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APPLICABLE PRICING SUPPLEMENT

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**DISCOVERY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under Registration number:  
1999/007789/06)*

**Issue of ZAR700,000,000 Floating Rate Notes due 21 August 2026**

**Under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

**Unconditionally and irrevocably guaranteed, jointly and severally by**

**DISCOVERY HEALTH PROPRIETARY LIMITED**

*(incorporated in the Republic of South Africa with limited liability under Registration  
Number 1997/013480/07)*

and

**DISCOVERY VITALITY PROPRIETARY LIMITED**

*(incorporated in the Republic of South Africa with limited liability under Registration  
Number 1999/007736/07)*

**DSY04**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Terms and Conditions**") set forth in the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Note Programme Memorandum dated 14 November 2017 (the "**Programme Memorandum**"), as updated and amended from time to time. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Prospective purchasers of any Notes should ensure that they fully understand the nature of the Notes and the extent of their exposure to risks, and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial position. Specialist securities involve a high degree of risk, including the risk of losing some or a significant part of their initial investment. Potential investors should be prepared to sustain a total loss of their investment in such Notes. The Notes represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

Purchasers are reminded that the Notes constitute obligations of the Issuer only and of no other person. Therefore, potential purchasers should understand that they are relying on the creditworthiness of the Issuer.

#### **PARTIES**

1.	Issuer	Discovery Limited
2.	Specified Office	1 Discovery Place, Sandton, 2196, South Africa
3.	Guarantor	Discovery Health Proprietary Limited
4.	Specified Office	1 Discovery Place, Sandton, 2196, South Africa
5.	Guarantor	Discovery Vitality Proprietary Limited
6.	Specified Office	1 Discovery Place, Sandton, 2196, South Africa
7.	If non-syndicated, Dealer(s)	Rand Merchant Bank, a division of FirstRand Bank Limited
8.	If syndicated, Managers	N/A
9.	Debt Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
10.	Issuer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
11.	Specified Office	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
12.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited

13.	Specified Office	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
14.	Stabilising manager (if any)	N/A
15.	Specified Office	N/A

#### PROVISIONS RELATING TO THE NOTES

16.	Status of Notes	Senior Note (see Condition 5 ( <i>Status of Senior Notes</i> ) of the Terms and Conditions)  Unsecured but guaranteed
	(i) Series Number	4
	(ii) Tranche Number	1
17.	Guaranteed	Yes
18.	Aggregate Nominal Amount of Tranche	ZAR700,000,000
19.	Aggregate Nominal Amount of Notes Outstanding as at the Issue Date	N/A
20.	Interest Payment Basis	Floating Rate
21.	Form of Notes	Listed Registered Notes: The Notes in this Tranche are issued in uncertificated form and held by the CSD.
22.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
23.	Issue Date	29 August 2018
24.	Business Centre	Johannesburg
25.	Additional Business Centre	N/A
26.	Nominal Amount	ZAR1,000,000.00 per Note

27.	Specified Denomination	ZAR1,000,000.00 per Note
28.	Issue Price	100%
29.	Interest Commencement Date	29 August 2018
30.	Maturity Date	21 August 2026
31.	Specified Currency	ZAR
32.	Applicable Business Day Convention	Modified Following Business Day
33.	Final Redemption Amount	The aggregate Outstanding Nominal Amount per Note plus interest, if any, to Maturity Date.
34.	Books Closed Period(s)	The Register will be closed from 11 February to 20 February, from 11 May to 20 May, from 11 August to 20 August and from 11 November to 20 November (all dates inclusive) in each year until the Maturity Date
35.	Last Day to Register	By 17:00 on the 10 February, 10 May, 10 August and 10 November of each year until the Maturity Date
36.	Default Rate	N/A
	<b>FIXED RATE NOTES</b>	N/A
	<b>FLOATING RATE NOTES</b>	
37.	(i) Interest Rate(s)	Reference Rate plus Margin
	(ii) Interest Payment Date(s)	21 February, 21 May, 21 August and 21 November in each year up to and including the Maturity Date with the first interest payment date being 21 November 2018
	(iii) Interest Period(s)	Quarterly
	(iv) Definition of Business Day (if different from that set out in Condition 1 ( <i>Interpretation</i> )).	Following Business Day
	(v) Minimum Rate of Interest	3-month JIBAR, plus Margin

	(vi) Maximum Rate of Interest	3-month JIBAR, plus Margin
	(vii) Day Count Fraction	Actual/365
	(viii) Other terms relating to the method of calculating interest, if different from Condition 11.2 ( <i>Interest on Floating Rate Notes and Indexed Interest Notes</i> ) of the Terms and Conditions (e.g.: Day Count Fraction, rounding up provision)	N/A
38.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination
39.	Margin	180 basis points to be added to the relevant Reference Rate
40.	If ISDA Determination:	
	Floating Rate	N/A
	Floating Rate Option	N/A
	Designated Maturity	N/A
	Reset Date(s)	N/A
	ISDA Definitions to apply	N/A
41.	If Screen Determination:	
	Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	ZAR-JIBAR-SAFEX with a designated maturity of 3 (three) months
	Interest Rate Determination Date(s)	21 February, 21 May, 21 August and 21 November of each year with the first Interest Rate Determination Date being 24 August 2018
	Relevant Screen Page and Reference Code	SAFEY Page, Code ZA01209
42.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fall-back provisions	N/A

ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
EXTENDIBLE NOTES	N/A
EQUITY-LINKED NOTES	N/A
OTHER NOTES	N/A

#### PROVISIONS REGARDING REDEMPTION / MATURITY

43.	Prior consent of the Relevant Registrar or Regulator required for any redemption	No
	If yes: conditions applicable to consent of the Relevant Registrar or Regulator	N/A
44.	Redemption at the option of the Issuer: if yes:	No
	If yes:	
	(i) Optional Redemption Date(s)	N/A
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
	(iii) Minimum period of notice (if different from Condition 14.3 ( <i>Early Redemption at the Option of the Issuer</i> ))	N/A
	(iv) Redeemable in part:	N/A
	If yes:	

	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(v) Other terms applicable on Redemption	
45.	Redemption at the Option of the Senior Noteholders:	No
	If yes:	
	(i) Optional Redemption Date(s)	N/A
	(ii) Optional Redemption Amount(s)	N/A
	(iii) Minimum period of notice (if different from Condition 14.4 ( <i>Early Redemption at the option of Noteholders of Senior Notes</i> ))	N/A
	(iv) If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(v) Other terms applicable on Redemption	N/A
	(vi) Attach pro forma put notice(s)	N/A

46.	Redemption at the Option of the Senior Noteholders upon the occurrence of an Optional Redemption Event in terms of Conditions 14.6, 14.7, 14.8, 14.9 or 14.10:	Yes
	(i) Early Redemption in the event of a loss of the assigned Rating of the Issuer	Yes
	(ii) Early Redemption in the event of a loss of the assigned Rating of the Senior Notes	N/A
	(iii) Early Redemption in the event that the Notes are no longer listed on a Financial Exchange	Yes
	(iv) Early Redemption in the event that the Issuer is no longer listed on a Financial Exchange	Yes
	(v) Early Redemption at the option of the Senior Noteholders in the event of a termination, cancellation or invalidity of the Guarantee	Yes
47.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes
	If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons or on Event of Default :	
	(i) Amount payable; or	N/A
	(ii) Method of calculation of amount payable	N/A

#### GENERAL

48.	Notes in issue	As at the date of this issue, the Issuer has issued ZAR1,500,000,000 of Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes
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issued under the Programme Memorandum but excludes this issue of Notes)

The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.

49.	Financial Exchange	JSE Limited
50.	Relevant sub-market of the Financial Exchange	Interest Rate Market of the JSE Limited
51.	Additional selling restrictions	N/A
52.	ISIN No.	ZAG000153271
53.	Stock Code	DSY04
54.	Provisions relating to stabilisation	N/A
55.	Method of distribution	Private Placement
56.	Governing law (if the laws of South Africa are not applicable)	South Africa
57.	Use of proceeds	General business purposes
58.	Pricing Methodology	Standard JSE pricing methodology
59.	Other provisions	N/A
60.	Rating and issue date thereof	Issuer has been assigned a Rating of Aa3.za by Moody's as at October 2017.
61.	Date of rating review	To be reviewed annually
62.	Rating of Guarantors	The Guarantors have not been assigned Ratings by a Rating Agency.
63.	Date of rating review	N/A
64.	Rating Agency	Moody's Investor Services

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**65. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

66. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

67. Paragraph 3(5)(c)

The auditor of the Issuer is PriceWaterhouseCoopers Inc.

68. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR1,500,000,000 of Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes issued under the Programme Memorandum but excludes this issue of Notes); and
- (ii) the Issuer estimates that it may still issue ZAR1,500,000,000 of commercial paper (excluding commercial paper relating to this issuance) during the current financial year.

69. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

70. Paragraph 3(5)(f)

There has been no material adverse change in the financial or trading position of the Issuer since the date of its last audited financial statements up to the date of this Programme Memorandum.

71. Paragraph 3(5)(g)

The Notes issued will be listed.

72. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

73. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are guaranteed, but unsecured.

74. Paragraph 3(5)(j)

PriceWaterhouseCoopers Inc., the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the material relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The JSE takes no responsibility for the contents of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

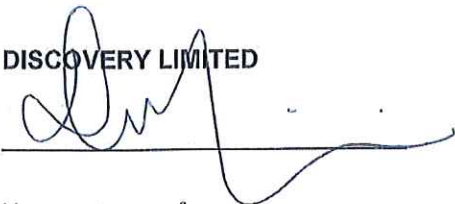
The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the placing document contains all information required by law and the Debt Listings Requirements of the JSE Limited. The Issuer accepts full responsibility for the accuracy of the information contained in the placing document and the annual financial statements and/or the pricing supplements, and/or the annual report and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Application is hereby made to list this issue of Notes on 29 August 2018.

SIGNED at Samsara on this 26<sup>th</sup> day of August 2018

for and on behalf of

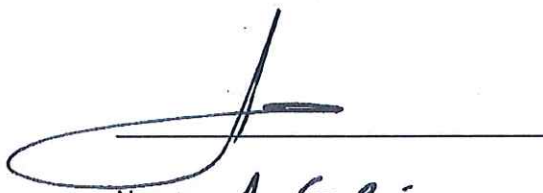
**DISCOVERY LIMITED**



Name: O M URSOEN

Capacity: Director

Who warrants his/her authority hereto



Name: A. Golie

Capacity: Director

Who warrants his/her authority hereto