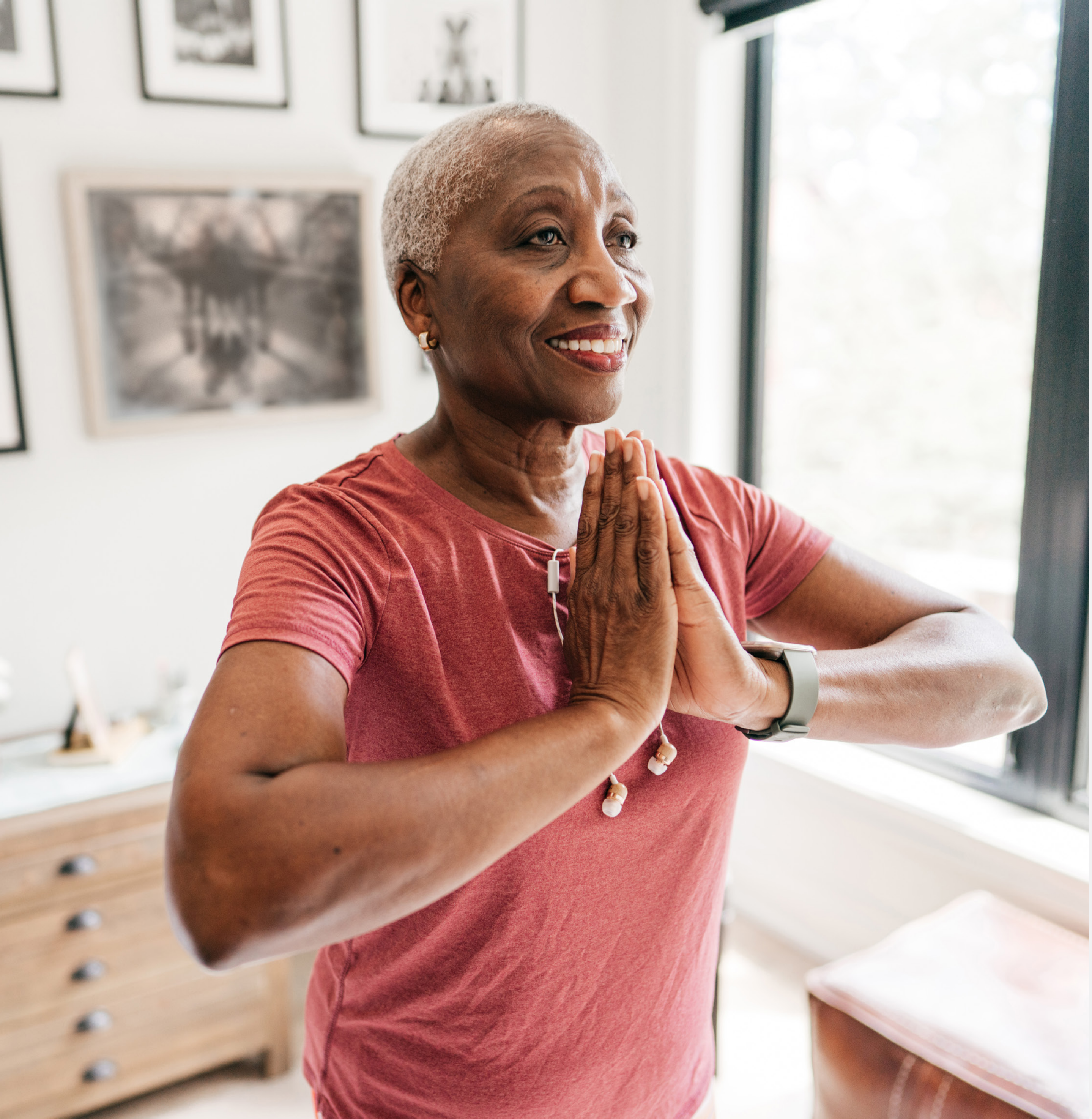
Retirement rewards we offer

Members of the Funds may receive:

- Boosts to investments into the Funds:
  - Boosts to assets transferred into the Funds
  - Boosts to contributions
  - Boosts to reinvested Discovery Group Risk Paybacks

  (Refer to the Discovery Group Risk Life Plan Guide for more information on the Group Risk Payback)
- Discounted admin fees for lower-income earner





The legal structure of the retirement rewards

The assets of the Discovery Retirement Funds are invested in a policy of insurance that is underwritten by Discovery Life Limited, the registered insurer and the appointed administrator to these Funds. Any retirement rewards set out in this section will be issued to members of the Funds by Discovery Life.gaps in their retirement needs.

Retirement reward: Boosts to investments into the Funds

Boosts are available to members who make investment choices

The boosts listed in this section are available to all members of the Funds who invest in qualifying Discovery funds by making an investment choice. This is to comply with Regulation 37 of the Pension Funds Act that states that no term-based benefits can be awarded to members who are in the trustee default, where the trustee default is defined as an investment that members are auto-enrolled into (this means they have not made an investment choice). Boosts start accruing from day members join the fund and members have until retirement to make an investment choice and qualify.

How the boosts work

Determining the boost value

We calculate the boosts as set out in each section below. All boosts are notional values and are held outside the Funds. The boosts are added (paid as a member's additional voluntary contribution to the Funds) to the member's retirement interest (member's share at retirement) at the member's boost vesting date. Boosts are shown to members online on their benefit statement. All accumulated boosts are subject to tax considerations and will be paid as part of the member's retirement interest at the member's boost vesting date.

About the boost vesting date	
For members with ten years or more from the normal retirement age on the date of making an investment choice	The boost vesting date is the date on which a member reaches their employer's normal retirement age.
For members with less than ten years from the normal retirement age on the date of making an investment choice	The boost vesting date is 10 years after the date of making the investment choice.

Boosts to assets transferred

What the reward is

Members receive boosts to their retirement savings assets that are transferred into the Funds according to the following criteria.

How we calculate the boost

We calculate the boost by multiplying a member's boost percentage by the lump-sum asset transfer value they invest in qualifying Discovery funds. The percentage depends on the time from making an investment choice to the boost vesting date, with larger potential boost percentages for longer terms as shown in the following table:

Years until boost vesting date	Boost percentage
10 to 15 years	5%
15 to 20 years	7.5%
20 to 25 years	10%
25 to 30 years	12.5%
20 or more years	15%

The boosts on assets transferred grow at the same net return as the member's underlying transfer assets. Net returns are returns earned after the deduction of any fund management fees, admin fees, commissions and financial adviser fees incurred.

Extra transfers into the Funds

Members will also receive boosts on any extra transfers they make into the Funds in the future. These boosts will be based on the term to the boost vesting date from the date of the extra transfers. These boosts will be added to existing boosts on transferred assets.

Making an investment choice after joining the Funds

If members only make an investment choice after joining the Funds, all assets they have transferred in at the time they joined the fund will receive a boost. The boost will be based on the remaining term from the date of joining the fund to their boost vesting date.

To get this reward

To get the boost to assets transferred, a member must:

- Have part or all of their retirement savings invested in qualifying Discovery funds, noting that the boost percentage is determined by how much of the savings is invested in qualifying Discovery funds.

When this reward ends

The boost ends at the boost vesting date when it is added to the member's member share.

EXAMPLE

How the boost to assets transferred works

Jackie is 40 years old. She transferred her retirement savings of R500 000 into the Discovery Retirement Funds when her employer switched providers to Discovery Retirement Funds.

The normal retirement age of her employer is 65 so Jackie's boost vesting date will be the day she turns 65. That means she has 25 years until retirement.

Jackie chose to invest all of her retirement savings into qualifying Discovery funds so she receives a boost percentage of 12.5%.

We calculate her boost as follows:

Transfer amount	R500 000
Boost percentage	12.5%
Total boost at transfer	**R62 500**

This boost will grow with her investments so when Jackie retires at 65 she will receive an extra R428 030 paid into her retirement savings. (This assumes that she remains fully invested in qualifying Discovery funds, as well as a yearly net investment return of 8% per year.)

Transfer amount	R500 000
Boost percentage	12.5%
Total boost at transfer	**R62 500**
Growth on boost at 8% per year for 25 years	R365 530
Value of boost at boost vesting date	**R428 030**

Effect of early retirement on the boost

If Jackie retires at age 60, we would recalculate her boost to assets transferred based on her new term to retirement of 20 years. So an amount of R233 048 would added to her fund at this early retirement date.

Transfer amount	R500 000
Recalculated boost percentage	10%
Total boost at transfer	**R50 000**
Growth on boost at 8% per year for 20 years	R183 048
Recalculated value of boost at boost vesting date	**R233 048**

All boosts are paid as a member's additional voluntary contribution to the Funds

Boosts to your contributions

The reward

You receive boosts to all monthly and additional voluntary contributions to the Funds.

How we calculate the boost

We calculate the boost by multiplying your boost percentage by the contribution amount. The boost percentage is the sum of boost percentage for your Vitality status for healthy living, safe driving and managing your finances and your boost percentage for Active Rewards, as shown in the following tables below.

Vitality status for healthy living, safe driving and managing your finances	Blue	Bronze	Silver	Gold	Diamond
Vitality for healthy living	1%	1.5%	2%	3%	4%
Vitality for managing finances	1%	1.5%	2%	3%	4%
Vitality for safe driving	0.5%	0.75%	1%	1.5%	2%

Active Rewards for monthly goals you meet across all three programmes in the month before the current contribution

Active Rewards achieved	0 - 1	2 - 3	4 - 5	6 - 7	8 - 9	10 - 12
Boost percentage	0%	1%	1.5%	2%	3%	5%

How we calculate the boost

A member's contribution boost percentage for any month is the sum of their status and Active Rewards percentages as shown in the above tables.

We calculate the boost by multiplying a member's contribution boost percentage by the contribution amount invested in qualifying Discovery funds.

The boosts on monthly contributions grow at the same net return as the member's underlying contributions. Net returns are returns earned after the deduction of any fund management fees, admin fees, commissions and financial adviser fees incurred.

The contribution boost percentage depends on how engaged a member is in the Vitality programs and how many Active Rewards goals are met. Maximum boost percentages apply (see below).

Maximum boost percentages

The maximum percentage boost for a contribution in a given month depends on the time from that month to the boost vesting date. No boosts will be given for contributions that are made less than five years from the boost vesting date. There are larger potential boost percentages for longer terms as shown below:

Years until boost vesting date	Maximum boost percentage to contributions
5 to 15 years	5%
15 to 20 years	7.5%
20 to 25 years	10%
25 to 30 years	12.5%
30 or more years	15%

Vitality Health Tracker for non-Vitality members

All members of the Fund who are not Vitality members can get access to the Vitality Health Tracker programme. This allows them to earn contribution boosts based on their Vitality Health Tracker membership and Vitality Health Check outcomes, according to the following table:

Vitality Health Check outcomes			
	Completed	Weight in range	All measures in range
Vitality Health Tracker	1%	1.5%	2%

Vitality Health Tracker boost percentages are added to the percentage in respect of the status achieved for Vitality Drive

To get this reward

To get the boost to contributions, a member must:

Have part or all of their contributions invested in qualifying Discovery funds, noting that the boost percentage is determined by how much of the savings is invested in qualifying Discovery funds

Be a member of the Discovery Retirement Funds for at least 10 years.

When this reward ends

The boost to contributions end five years before the boost vesting date. All boosts to contributions accumulated before then will be added to the member's member share at the boost vesting date.

EXAMPLE

How the boost to contributions works

Jackie starts contributing R5 000 a month to the Discovery Retirement Funds and invests the full amount in qualifying Discovery funds.

She is currently on Gold Vitality status for healthy living, Diamond Vitality status for safe driving, and has not yet activated Active Rewards on either programme.

Her contribution boost percentage after the first month is 3% + 2% = 5%.

The maximum contribution boost percentage based on the time from this month's contribution to her boost vesting date is 10%, which is greater than 5%. Therefore, the boost to her contribution after the first month is:

Vitality for healthy living boost percentage	3.0%
Vitality for safe driving boost percentage	2.0%
Active Rewards boost percentage	0.0%
Boost percentage	**5.0%**

Boost percentage	5.0%
Proportion in qualifying funds	100%
Monthly contribution	R5 000
Total boost on contribution	**R250**

Effect of switching out of qualifying Discovery funds

In the second month, Jackie invests only 50% of her contribution in qualifying Discovery funds.

Assuming she is on the same status for Vitality for healthy living and Vitality for safe driving in the second month, the boost to her contribution in that month is:

Vitality for healthy living boost percentage	3.0%
Vitality for safe driving boost percentage	2.0%
Active Rewards boost percentage	0.0%
Boost percentage	**5.0%**

Boost percentage	5.0%
Proportion in qualifying funds	50%
Monthly contribution	R5 000
Total boost on contribution	**R125**

All boosts are paid as a member's additional voluntary contribution to the Funds

What the reward is

Group Risk Paybacks that members earn are reinvested in the Funds unless members choose to receive the paybacks in cash. These reinvested paybacks attract boosts according to the criteria below.

Refer to the Discovery Group Risk Life Plan Guide for more information on the Group Risk Paybacks.

How we calculate the boost

Group Risk Paybacks are calculated based on a member's employee medical aid plan (for schemes administered by Discovery Health), health claims and Vitality status for that year. Refer to the Discovery Group Risk Life Plan Guide for more information on the Group Risk Paybacks.

If these paybacks are reinvested into the Discovery Retirement Funds, we boost these reinvested paybacks by 100%.

The boosts on Group Risk Paybacks grow at the same net return as the member's underlying contributions. Net returns are returns earned after the deduction of any fund management fees, admin fees, commissions and financial adviser fees incurred.

To get this reward

To get the boost to paybacks reinvested, a member must:

- Be a member of the Discovery Retirement Funds for at least 10 years.

When the reward ends

The reward ends at the boost vesting date as the boosts are added to the member's member share at that date.

EXAMPLE

How the boost to the reinvested Group Risk Paybacks works

Jackie pays a monthly Discovery Group Risk premium of R500 (R6 000 in a year). She receives a Group Risk Payback of R600 at the end of the year. She reinvests this into the Discovery Retirement Funds and receives a boost to her payback for that year of:

Group Risk Payback	R600
Boost for reinvestment of Group Risk Payback	100%
Boost on Group Risk Payback	**R600**

The total amount Jackie thus invests into her Discovery Retirement Funds this year from her Group Risk benefit is the R600 payback plus the R600 boost. Both these amounts will attract investment growth. The payback value will be added to her member share at date of reinvestment and the boost will vest at her boost vesting date.

All boosts are paid as a member's additional voluntary contribution to the Funds

What can affect the boosts?

Changing providers or changes in employment

The employer moving to another provider

If an employer moves their fund out of Discovery Retirement Funds to another provider, the boosts a member is in line to receive will fall away. However, if the member chooses to preserve their fund value in the Discovery Retirement Funds after the employer moves, they will still be in line to receive their boosts.

If an employer moves the Group Risk benefits to another provider, any past boosts to Group Risk Paybacks that a member earned will be preserved only if the member is still a member of the Discovery Retirement Funds at their boost vesting date.

The member changing employer

If a member changes employer and the new employer participates in the Discovery Retirement Funds, the boosts the member is in line to receive will be maintained. The member will also continue to earn boosts on future contributions.

If a member changes employer and the new employer does not participate in the Discovery Retirement Funds, the boosts the member is in line to receive will be maintained if the member chooses to preserve their fund value in the Discovery Retirement Funds. If the member withdraws their fund value or transfers it out of the Discovery Retirement Fund, the boosts will fall away.

Investment switches throughout the term

Boosts to assets transferred

The boost on assets transferred will be reduced proportionately if members switch out of qualifying Discovery funds before the boost vesting date.

Switches into qualifying Discovery funds may increase the boost. This increased boost percentage will apply for the term from the date of the switch into the qualifying Discovery funds to the boost vesting date.

Switches between qualifying Discovery funds and changes which do not affect the proportion of assets invested in qualifying Discovery funds does not affect the boost percentage.

Boosts to contributions

If members switch the part of their member share that came from contributions made out of qualifying Discovery funds before the boost vesting date, the boost on those past contributions will be reduced proportionately. If they later switch back into qualifying Discovery funds, the boosts they have earned won't be affected.

If members increase the allocation of future contributions to qualifying Discovery funds, the boost they earn on those future contributions will be higher.

If members decrease the allocation of future contributions to qualifying Discovery funds, the boost they earn on those future contributions will be lower.

Switches between qualifying Discovery funds and changes which do not affect the proportion of assets invested in qualifying Discovery funds does not affect the boost percentage.

Death, early retirement or retirement for ill-health

Boosts to assets transferred

If members retire from the Funds before their boost vesting date due to death, early retirement or retirement for ill-health, we will recalculate their boost. The boost will be recalculated from the date they joined the fund to the member's new early retirement date or their date of death.

Boosts to contributions and boosts to reinvested Group Risk Paybacks

If a member retires from the Funds before the boost vesting date due to death, early retirement or retirement for ill-health, we will pay the boost into the Funds only where the member has been a member of the Funds for at least 10 years.

Reviews and changes to the boosts

From time to time, we may review and change any of the following:

01 | The list of investment funds available

02 | The qualification criteria and conditions for the boosts

03 | The boosts and the fees that apply (including if we must do so as a result of regulations or tax)

04 | Any boost percentages when there are changes to the Vitality and Active Rewards programs, as well as any other changes within the Discovery Group.

If we add different classes of funds in the future, they may have different boost levels.

Retirement reward: Discounted admin fees for lower - income earners

What the reward is

Members whose salaries are below R7 500 per month pay discounted admin fees according to the following table:

Monthly income	Admin fee discount
Up to R4 999	100%
R5 000 to R5 999	50%
R6 000 to R7 500	25%

Discovery Life reserves the right to adjust the above salary scales yearly to account for salary inflation.

If a member's salary increases above this range at salary review, admin fees will then be levied.

The salary used for this calculation is the salary on which member and employer contribution percentages are applied (sometimes referred to as pensionable salary).

For employers who pay for admin fees over and above the employer contributions (exclusively costed) the discount does not apply as the refund would not benefit the specific lower - income members. Instead, the overall admin fee will be the full amount with no discount.

This discounted admin fee can apply to a maximum of 25% of members in a scheme.

For schemes with more than 25% of members earning below R7 500 per month, the discount percentage in the above table will be adjusted. We will calculate the full discount available to the scheme based on 25% of the membership falling below this income bracket and as such qualifying for the discount. That rand amount is then proportioned across the full percentage of members that fall below this income bracket. This ensures that everyone in this income range will benefit from some admin discount.

How to lodge a complaint

We recognise the importance of giving excellent and superior service to all our members and clients. We take all complaints very seriously to improve our service and we aim to resolve all problems promptly. This is why we always appreciate all feedback, which we use to improve our offering to you and your employees.

Discovery Employee Benefits has a complaints handling procedure for employers and members, who are not satisfied with the products, benefits, service or advice that they received. The purpose of this complaints handling procedure is to make sure that we are able to resolve all complaints as speedily and fairly as possible. If we find that it isn't a simple issue, we will keep the relevant parties updated while we work on it.

All queries

Please contact us if you or your employees:

- Have questions about investment values
- Have statement requests
- Need investment and fund information
- Want to update personal details
- Have retirement and claim queries
- Are not happy with the service that we have given
- Want to enquire about any other matter.

Contact details

Phone: 0860 222 999 availability 08:00 –17:00 Monday – Thursday, 08:00 – 16:00 Fridays

Email: retirementfunds@discovery.co.za

Complaints process for retirement funds

If you as the employer or your employees are not satisfied with the response received from the financial adviser or from our contact centre, a complaint can be submitted in writing together with any supporting documents to retirementfundscomplaints@discovery.co.za

Discovery Employee Benefits aims to resolve all complaints within a reasonable time of receipt if all the relevant information has been received

Submitting a complaint

The complaint must be in writing and must include:

01 | The complainant's name and your membership details in the Fund

02 | The name of the applicable Fund of which you are a member

03 | The name of employer

04 | Any other information, which will help us obtain the Fund record.

The complaint must relate to the applicable retirement fund solution in the Discovery Retirement Funds. Specific information, correspondence and documents relevant to the complaint should be provided.

We will acknowledge receipt of the complaint and alldocuments received within 24 hours after receipt.

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