

## Notes

- This chapter should be read in conjunction with the contract documents. If there is any conflict or inconsistency between the contents of the contract documents and this chapter, the provisions of the contract documents will prevail.
- Take note that information contained in this technical guide is with regards to the latest versions of the applicable products/benefits. Refer to the contract documents for information about the existing products/benefits of a life insured.
- Any reference to "we", "us", "our" or "ours" refers to Sanlam Life Insurance Limited (Sanlam Life). Any reference to "plan overview" refers to the plan overview of the contract documents.

# Matrix Wealth Bonus and Wealth Bonus Booster

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## What is Wealth Bonus?

Wealth Bonus is the Sanlam group's long-term monetary benefit embedded into Sanlam's flagship products that aims to help build meaningful long-term wealth. Every time a client makes a payment on a participating Sanlam Group product, Sanlam will add to their Wealth Bonus.

The Matrix Premier product option is one of the Sanlam Group products which participates in giving clients Wealth Bonus.

For the remainder of the Wealth Bonus chapter, when we refer to rules governing Wealth Bonus, we are specifically referring to the portion of the Wealth Bonus contributed by the planholder's Matrix products (referred to as Matrix Wealth Bonus). Any Wealth Bonus contributed by the planholder's other Sanlam products are not specified here.

Matrix Wealth Bonus is automatically included for new business plans and the planholder does not pay extra for it. This means in addition to the cover the planholder receives for the premium, we will also match a percentage of the plan payment and contribute this amount to his or her Wealth Bonus. This Wealth Bonus continues to grow with these contributions and interest.

Clients with existing Matrix plans who do not have access to Wealth Bonus can opt in to the Wealth Bonus programme, subject to requirements at the time.

Every 5 years, 5% of the money in the Matrix Wealth Bonus becomes unlocked and available for the client to access. If the client maintains the plan until the Matrix Wealth Bonus cease date (specified below), all the money eventually becomes unlocked.

If this plan is cancelled or lapsed, if the planholder dies or if we admit a claim which causes the plan to end before the Matrix Wealth Bonus cease date, all the money in the Matrix Wealth Bonus that is locked will fall away. This plan will then make no further contributions to the planholder's Wealth Bonus.

## What is Wealth Bonus Booster?

Wealth Bonus Booster is an opportunity for Graduate and Professional clients to make the smart financial move to earn even more Wealth Bonus. Wealth Bonus Booster is an addition to the existing Wealth Bonus benefits clients have. As a graduate or professional life insured, clients have an exclusive opportunity to earn more Wealth Bonus through Wealth Bonus Booster if they have both a qualifying Matrix Premier risk plan with Wealth Bonus and a Cumulus Echo Retirement Plan.

This means that in addition to the current Wealth Bonus the client is accumulating, Sanlam Life will now also calculate an amount related to the payments made on the qualifying products where clients are graduates or professionals, which will accumulate over time to provide Wealth Bonus Booster.

At certain future dates, a portion of the accumulated Wealth Bonus Booster will become unlocked, provided certain qualifying criteria are being met. The full value of Wealth Bonus Booster becomes unlocked on the Wealth Bonus Booster final unlock date.

## Availability

**Matrix Wealth Bonus** is available for individual and business insurance. The following products under the Premier product option will qualify to earn the Wealth Bonus

- Matrix Topcover (T02W)
- Matrix Termcover (T02)
- Matrix Income Protector (T03W)

The above is still subject to the planholder meeting certain qualifying criteria.

**Wealth Bonus Booster** is available for graduates and professionals who already have Matrix Wealth Bonus. The following combination of products will qualify to earn Wealth Bonus Booster:

- Matrix Topcover (T02W),
- Matrix Termcover (T02)
- Matrix Income Protector (T03W), and
- Cumulus Echo Retirement Plan for Graduates/Professionals (R39C)

The above is still subject to the planholder meeting certain qualifying criteria.

# Matrix Wealth Bonus

Matrix Wealth Bonus is built into our Premier product option on our Matrix Topcover, Matrix Termcover and Matrix Income Protector.

<b>Description</b>	<p>Wealth Bonus rewards the planholder for making regular payments towards his or her plan. They qualify by taking out a Matrix Topcover, Matrix Termcover or Matrix Income Protector plan.</p> <p>Every five years on the plan anniversary, 5% of the money in the Matrix Wealth Bonus becomes unlocked. If the planholder maintains the plan until the Wealth Bonus cease date, all the money eventually becomes unlocked.</p>	
<b>Type</b>	Built-in feature	
<b>What is the cease date for the Wealth Bonus?</b>	<p>The Wealth Bonus cease date will be on the plan anniversary before or on the "Wealth Bonus Linked Life's" * 70<sup>th</sup> birthday.</p> <p>If the plan has no benefits with cover that could extend past the plan anniversary before or on the "Wealth Bonus Linked Life's" 70<sup>th</sup> birthday, the Wealth Bonus cease date will be the cover end date of the benefit on the plan with the latest calendar date.</p> <p>* This refers to the planholder, or if the planholder is not a natural person (i.e. legal entity) this will reference the oldest life insured of the plan. Once we have determined the "Wealth Bonus Linked Life", it will not change for the remainder of the plan.</p>	
<b>Qualifying products</b>	<ul style="list-style-type: none"> <li>Matrix Topcover: All plans qualify</li> <li>Matrix Termcover: Plan must have benefits that cease at or extend past the plan anniversary before or on the "Wealth Bonus Linked Life's" 70<sup>th</sup> birthday</li> <li>Matrix Income Protector: All plans qualify</li> </ul> <p>The qualification criteria is still subject to age limits set out below.</p>	
<b>Age limits</b>	Minimum:	Same as for the Matrix Topcover, Matrix Termcover and Matrix Income Protector
	Maximum:	<ul style="list-style-type: none"> <li>at least 5 years before the cease date of the plan; if the plan has no whole life benefits</li> <li>Wealth Bonus linked life age 65 next birthday; if the plan has at least one whole life benefit.</li> </ul>
<b>Qualifying lives</b>	All planholders qualify, subject to the age limits and product qualifying criteria as set out above.	
<b>Additional option available</b>	<p>The Early Access Option is available to planholders who may want to accelerate the Matrix Wealth Bonus cease date to the "Wealth Bonus Linked Life's" 65<sup>th</sup> birthday and access all the money in the Matrix Wealth Bonus at this earlier date.</p> <p>This option is available at an additional cost.</p>	
<b>Premium patterns</b>	Matrix Wealth Bonus is available across all premium patterns.	

## Contributions to the Matrix Wealth Bonus

The percentage that we will match, is based on the age of the "Wealth Bonus Linked Life", as indicated in the table below. The younger the "Wealth Bonus Linked Life" the higher the initial contribution percentage will be. If the plan has a Cashback payment, it will not be included in the payment that will be used to calculate the contribution to the Matrix Wealth Bonus. If we give a discount on the payments for some benefits because of a life insured's membership of Reality, we will use the discounted payments in the calculation of the contribution to the Matrix Wealth Bonus.

Plan year that starts on the plan anniversary before or on the "Wealth Bonus Linked Life's"	Contribution percentage to Matrix Wealth Bonus %
15th to 32nd birthday	100
33rd to 34th birthday	95
35th birthday	90
36th to 37th birthday	85
38th to 39th birthday	80
40th to 41st birthday	75
42nd to 43rd birthday	70
44th to 46th birthday	65
47th to 48th birthday	60
49th birthday	55
50th to 51st birthday	50
52nd to 53rd birthday	45
54th to 55th birthday	40
56th to 58th birthday	35
59th to 60th birthday	30
61st to 69th birthday	25
70th birthday	0

All formulas we use to determine the Matrix Wealth Bonus may change over time and are not guaranteed.

No payments will be contributed to the Matrix Wealth Bonus while we waive the payments of the plan due to a waiver of payment claim or an income protector claim.

### How will the contributions to the Matrix Wealth Bonus grow?

The Matrix Wealth Bonus will earn interest. This interest rate will be market-related and will already allow for applicable life office tax.

We will aim to remove the effect of short-term market fluctuations to improve stability of interest rates over time.

### When will the Matrix Wealth Bonus become unlocked?

Every five years on the plan anniversary, 5% of the money in the locked Matrix Wealth Bonus becomes unlocked. The planholder will then have the option to withdraw the unlocked money in the Matrix Wealth Bonus. If the planholder withdraws the unlocked money or a part of it, the Matrix Wealth Bonus will be decreased by the amount that is withdrawn. Otherwise the unlocked money will remain in the Matrix Wealth Bonus and will continue to grow. The planholder can withdraw his or her unlocked Matrix Wealth Bonus at any time. The amount of the unlocked Matrix Wealth Bonus can be viewed on Sanlam Secure Services.

All the money in the Matrix Wealth Bonus becomes unlocked on the Matrix Wealth Bonus cease date, provided that the plan is still active and payments are still being made. If the Matrix Wealth Bonus cease date is before the plan anniversary before or on the "Wealth Bonus Linked Life's" 70th birthday, the planholder has the option to withdraw all the money from the Matrix Wealth Bonus or to leave it to continue to grow until the plan anniversary before or on the "Wealth Bonus Linked Life's" 70th birthday. Any unlocked money that is not withdrawn by that plan anniversary will automatically be paid to the planholder.

After the Matrix Wealth Bonus cease date, no contributions will be made to the Matrix Wealth Bonus.

## The effect of changes to the plan on the Matrix Wealth Bonus

If the planholder makes changes to the plan the Matrix Wealth Bonus cease date may change.

If a benefit is decreased or cancelled, and it results in the total payment of the plan being decreased the money in the locked Matrix Wealth Bonus will be decreased proportionally. However, we will allow a decrease of less than 20% of the payment of the plan once in the lifetime of the plan, without decreasing the money in the locked Matrix Wealth Bonus.

The money in the Matrix Wealth Bonus will, however, not be decreased if a benefit is reduced or cancelled, if

- the benefit reaches its cover end date, or
- a claim for a benefit is admitted, or
- a benefit is converted or upgraded.

If the plan is cancelled, only the unlocked money in the Matrix Wealth Bonus will be paid. The money in the Matrix Wealth Bonus that is not unlocked will fall away. This plan will then make no further contributions to the Matrix Wealth Bonus.

If the planholder cedes their rights to the plan, any locked money in the Matrix Wealth Bonus will fall away and the new planholder will not qualify for Sanlam Matrix Wealth Bonus.

## The effect of claims on the Matrix Wealth Bonus

If the planholder is also the life insured on the plan with benefits that are payable at their death and they die, the unlocked money in your Sanlam Matrix Wealth Bonus will be paid together with the claim amount. The money in your Sanlam Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.

If the planholder is not a life insured on the plan and they die, the unlocked money in the Matrix Wealth Bonus will be paid to the planholder's estate. The money in the Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.

If the plan ends because of a claim, the unlocked money in the Matrix Wealth Bonus will be paid together with the claim amount. The money in the Matrix Wealth Bonus that is not unlocked at the time of the claim will fall away.

For any other claim, the unlocked money in the Matrix Wealth Bonus will remain there and continue to grow as long as the planholder still has other active benefits on the plan for which they are making payments.

## When will contributions to the Matrix Wealth Bonus end?

They will end on the earlier of:

- the Matrix Wealth Bonus cease date, or
- the cover end date of the benefit that ends last, or
- the plan ending for any reason before the cover end date, or
- at the death of the planholder.

## Additional option available

### Early Access Option

The Early Access Option can be selected if the planholder wants to accelerate the Matrix Wealth Bonus cease date and access all the money in the Matrix Wealth Bonus at an earlier date.

### Description

The client can choose the Early Access Option, at an additional cost, which accelerates the Matrix Wealth Bonus cease date and the unlocking of all the money in the Matrix Wealth Bonus. If this option is chosen then the cease date, will be the plan anniversary before or on the "Wealth Bonus Linked Life's" 65<sup>th</sup> birthday.

On the cease date the full Matrix Wealth Bonus will become unlocked, provided that the plan is still active and payments to the plan are still being made.

There will be no further contributions to the Matrix Wealth Bonus from this date onwards.

The client has the option to withdraw all the money from the Matrix Wealth Bonus or to leave it to continue to grow until the plan anniversary before or on the "Wealth Bonus Linked Life's" 70<sup>th</sup> birthday.

### Availability

Available for products that already qualify for Matrix wealth Bonus. No underwriting applies.

### Age Limits

- Wealth Bonus linked life age 50 next birthday; if the plan has at least one whole life benefit.
- Otherwise: at least 15 years before the cease date of the plan if the plan has no whole life benefits.

### Option Cease age

- 65 age next birthday

**What happens if this option is cancelled?**

If this option is cancelled, the money in the Matrix Wealth Bonus will again become unlocked only after the original Matrix Wealth Bonus cease date, provided that the plan is still active and payments are still being made on the original Matrix Wealth Bonus cease date.

# Wealth Bonus Booster

<b>Description</b>	The Wealth Bonus Booster is an additional tax-free cash amount that graduate and professional clients can earn. It does not impact the client's current Wealth Bonus of a participating product, but it is an opportunity for graduate and professional clients to earn even more Wealth Bonus.
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<b>Type</b>	Additional feature available for qualifying graduate and professional clients.
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<b>What is the cease date for the Wealth Bonus Booster?</b>	Clients earn Wealth Bonus Booster until 60 anb.
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<b>Qualifying products</b>	<ul style="list-style-type: none"> <li>Matrix Premier: T02W, T03W and T02 with Wealth Bonus; and</li> <li>Cumulus Echo Retirement Plan for Graduates/Professionals.</li> </ul>
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<b>Qualifying lives</b>	<p>In order to qualify for Wealth Bonus Booster clients must be:</p> <ul style="list-style-type: none"> <li>a graduate or professional</li> <li>50 anb or younger.</li> </ul>
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## When do clients qualify for Wealth Bonus Booster?

To qualify for the Wealth Bonus Booster the following criteria will have to be met:

- The life insured must have at least a 3 year degree or a 4 year diploma
- The life insured must be 50 age next birthday or younger
- They need to have both qualifying products:
  - Matrix Premier risk plan with Wealth Bonus; and
  - Cumulus Echo Retirement Plan for Graduates/Professionals.
- Clients have to meet a minimum payment requirement on both participating products.

The required minimum monthly payments are detailed in the table below:

Age next birthday	Age 35 next birthday or younger		Age 36 to 50 next birthday	
Participating products	Cumulus Echo RA Plan	Matrix Premier with Wealth Bonus	Cumulus Echo RA Plan	Matrix Premier with Wealth Bonus
Minimum monthly payment requirement	R1 500 p.m. or R18 000 p.a.	R500 p.m.	R2 500 p.m. or R30 000 p.a.	R1 000 p.m.

## Payments that earn Wealth Bonus Booster

The following payments will earn Wealth Bonus Booster, if the above qualifying criteria for Wealth Bonus Booster are met:

- On qualifying Matrix Premier plans, only the payments of risk benefits on which the client is the life insured will earn Wealth Bonus Booster. If the plan has Cashback benefits, the payments for the Cashback benefits will not earn Wealth Bonus Booster. Any Early Access Option payment, stop order fee or plan fee will only earn Wealth Bonus Booster if the client is also the planholder on the plan. Benefits that expire before 55 age next birthday will not earn Wealth Bonus Booster.
- On qualifying Cumulus Echo Retirement Plans, the total payment will earn Wealth Bonus Booster.

If a Sanlam Reality discount was applied, the payment before the discount will be used when assessing against the rand minimums, but the payment after the discount will be used when calculating the Wealth Bonus Booster. For any other discounts or loadings we will use the payment after the discount or loading when assessing against the rand minimums and when calculating the Wealth Bonus Booster.

If more than one Matrix Premier or Cumulus Echo Retirement plan qualifies, then the payments across all of these plans will be considered in the calculation of Wealth Bonus Booster.



If the payments of the qualifying plans are not being made due to a waiver of payment claim, an income protector claim, a payment holiday, or for any other reason, we will not include these payments when we calculate Wealth Bonus Booster.

## Calculation of Wealth Bonus Booster

We will calculate the potential Wealth Bonus Booster by applying a percentage to each of the payments that earn Wealth Bonus Booster. This percentage is based on the client's age at the time that the payments on the qualifying plans are made as indicated in the table below.

Plan year that starts on the Wealth Bonus Booster anniversary on the planholder's	Percentage applied to the payments that earn Wealth Bonus Booster
29 <sup>th</sup> birthday or earlier	10%
30 <sup>th</sup> to 39 <sup>th</sup> birthday	8%
40 <sup>th</sup> to 49 <sup>th</sup> birthday	4%
50 <sup>th</sup> to 59 <sup>th</sup> birthday	2%

## How will Wealth Bonus Booster grow?

When we calculate the Wealth Bonus Booster, we will grow each payment that earns Wealth Bonus Booster from the date the payment has been made, with market related interest net of tax.

We will aim to remove the effect of short-term market fluctuations to improve stability of interest rates over time.

## When will Wealth Bonus Booster become unlocked and be available to withdraw?

Wealth Bonus Booster becomes unlocked at specific times depending on the client's age when they first qualified for Wealth Bonus Booster. The table below indicates when Wealth Bonus Booster will unlock, as well as the percentage of the accumulated Wealth Bonus Booster that will unlock.

Age next birthday when the planholder first qualified for Wealth Bonus Booster	Wealth Bonus Booster becomes unlocked on the last Wealth Bonus Booster anniversary before/on planholder's respective birthday below	Percentage Wealth Bonus Booster that becomes unlocked
30 years or younger	50 <sup>th</sup>	25%
	55 <sup>th</sup>	50%
	60 <sup>th</sup>	100%
31 to 40 years	55 <sup>th</sup>	50%
	60 <sup>th</sup>	100%
41 to 50 years	60 <sup>th</sup>	100%

When the Wealth Bonus Booster is unlocked, clients have the option to withdraw it. If the unlocked amount or a part of it is withdrawn, the Wealth Bonus Booster will be decreased by the withdrawn amount. Any unlocked Wealth Bonus Booster not withdrawn will remain and will continue to grow. Clients can withdraw their unlocked Wealth Bonus Booster at any time.

Wealth Bonus Booster becomes unlocked in full on the last Wealth Bonus Booster anniversary before or on the client's 60th birthday (the Wealth Bonus Booster final unlock date). Any unlocked amount that is not withdrawn by that date will automatically be paid to the client.

Wealth Bonus Booster cannot be earned after the final unlock date.

## How will changes to the qualifying plans affect your Wealth Bonus Booster?

If payments that earn Wealth Bonus Booster are reduced or increased, the reduced or increased payments will be used in the calculation of further Wealth Bonus Booster.

If, at any time, any of the qualifying products no longer meet the minimum payment requirements due to any of the reasons below, the entire locked Wealth Bonus Booster will be forfeited and no further Wealth Bonus Booster will be earned:

- Requesting an alteration on a qualifying plan that results in its payment being reduced;

- Cancelling a qualifying plan or letting it lapse;
- Making a qualifying Cumulus Echo Retirement Plan paid-up or retiring before the Wealth Bonus Booster final unlock date, except when you retire before the age of 55 due to ill health as defined in the rules of the Central Retirement Annuity Fund.

If the Matrix Premier product no longer meets the minimum payment requirements due to a claim or due to a benefit reaching its contractual cease date, but payments that earn Wealth Bonus Booster are still being made, either on the Matrix Premier product or the Cumulus Echo product or on both, the client will not lose their locked Wealth Bonus Booster. However, if any subsequent alterations, cancellations or lapses result in the payments of the Matrix Premier product reducing further, the client will forfeit their entire locked Wealth Bonus Booster and not earn any further Wealth Bonus Booster.

If you die, you will forfeit your entire locked Wealth Bonus Booster. Any unlocked amount that has not yet been paid will be paid to your estate.

## **What restrictions apply to Wealth Bonus Booster?**

Loans are not allowed against Wealth Bonus Booster.

No withdrawals are allowed before Wealth Bonus Booster becomes unlocked.

Clients may not cede Wealth Bonus Booster as security or cede or transfer the rights in Wealth Bonus Booster.