

INTERMEDIARY SERVICES AGREEMENT

entered into between:

SANTAM LIMITED

(Reg. No. 1918/001680/06)

(hereinafter referred to as "the Company")

and

(Reg. No./ ID No _____)

(hereinafter referred to as "the Intermediary")

(FSP No. _____)



1. PREAMBLE

WHEREAS the Company carries on business as a licensed non-life insurer and controlling company for its group companies in terms of the Insurance Act No. 18 of 2017 (hereinafter referred to as “the Act”). The Short-term Insurance Act No. 53 of 1998 (hereinafter referred to as “the Short-term Insurance Act”) will govern certain aspects of this Agreement. The Company wishes to appoint the Intermediary as an independent intermediary to perform certain services as intermediary on behalf of the Company.

AND WHEREAS the parties wish to record the terms and conditions which will govern the appointment of the Intermediary as an independent intermediary to provide services as intermediary in terms of this Agreement.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

2. INTERPRETATIONS

In this Agreement:

- 2.1 the clause headings are for the purpose of convenience only and shall not be taken into account in the interpretation of, nor modify terms of, this Agreement;
- 2.2 the preamble in clause 1 above forms part of this Agreement and regard shall be had thereto in the interpretation of this Agreement;
- 2.3 unless inconsistent with or a contrary intention clearly appears from the context, words importing any references to masculine gender shall include the other gender and *vice versa* and references to natural persons shall include bodies corporate and *vice versa* and references to the singular shall include the plural and *vice versa*;
- 2.4 any reference to an enactment or regulation is to that enactment or regulation as at the effective date of this Agreement and as amended or re-enacted or replaced from time to time thereafter;
- 2.5 if any provision in a definition is a substantive provision conferring any right or imposing any obligation on any party, then, notwithstanding that it is only in a definition, effect shall be given to it as if it were a substantive provision in this Agreement;
- 2.6 when any number of days is prescribed, such number shall exclude the first day and include the last day;



- 2.7 when the day on which anything is to be done is a Saturday, Sunday or public holiday, it shall be done on the next succeeding day which is not a Saturday, Sunday or public holiday;
- 2.8 where figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail;
- 2.9 reference to a party includes that party's successors and permitted assigns;
- 2.10 every schedule or annexure thereto shall form part of this Agreement and this interpretation clause and the definitions contained in this Agreement shall likewise apply to every such schedule or annexure and also to any amendment or amplification of this Agreement, unless such schedule, annexure, amendment or amplification provides otherwise;
- 2.11 this Agreement shall be binding on and enforceable by the estates, heirs, executors, administrators, trustees, assigns, liquidators or other legal representatives of the parties as fully and effectually as if they had signed this Agreement in the first instance, and reference to any party shall deem to include such party's estate, heirs, executors, administrators, trustees, assigns, liquidators or other legal representatives of the parties, as the case may be;
- 2.12 the use of any expression in this Agreement covering a process available under South African Law such as a winding-up, or any process of the same kind or sort shall, if any of the parties to this Agreement is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such defined jurisdiction;
- 2.13 where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this Agreement;
- 2.14 the expiration or termination of this Agreement shall not affect such of the provisions of this Agreement where the context indicates that they will operate after any such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

3. DEFINITIONS

In this Agreement the following terms and expressions shall have the meanings assigned to them hereunder:

- 3.1 **“the Act”** shall mean the Insurance Act, 2017 (Act No. 18 of 2017) as amended or replaced from time to time;
- 3.2 **“Agreement”** shall mean this agreement as contained in this document together with the annexures attached thereto;
- 3.3 **“approved policies”** shall mean those policies of the Company introduced by the Intermediary and limited to the classes and sub-classes of insurance listed in **Annexure C** that come into existence once an application for a policy from a prospective policyholder has been accepted by the Company or any person as may be authorised by the Company in writing in terms of a Binder Holder Agreement entered into by the Company and such other person;
- 3.4 **“change of control”** shall mean all instances where a person or other legal entity not in control of the Intermediary on the effective date, acquires control of the Intermediary or of the business of the Intermediary the subject of this Agreement, and a change of control where the Intermediary is a company shall mean where any person or other legal entity that did not control the Intermediary on the effective date acquires –
- 3.4.1 shares in the Intermediary with the effect that such a person or other legal entity thereafter holds more than 50% of the issued ordinary shares of the Intermediary; or
- 3.4.2 the right to exercise the votes shareholders of the Intermediary may exercise in a general meeting with the effect that such a person or other legal entity thereafter has the right to exercise more than 50% of the votes that all the holders of ordinary shares issued by the Intermediary may exercise; or



- 3.4.3 the right to appoint the majority of directors of the Intermediary; or
- 3.4.4 the whole of the business of the Intermediary the subject of this Agreement;
- 3.5 **“the Code”** shall mean the Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 as amended, in terms of the FAIS Act;
- 3.6 **“classes of Insurance”** shall mean the listed classes of insurance policies contained in **Annexure C** attached hereto and underwritten by the Company;
- 3.7 **“the Company”** shall mean Santam Limited, a company duly registered in terms of the laws of the Republic of South Africa, with registration number 1918/001680/06 and licenced to conduct non-life insurance business in terms of the Act;
- 3.8 **“Company Data”** shall mean any data or information, including Personal Information, relating to Santam Limited, any of Santam Limited’s staff, agents or contractors or Santam Limited’s operations, clients, business or activities, disclosed to the Intermediary under this Agreement or to which the Intermediary or any of its subcontractors may have access pursuant to this Agreement;
- 3.9 **“company’s non-life insurance products”** shall mean policies of the Company in respect of classes of insurance;
- 3.10 **“completed application”** shall mean an application for insurance cover in respect of the classes of insurance received by the Intermediary and delivered to the Company or any person as may be authorised by the Company to process such application pursuant to a Binder Holder Agreement authorising such other person to enter into, vary or renew policies of the Company, which application may take the form of, but not limited to, application forms, closing instructions or voice loggings;



- 3.11 **“Data Protection Legislation”** shall mean any applicable data protection or data privacy laws applicable in the Republic of South Africa or any other jurisdiction in which the Services may be provided from time to time, and shall include the Protection of Personal Information Act, 4 of 2013;
- 3.12 **“effective date”** shall notwithstanding the date of signature of this Agreement mean _____, the date upon which this Agreement shall take full force and effect;
- 3.13 **“the FAIS Act”** shall mean the Financial Advisory and Intermediary Services Act, 2001 (Act No. 37 of 2002), as amended;
- 3.14 **“gross premium income”** means premium income before deduction of reinsurance premiums and excluding any policy fees, administration fees or fees for value-added services or products whether accruing to the Company or not and excluding Value Added Tax (VAT) in return for undertakings to provide policy benefits in terms of approved policies;
- 3.15 **“Independent Intermediary”** shall mean an independent intermediary as defined in the Regulations;
- 3.16 **“insurance business”** shall mean non-life insurance business conducted or regarded as being conducted in the Republic, and includes reinsurance business;
- 3.17 **“the intermediary”** shall mean _____, operating as an independent intermediary and duly licenced in terms of the FAIS Act;
- 3.18 **“non-life insurance business”** shall mean any activity conducted with the purpose of entering into or meeting insurance obligations under a non-life insurance policy;



- 3.19 **“Personal Information”** has the meaning given to ‘personal information’ in Section 1 of the Protection of Personal Information Act, 4 of 2013;
- 3.20 **“personal lines”** shall mean non-life insurance business where the policyholder is a natural person, acting otherwise than solely for the purposes of the person’s own business;
- 3.21 **“policy”** shall mean a policy as defined in the Short-term Insurance Act Regulations;
- 3.22 **“Policyholder”** shall mean policyholder as defined in section 1(1) of the Act, including prospective policyholder as the circumstances may dictate;
- 3.23 **“Policyholder Protection Rules”** shall mean the Policyholder Protection Rules (Short-term Insurance), 2017
- 3.24 **“premium”** shall mean any direct or indirect, or partially or fully subsidised, consideration given or to be given in return for an undertaking to meet insurance obligations;
- 3.25 **“Protection of Personal Information Act”** shall mean Protection of Personal Information Act, 4 of 2013;
- 3.26 **“records”** shall mean all records, including records held and stored in electronic form;
- 3.27 **“the Regulations”** shall mean the Regulations under the Short-term Insurance Act;
- 3.28 **“the Short-term Insurance Act”** shall mean the Short-term Insurance Act, No. 53 of 1998, as amended.

3.29 "services as intermediary" shall mean services as intermediary as defined in the Regulations;

3.30 "the VAT Act" shall mean the Value Added Tax Act, Act No. 89 of 1991.

4. APPOINTMENT

The Company hereby appoints the Intermediary to perform services as intermediary more fully set out in **Annexure A** and the Intermediary accepts this appointment, subject to the terms and conditions contained in this Agreement. The Company and the Intermediary agree that this Agreement serves as revocation and cancellation of all previous agreements entered into between them pertaining to the appointment of the Intermediary to perform services as intermediary.

5. AUTHORITY GRANTED TO THE INTERMEDIARY

5.1 The Intermediary is authorised to perform any act the result of which is that another person will or offers to enter into, vary or renew a policy underwritten by the Company in respect of the line of business as reflected in **Annexure A** and to perform such other services as intermediary as more fully set out in the authority reflected in **Annexure A** attached hereto, limited to the classes of insurance.

5.2 In the event that the Company authorises the Intermediary to collect and account for premiums on behalf of the Company as may be indicated in **Annexure A** attached hereto, receipt of premium on behalf of and payment thereof to the Company by the Intermediary shall be in accordance with and subject to sections 45 of the Short-term Insurance Act and the Regulations including, having security in the form as may be prescribed by the Company from time to time or prescribed in terms of applicable legislation and subject further to the terms and conditions contained in this Agreement.

5.3 In the event that the Intermediary is authorised to collect and account for premiums, the Intermediary shall meet the minimum operational requirements for collecting and accounting for premium as reflected in **Annexure A4.1**.

5.4 The authority contemplated in clause 5.2 shall be rendered at the levels and standards of services as may be agreed to in writing by and between the parties from time to time;

6. GENERAL OBLIGATIONS AND UNDERTAKINGS OF THE INTERMEDIARY

6.1 The Intermediary will not:



- 6.1.1 publish, distribute or employ, in any manner whatsoever, advertising material or circulars of any nature relating to the policies and or business of the Company except on the prior written authority of the Company;
 - 6.1.2 use any of the material mentioned in clause 6.1.1 for any purpose other than the purpose specified by the Company;
 - 6.1.3 publish any material mentioned in clause 6.1.1 in any medium and in the form other than that specified or approved by the Company;
 - 6.1.4 make a proposal or give an undertaking or warranty on behalf of the Company that can be binding either by estoppel or in any other way other than authorised in terms of this Agreement or any other agreement as may be entered into by and between the Intermediary and the Company;
 - 6.1.5 act in any other way except as authorised by this Agreement or any other agreement entered into in writing by and between the Intermediary and the Company; and
 - 6.1.6 unless authorised in writing by the Company, cede any of its rights or delegate any of its obligations arising from this Agreement to any third party.
- 6.2 The Intermediary undertakes and / or confirms that:
- 6.2.1 any advertising material or circulars as may be published by it on the authority of the Company and pertaining to the business of the Company or the classes of insurance shall be consistent with the minimum standard as prescribed by the Policyholder Protection Rules and will upon receipt of notice by the Company to correct or withdraw or notify the recipients of such materials or circulars of the short-comings as may be contained in such materials or circulars, cause for such materials or circulars to be corrected or withdrawn or notify the recipients of the short-comings in any such material or circulars;
 - 6.2.2 it will continually monitor its income tax status and in the event of it falling within the definition of “personal service provider” as defined in the Fourth Schedule of the Income Tax Act No. 58 of 1962 as amended from time to time, the Intermediary shall immediately notify the Company in writing of such change in status;



- 6.2.3 it will at all times act in good faith towards the Company or the Policyholder and in particular:
- 6.2.3.1 act with due care, skill and diligence;
 - 6.2.3.2 act honourably, professionally and with regard to fair treatment of Policyholders;
 - 6.2.3.3 have policies and processes to ensure fair treatment of Policyholders including the suitability of advice where any is provided to a Policyholder taking into account individual circumstances of the Policyholder concerned;
- 6.2.4 there are no circumstances or reasons which are known or ought to be known to the Intermediary and not disclosed to the Company that would have influenced the decision of a reasonable person in the position of the Company in accepting the Intermediary's application for appointment as an intermediary;
- 6.2.5 it is registered as a financial services provider in terms of the FAIS Act and authorised to render financial services in respect of the line of business for which it is authorised to render services as intermediary and will remain so registered for the duration of this Agreement;
- 6.2.6 it will strictly adhere to all the provisions of any applicable legislations as may be applicable to it including but not limited to the Act, the Short-term Insurance Act and Regulations, the FAIS Act, Protection of Personal Information Act and the Code;
- 6.2.7 its employees or representatives rendering financial services on its behalf meets product knowledge and competency requirements in respect of the classes of insurance and that it meets the fit and proper requirements prescribed in terms of FAIS Act;
- 6.2.8 it will, in the event that its registration or licence as contemplated in 6.2.5 becomes suspended or withdrawn or revoked or lapse, notify the Company of such suspension or withdrawal or revocation or lapse, as the case may be;
- 6.2.9 it will notify the Company in the event that the appointment of any of its representatives and / or Key Individual within the contemplation of the FAIS Act is suspended or withdrawn or revoked or lapses;



- 6.2.10 it will continually monitor its VAT status in accordance with the VAT Act and is obliged to immediately notify the Company should the Intermediary become or cease to be a vendor as defined in the VAT Act, as the case may be;
- 6.2.11 it is aware of the SAIA Code of Conduct (“SAIA Code”) and that it will to the extent that it performs any activities on behalf of the Company as may be regulated by the SAIA Code, adhere to the provisions of the SAIA Code, the latest updated version of which is available at www.saia.co.za;
- 6.2.12 it will to the extent that it is authorised to discharge any obligation as may be imposed on the Company by operation of applicable legislation or the Regulations or the Policyholder Protection Rules adhere to the provisions of such legislation, the Regulations or Policyholder Protection Rules, as the case may be;
- 6.2.13 where it levies any fees payable by a Policyholder to the Intermediary and such fees are collected by the Company on behalf of the Intermediary, the Intermediary shall maintain records of the agreement between the Intermediary and the Policyholder concerned pertaining to such fees which shall include the following details of the services:
- 6.2.13.1 confirmation that such fees relate to the actual service being paid for;
- 6.2.13.2 the nature, type and description of the service and that it relates to services other than rendering services as intermediary;
- 6.2.13.3 that it does not relate to the Intermediary being remunerated for any services that it is already being remunerated for by the Company; and
- 6.2.13.4 written consent by the Policyholder for the payment of such fees to the Intermediary,
- and it shall furnish the Company, upon request, with a copy of the agreement between the Policyholder and the Intermediary referred to clause 6.2.13.

6.3 Nothing in this Agreement will be construed as:

- 6.3.1 constituting the Intermediary as an agent of the Company or authorising the Intermediary to incur any obligations or liabilities on behalf of the Company or to give any warranties, representations or undertakings of whatsoever nature on behalf of the Company, save as expressly set out in this Agreement or authorised by the Company in writing in terms of this Agreement;
- 6.3.2 authorising the Intermediary to conclude any policy on behalf of the Company or to sign any documentation for and on behalf of the Company save as expressly provided for in this Agreement or any other agreement; and



6.3.3 constituting a partnership between the Intermediary and the Company.

7. DISCLOSURES

7.1 The Intermediary, whenever it performs any act the result of which is that another person will or does offer to enter into, vary or renew a policy to be issued by the Company or any person as may be authorised to do so by the Company, is obliged to disclose to the Policyholder, the following:

- 7.1.1 the name of the Company and its contact details;
- 7.1.2 the type of policy, nature and the extent of policy benefits including when the policy incepts and ends;
- 7.1.3 the fact that the Intermediary is acting as an independent intermediary and that this Agreement does not authorise the Intermediary to bind the Company to any risk under a policy;
- 7.1.4 any fees or charges levied against the policy and / or remuneration earned by the Intermediary from the Company in terms of this Agreement, including the frequency at which such fees or remuneration is payable;
- 7.1.5 any risk carried by the Policyholder including excesses or first amount as may be payable under a policy and the circumstances under which it becomes payable including the consequence of non-payment;
- 7.1.6 the premium and the frequency at which it is payable, the consequence of non-payment and the period for which the premium is guaranteed, if any, and the frequency of review in respect of premium not guaranteed for the full term;
- 7.1.7 any amount or sum of money as may be applicable, stated in actual monetary terms, provided that where any such amount or sum of money is not reasonably ascertainable, the basis for the calculation thereof, must be clearly and appropriately stated;
- 7.1.8 cooling-off rights, if any and the procedure for the exercise thereof;



- 7.1.9 if a policy is a consumer credit policy within the contemplation of the Policyholder Protection Rules, disclose to the Policyholder whether the policy is mandatory or optional credit life insurance policy and the differences thereof;
- 7.1.10 reasonable and appropriate general explanation of the relevant policy including the change or variations of the terms and conditions of such policy as may be reasonably necessary to enable the Policyholder to make informed decision as to the continued appropriateness of the policy to the risk insured.
- 7.2 The Intermediary, whenever a policy is entered into by the Company or any person as may be authorised to do so by the Company, is obliged to advise the applicant as soon as reasonably possible after receipt of notice from the Company or such other person as may be authorised, the outcome of the application.
- 7.3 The Intermediary will, as soon as possible after a completed application has been accepted, but within the maximum time allowed in terms of applicable legislation read with the Policyholder Protection Rules and / or the FAIS Act read with the Code, as the case may be, facilitate delivery of the policy document to the Policyholder.
- 7.4 The Intermediary is obliged, subject to clause 13.2 and subject further to the prior written approval of the Company, to disclose the name of the Company in all advertisements, brochures or similar communications which relate to the Company's non-life insurance business or products.
- 7.5 The Intermediary, whenever it becomes aware of a variation or amendment of an approved policy, is obliged to advise the relevant Policyholder of any such variation or amendment.
- 7.6 In the event that the Intermediary is authorised to receive, submit or process claims in terms of this Agreement, is obliged to regularly inform the Policyholder of any progress with a claim or claims process and any other relevant aspect relating to a claim including the settlement thereof by the Company or any person as may be authorised to do so by the Company.
- 7.7 The Company will upon receipt of a written request from the Intermediary duly authorised, disclose to the Intermediary within reasonable time of receipt of such request, all information referred to in such authorisation or such information as may be reasonably required by the Intermediary to comply with any disclosure obligations or other requirements of the Intermediary in terms of the FAIS Act or any other applicable legislation. In the event that such information is provided directly to the Policyholder, the Company shall offer a fair and objective explanation for not furnishing the information so requested to the Intermediary.

- 7.8 Notwithstanding that disclosures contemplated in this clause 7 are carried out or facilitated by the Intermediary, nothing herein shall be construed as prohibiting or preventing the Company from communicating directly with the Policyholder.
- 7.9 Any disclosures as may be provided to a Policyholder, be it by the Intermediary or by the Company or any other person as may be so authorised by the Company shall:
- 7.9.1 be in plain language, clear and readable print size, spacing and format;
 - 7.9.2 not be misleading; and
 - 7.9.3 be provided in a medium reasonably expected to carry such information.

8. WARRANTY BY THE INTERMEDIARY AND PROFESSIONAL INDEMNITY INSURANCE

- 8.1 The Intermediary warrants and guarantees that it possesses the skill, knowledge, operational capability and capacity and the organisational, technical and operational resources and systems, and data management framework that effectively and adequately enable the Intermediary to discharge all its obligations in terms of this Agreement or any applicable legislation.
- 8.2 The Intermediary will at all times have valid and paid-up professional indemnity insurance in respect of any claim that the Company may have against the Intermediary for damages arising from any failure by the Intermediary to fulfil the warranty made in terms of 8.1 above. The Intermediary shall furnish to the Company proof of all premiums paid and renewal of such insurance on demand, as well as proof of the extent of professional indemnity cover.
- 8.3 The professional indemnity insurance cover contemplated in clause 8.2 above, shall be subject to the minimum levels of cover as may be prescribed by the Company in its sole and absolute discretion.

9. RESPONSIBILITIES AND OBLIGATIONS OF THE COMPANY

The Company undertakes:

- 9.1 to as soon as possible after a completed application has been accepted, deliver the policy document to the policyholder or the Intermediary, if so agreed;
- 9.2 to advise holders of approved non-life policies or the Intermediary, if so agreed, of any



amendments or renewals of the policy, including material changes to the terms and conditions of the policy and the implications thereto, within such period as prescribed by applicable legislation including the Policyholder Protection Rules;

- 9.3 to commit a fully-fledged client-centred service infrastructure in support of the Company's non-life insurance business;
- 9.4 not to publish, distribute or employ in any manner whatsoever, advertising material or circulars pertaining to the Intermediary except on the prior written authority of the Intermediary;
- 9.5 to always act in good faith towards the Intermediary; and
- 9.6 that in the event that it facilitates the deduction of any fees as may be payable by a Policyholder to the Intermediary, may request record of the agreement between the Intermediary and the Policyholder pertaining to such fees and further that:
- 9.6.1 the fee relates to actual service rendered to a Policyholder by the Intermediary;
- 9.6.2 the fee relates to a service other than the rendering of services as intermediary;
- 9.6.3 that the fee does not result in the Intermediary being remunerated for a service that is also remunerated by the Company.
- 9.7 that it will provide training and training materials as may be necessary to ensure that the Intermediary and its personnel responsible for the performance of services the subject of this Agreement meet the product knowledge requirements; and
- 9.8 that it will maintain record of any training offered and undertaken by the Intermediary or any of its personnel responsible for the rendering of the services the subject of this Agreement.

10. REMUNERATION OF THE INTERMEDIARY

- 10.1 The Parties agree and record that subject to the fulfilment of the minimum requirements pertaining to the use of a bordereau for tax invoice purposes set out under 2.12.2 in Binding General Ruling 14 (BGR 14) issued in terms of section 89 of the Tax Administration Act No 28 of 2011, as amended, the commission statement prepared by the Intermediary will serve as a tax invoice



- 10.2 Provided that the Intermediary is a registered VAT vendor as defined in the VAT Act and a valid VAT certification is provided to the Company, the Company shall pay to the Intermediary Value Added Tax at the prescribed rate on the remuneration payable in terms of this clause 10 in accordance with the VAT Act. The parties agree and record that a bordereau prepared by the Intermediary will serve as a tax invoice and where a commission statement is prepared by the Company the provisions of section 20(2) and 21(4) of the VAT Act shall apply, both circumstances read with any applicable and current Binding General Ruling as may be issued by the revenue authority.
- 10.3 Commission in respect of an approved policy shall be payable to the Intermediary only:
- 10.3.1 upon the entering into of a binding policy by the Policyholder; and
 - 10.3.2 upon payment of all premiums (minus any bonus repayments to the Policyholder) received by the Company in respect of the approved policy; and
 - 10.3.3 this Agreement is not terminated before the date upon which the premium is due in respect of which commission is claimed; and
 - 10.3.4 in the event of an approved policy which is renewed after having lapsed, and then only if such renewal has taken place subject to the conditions laid down by the Company.
- 10.4 In every case where a refund of premium is made on a policy introduced by the Intermediary, whether by cancellation of the policy, or the reduction of the amount insured or for any other valid or legitimate reason, the commission on such refund shall be repaid to the Company by the Intermediary.
- 10.5 The commission covers all expenditure incurred by the Intermediary in the performance of all services as intermediary in accordance with this Agreement.
- 10.6 The Company shall at any time be entitled to offset an amount owed to the Company by the Intermediary against any claims of the Intermediary against the Company arising out of this Agreement or any other cause whatsoever, provided that the claim shall be for a liquidated amount.
- 10.7 In the event of any dispute between the Company and the Intermediary in respect of payment of remuneration or the enforcement of clause 10.6, the Company shall be entitled to withhold all moneys credited to the Intermediary but limited to an amount equal to the amount which is in dispute until such time that the dispute has been settled.



- 10.8 In the event of termination of this Agreement, the Intermediary will not be entitled to claim commission due and payable to it by the Company until 1 (one) month has lapsed after the date of termination, subject to all the conditions of this Agreement.

11. REPORTS AND ADHERENCE TO GOOD GOVERNANCE PRACTICES BY INTERMEDIARY

The Intermediary shall provide to the Company and at intervals reports to the Company as stipulated in **Annexure D** attached hereto and at the intervals stated therein, which may be amended by agreement between the parties. Such reports shall be received by the Company no later than the close of business on the 14th calendar day after the last calendar day of the preceding month or quarter as the case may be. The Intermediary is further bound to adhere to the good governance practices set out in **Annexure D** attached hereto.

12. KEEPING OF RECORDS, POLICYHOLDER AND POLICY INFORMATION AND ACCESS THERETO

- 12.1 The Intermediary and the Company are obliged to establish, maintain and regularly review and / or monitor their respective effective data management framework, strategies, systems, processes and controls including data security or risk management systems enabling either of them to properly discharge their respective obligations in terms of this Agreement and any applicable legislations and regulatory reporting including:

12.1.1 recording, storage and access to updated, accurate, reliable, secure and complete data of all communications, transactions or documentation pertaining to a policyholder or policy information including names, identity numbers and contact details and in particular mobile numbers and e-mail address of the policyholders;

12.1.2 identify, assess, measure and manage their respective business risks to ensure fair outcomes to policyholders

12.1.3 assessment of the Company liability under each policy and or claim(s) thereunder;

12.1.4 complaints management processes and such other information as may be required by the Registrar or its successor in title.



- 12.2 The Intermediary and Company are obliged to keep and maintain proper books of records or account and other records in respect of the services the subject of this Agreement which shall as a minimum enable either of them to have access to data that is up-to-date, accurate, reliable, secure, complete, free from destruction in electronic format capable of being reduced and retrieved in written or printed form.
- 12.3 Further to the above, in the event that the Intermediary is authorised to receive, submit or process claims, the Intermediary is obliged to establish, maintain and operate an adequate and effective claims management framework subject to approval by the Company and proper system of record, data control and data storage including, but not limited to, all claim-related information, financial accounting data, policyholder data and policy information in respect of services as intermediary, which systems shall on request be made available to the Company for inspection and review. The framework and systems established and maintained shall be subject to the risks associated with the authority relating to claims intermediation, the scale and complexity of the Intermediary business having regard to fair treatment of Policyholders.
- 12.4 The Intermediary is obliged to ensure that any system it establishes and maintains for the keeping, maintenance and storage of records and data in accordance with 12.2 and 12.3 is designed to ensure the safety of the data and further that such records and data is kept in a safe location.
- 12.5 Either party undertakes to maintain record of the information referred to in this clause 12 for a period of minimum 5 years after the transaction concerned and on request be made available to a policyholder or the Registrar or its successor in title, as may be lawfully entitled to the information concerned.

13. INTELLECTUAL PROPERTY RIGHTS

- 13.1 Ownership of any copy, branding or trademark rights associated with a party, vests exclusively in the party concerned. The Intermediary shall have no copyright or any other intellectual property right to the stipulation in a policy that such policy is underwritten by the Company.
- 13.2 Nothing in this Agreement grants the Intermediary the right, without the prior written consent of the Company, to use the name "Santam" or any of the trademarks or trade names or other intellectual property of the Company or any of its subsidiaries, or any document, policy, programme, mark or any other recorded matter whatsoever in respect of which the Company holds the copyright. The Company reserves the right to revoke or withdraw any such consent at any time where-after the Intermediary shall immediately



cease exercising the right in respect of which the Company has revoked or withdrawn its consent.

- 13.3 It is agreed between the parties hereto that the Company is the owner of the copyright to this Agreement.

14. MONITORING OF COMPLIANCE, PERFORMANCE AND PERIODIC REVIEWS

- 14.1 The Company shall be entitled to conduct regular audits in respect of the Intermediary's compliance with all the provisions of this Agreement including but not limited to such other steps as may be reasonable to ensure that a Policyholder is given appropriate information relating to a policy in good time to enable the Policyholder to make an informed decision, be it at inception or for the duration of a policy underwritten by the Company.
- 14.2 The Company is further entitled to conduct regular reviews in respect of the Intermediary's performance and discharge of the authority granted to the Intermediary in terms of this Agreement.
- 14.3 The Company will, depending on the findings produced in terms of clauses 14.1 and 14.2 above, be entitled to review and where necessary amend this Agreement to address any areas of non-compliance or non-performance by the Intermediary with the provisions of this Agreement as the case may be.

15. CONFIDENTIALITY

- 15.1 In this clause 15 "Confidential Information" means all information that is not in the public domain and that relates to any activity or business of any of the parties hereto and shall include this Agreement and the terms and conditions thereof.
- 15.2 Confidential Information in respect of a party ("first party") shall, except in the circumstances described in 15.3 hereunder, both during the currency of and following the termination of this Agreement, not be disclosed by the other party to any third party without the prior written consent of the first party.
- 15.3 Confidential Information in respect of a party ("first party") may be disclosed by the other party to third parties without the consent of the first party in the following circumstances:
- 15.3.1 where the third party is an employee of the first party and needs access to the Confidential Information to perform his duties; or



- 15.3.2 where a third party is by operation of law entitled to access to the Confidential Information; or
- 15.3.3 where the other party needs to disclose such information in court proceedings or arbitration proceedings initiated by the first party against the other party in respect of any rights or obligations arising from this Agreement.
- 15.4 The Intermediary may not, subject to clause 15.3, without the prior written consent of the Company, which consent the Company may not unreasonably withhold:
- 15.4.1 hand over this Agreement (or part thereof) or any copy thereof to any person other than the Intermediary's legal representative, or an employee of the Intermediary who requires access to this Agreement to enable the Intermediary to comply with the provisions thereof;
- 15.4.2 allow this Agreement or any copy thereof to, for any reason whatsoever, come into the possession of any person or entity other than a person or entity referred to in 15.4.1 for the purposes described in 15.4.1;
- 15.4.3 disclose any term or provision of this Agreement to any person or entity, except to a person referred to in 15.4.1 for the purposes described therein.
- 15.5 The Intermediary undertakes to ensure that its employees shall comply with the provisions contained in 15.4.

16. DATA PRIVACY AND PROTECTION

- 16.1 The Intermediary acknowledges that in providing the Services to the Company, the Intermediary may be exposed to the Company's Data.
- 16.2 The Parties specifically record that all Company Data provided by the Company to the Intermediary, or to which the Intermediary may be exposed, shall remain at all times the sole property of the Company and shall constitute confidential information and as such, the Intermediary shall comply with all the provisions of clause 15.
- 16.3 The provisions of these Agreements relating to the Company's Data shall at all times be subject to Data Protection Laws. The Intermediary warrants in favour of the Company that it shall fully comply with any relevant statutory obligation contained in the Data Protection Laws, (as may be applicable to the Intermediary and/or the Services and with all of the provisions and requirements of the Company's policies and procedures (including



encryption and/or other security standards) communicated to the Intermediary from time to time) with which it further warrants that it is fully conversant with as at effective date, when Processing Personal Information obtained from the Company and when such Personal Information is entered into a record.

- 16.4 The Intermediary hereby indemnifies and holds the Company and its Affiliates harmless against any losses, liabilities, costs, expenses, fines, penalties, damage, damages and claims, and all related costs and expenses arising from or incurred by reason of any wrongful processing of any Company Data by the Intermediary or breach by the Intermediary of its obligations or warranties under this clause or other liability of whatever nature suffered by the Company pursuant to a breach by the Intermediary of the provisions of these Agreements
- 16.5 If the Intermediary or its staff, agents or contractors are permitted access to any Company Data for any reason connected with this Agreement or are supplied with or otherwise provided with Personal Information by the Company or on its behalf for any purpose, or are supplied with or otherwise provided with Personal Information relating to any employee, client or subcontractors of the Company, it shall –
- 16.5.1 comply with all Data Protection Laws;
 - 16.5.2 ensure that Personal Information is only processed lawfully and used and/or held for authorised purposes of performing its obligations under this Agreement and only in a manner directed by the Company and shall not otherwise modify, amend or alter the contents of such Company Data or disclose or permit the disclosure of such Company Data to any third party, unless specifically authorised to do so by the Company or as required by law or any regulatory body and shall take all such steps as may be necessary to safeguard such Company Data;
 - 16.5.3 not transfer Personal Information to any third party unless authorised to do so by the Company in terms of this Agreement or by the data subject pursuant to such other agreement as may be entered into between the Intermediary and the data subject;
 - 16.5.4 ensure that its personnel undergo appropriate training and awareness programmes to ensure the Intermediary's adherence to the provisions of POPIA;
 - 16.5.5 ensure that the system of record it utilises for the management of Personal Information and policy information and all policyholder information adheres to the levels of security approved by the Company to protect and maintain the integrity of Personal Information, or policy information or policyholder information from any

unauthorised or unlawful access, loss, destruction, damage or unlawful encryption by any unauthorised third party;

- 16.5.6 immediately notify the Company's official responsible for the liaison between the Company and the Intermediary when it becomes aware of, or has reasonable grounds to suspect, any unauthorised or unlawful access, loss, destruction, damage or unlawful encryption of Personal Information by any unauthorised third party;
 - 16.5.7 co-operate with the Company's reasonable requests and instructions to manage any risks as may arise from unauthorised or unlawful access, loss, destruction, damage or unlawful encryption of Personal Information;
 - 16.5.8 take all steps required and communicated in writing to the Intermediary by the Company that the Company reasonably considers are necessary in order to comply with the Company's own obligations under Data Protection Legislation;
 - 16.5.9 for the purposes of facilitating the Company's compliance with Data Protection Legislation, furnish to the Company copies of such security, audit and control reports generated by the Intermediary as are directly relevant to such compliance;
 - 16.5.10 immediately notify the Company of any complaints by any data subject or any other third party and/or investigations by the Information Regulator contemplated in POPIA and take such steps as may be reasonably required by the Company to enable the Company to discharge its obligations in terms of POPIA;
 - 16.5.11 co-operate with the Company in complying with any request for access or query from an individual who is the subject of Personal Information and/or responding to any enquiry made, or investigation or assessment of any processing initiated by a relevant regulatory authority in respect of such Personal Information;
 - 16.5.12 not without the Company's prior approval cause Personal Information to be processed outside the borders of the Republic of South Africa; and
 - 16.5.13 return to Company and/or destruct such Company Data on demand.
- 16.6 The Intermediary warrants and represents that it:
- 16.6.1 has due regard to generally accepted information security practices and procedures which may apply to it generally or be required in terms of specific industry or professional rules and regulations;
 - 16.6.2 has established and maintains security measures to secure the integrity and confidentiality of the Company Data in its possession or under its control having

taken appropriate, reasonable technical and organisational measures to prevent loss of, damage to, or unauthorised destruction of the Company Data and unlawful access to, or processing of the Company Data and has taken reasonable measures to:

16.6.2.1 identify all reasonably foreseeable internal and external risks to the Company Data in its possession or under its control;

16.6.2.2 establish and maintain appropriate safeguards against the risks identified;

16.6.2.3 regularly verify that the safeguards are effectively implemented; and

16.6.2.4 ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards.

16.7 If the Company consents to the appointment of a sub-processor, then the contractual relationship shall be between the Intermediary and the sub-contractor. Sub-contractors may only be appointed where they commit to similar obligations and responsibilities pertaining to the protection of data as set out in this Agreement, and the Intermediary shall remain fully liable to the Company for the acts or omissions of its subcontractor's.

16.8 The Parties agree that the rights and obligations set out in this clause 16, shall be in addition to any rights or obligations currently in existence vesting in terms of other applicable Law or arising out of the rights to privacy or any contractual or common law rights to confidentiality and shall survive termination, cancellation or expiration of this Agreement.

17. WHOLE AGREEMENT AND VARIATION

17.1 This Agreement constitutes the whole agreement between the parties relating to the subject matter hereof.

17.2 No addition to or variation, consensual cancellation or novation of this Agreement and no waiver of any right arising from this Agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by both parties or their duly authorised representatives.

17.3 No amendment or consensual cancellation of this Agreement or any provision or term thereof or any other document issued or executed pursuant to or in terms of this Agreement and no settlement of any disputes arising from this Agreement and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of



this Agreement or other document issued pursuant to or in terms of this Agreement shall be binding unless recorded in a written document signed by the parties. Any extension, waiver or relaxation or suspension so given or made shall be construed as relating strictly to the matter in respect whereof it was made or given.

- 17.4 No latitude, extension of time or other indulgence which may be given or allowed by either party to any other party in respect of the performance of any obligation hereunder or the enforcement of any right arising from this Agreement, and no single or partial exercise of any right by a party shall, under any circumstance be construed to be an implied consent by such party or operate as a waiver or a novation of, or otherwise affect any of that party's rights in terms of or arising from this Agreement, or stop such party from enforcing, at any time and without notice, strict and punctual compliance with each and every provision or terms hereof.
- 17.5 No party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein.

18. CANCELLATION FOR BREACH

Subject to clause 19, should either party commit a breach of this Agreement and fail to remedy the breach within 14 (fourteen) days after receiving written notice to do so, the other party shall be entitled, without prejudice to any other remedy he may have, to terminate this Agreement by giving the breaching party 45 (forty-five) days written notice of cancellation to that effect.

19. DURATION, TERMINATION AND CONTINUITY OF SERVICE

- 19.1 Notwithstanding the dates of signature hereof, this Agreement shall be deemed to have commenced on the effective date and shall continue indefinitely thereafter.
- 19.2 This Agreement may be terminated by either party giving the other party 90 (ninety) days written notice of cancellation to that effect.
- 19.3 The Company shall, notwithstanding clause 19.2, be entitled to terminate this Agreement by providing the Intermediary with 45 (forty-five) days written notice of cancellation to that effect in the event that, but not limited to:
- 19.3.1 the Intermediary performing any action on behalf of the Company that is not authorised in terms of this Agreement; or



- 19.3.2 the Intermediary failing to properly discharge the authority granted to it in terms of clause 5 or failing to fulfil any of its obligations or undertakings in terms of clause 6; or
 - 19.3.3 the Intermediary failing to maintain a proper system of records and data control and storage and security in accordance with clause 12; or
 - 19.3.4 the Intermediary, its directors, senior management and/or senior staff contravening any provision of the Act, the FAIS Act or any other legislation, or committing or permitting to be committed any act bringing the Intermediary or the Company into disrepute; or
 - 19.3.5 a change of control of the Intermediary taking place and the Company having withheld its consent thereto, which consent shall not have been unreasonably withheld; and the Intermediary having failed to remedy any of the above to the satisfaction of the Company within 14 days after receiving written notice to do so in accordance with clause 18.
- 19.4 Notwithstanding clauses 18, 19.2 and 19.3, this Agreement may be terminated by either party giving the other party 45 (forty-five) days written notice of cancellation to that effect if at any time:
- 19.4.1 the other party should become insolvent, liquidated (provisionally or finally), wound up or be placed under curatorship or business rescue; or
 - 19.4.2 the other party shall make any assignment for the benefit of its creditors; or
 - 19.4.3 the other party, its directors, or any senior member of its staff commits any act of fraud or theft; unless and to the extent that termination of this Agreement without any notice period is prescribed in terms of the Regulations or the Policyholder Protection Rules or any legislation prevailing at the time, in which case this Agreement will terminate on a date as prescribed in terms of that relevant legislation.
- 19.5 Once the notice of cancellation has been delivered to the relevant party, the Intermediary will be obliged to immediately transfer to the Company all paper-based and electronic up-to-date records pertaining to the contact details of the Policyholders to enable the Company to notify the Policyholder that this Agreement has been cancelled.

20. DISPUTE RESOLUTION – MEDIATION AND ARBITRATION



- 20.1 A dispute which arises in regard to:
- 20.1.1 the interpretation of; or
 - 20.1.2 the carrying into effect of; or
 - 20.1.3 any of the party's rights and obligations arising from; or
 - 20.1.4 the termination or purported termination of or arising from the termination of; or
 - 20.1.5 the rectification or proposed rectification of this Agreement; shall be submitted to and decided by mediation and arbitration (other than where an interdict is sought or urgent relief may be obtained from a court of competent jurisdiction).
- 20.2 The dispute shall first be referred to nominated representatives of both parties to resolve by mediation and failing resolution of the dispute within 7 (seven) working days of such referral, the dispute will be referred to the chief executives of both parties to resolve by mediation and failing resolution within 10 (ten) working days of such referral, the matter will be referred for arbitration in accordance with the remainder of this clause
- 20.3 A dispute which is not resolved in accordance with clause 20.2 will be finally resolved by arbitration in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator appointed by the Foundation.

21. DOMICILIUM CITANDI ET EXECUTANDI

- 21.1 The parties choose as their *domicilium citandi et executandi* for all purposes under this Agreement, whether in respect of court process, notices or other documents of communication of whatsoever nature (including the exercise of any option), the following addresses:
- 21.1.1 The Company
1 Sportica Crescent
BELLVILLE
7530
e-mail: _____
 - 21.1.2 The Intermediary



e-mail: _____

- 21.2 Any notice given in terms of this Agreement shall be in writing and shall:
- 21.2.1 if delivered by hand, be deemed to have been received by the addressee on the date of delivery;
 - 21.2.2 if mailed by prepaid registered mail, be deemed to have been received by the addressee on the seventh day following the date of such mailing;
 - 21.2.3 if transmitted by e-mail, be deemed to have been received by the addressee one day after transmission.
- 21.3 Notwithstanding anything to the contrary contained in this Agreement, a written notice of communication actually received by one of the parties from the other, including by way of e-mail transmission, shall constitute adequate written notice of communication to such party.
- 21.4 Either party may by notice to the other party change the physical address chosen as its *domicilium citandi et executandi* to another physical address where postal delivery occurs in South Africa, or its postal address or its e-mail address, provided that the change shall become effective on the 14th (fourteenth) business day after the deemed receipt of the notice by the other party.

AS WITNESSES:

1.

2.

.....
.....[Print Name]

who warrants that he/she is duly authorised
to sign for and on behalf of
THE COMPANY

SIGNED AT ON THIS OF

..... 20.....

AS WITNESSES:

1.

2.

.....
.....[Print Name]

who warrants that he/she is duly authorised
to sign for and on behalf of
THE INTERMEDIARY


SIGNED AT ON THIS OF



..... 20.....



ANNEXURE A

THE AUTHORITY	Personal Lines Business YES/NO	Commercial Lines Business YES/NO
<p>The Company authorises and empowers the Intermediary to perform the services set out herein below:</p> <p>a. perform any act the result of which is that another person will or does offer to enter into, vary or renew a policy underwritten by the Company as more fully set out in Annexure A1 and to further provide the following additional services as intermediary as indicated:</p> <p>b. maintain, service or otherwise deal with a policy as more fully set out in Annexure A2;</p> <p>c. receive, submit or process claims under a policy, subject to alignment with the broad principles contained in the Company's claims philosophy and policy and further as more fully set out in Annexure A3;</p> <p>d. collect and/or account for premium payable under a policy as may be entered into by the Company through the intermediation of the Intermediary and to pay such premium to the Company in accordance with and subject to sections 45 of the Short-term Insurance Act and subject further to the terms and conditions contained in this Agreement and more fully set out in Annexure A4 with specific reference to credit controls and operational requirements in Annexure A4.1;</p> <p>e. provide hold-covered on behalf of the Company on an interim and limited-in-time basis only subject to the terms and conditions contained in Annexure E.</p> 	<input data-bbox="1045 674 1146 758" type="checkbox"/> <input data-bbox="1045 842 1146 926" type="checkbox"/> <input data-bbox="1045 1010 1146 1094" type="checkbox"/> <input data-bbox="1045 1255 1146 1339" type="checkbox"/> <input data-bbox="1045 1707 1146 1791" type="checkbox"/>	<input data-bbox="1326 674 1427 758" type="checkbox"/> <input data-bbox="1326 842 1427 926" type="checkbox"/> <input data-bbox="1326 1010 1427 1094" type="checkbox"/> <input data-bbox="1326 1255 1427 1339" type="checkbox"/> <input data-bbox="1326 1707 1427 1791" type="checkbox"/>

ENTER INTO VARY OR RENEWALS**1. New Business**

- 1.1. Obtain instruction from policyholder;
- 1.2. Complete prospective client needs analysis;
- 1.3. Request quotations from the Company;
- 1.4. Consider and negotiate quotations with the Company if necessary;
- 1.5. Communicate and explain proposed cover terms, including limitations and excesses (quotations) to prospective client;
- 1.6. Obtain prospective client instructions for activation of policy including debit order details;
- 1.7. Request placement or activation of policy as instructed by prospective client;
- 1.8. Maintain records and quote registers including assisting clients with developing and maintaining asset registers for insurance valuation purposes;
- 1.9. Assess and ensure accuracy of placement or policy;
- 1.10. Use Company's risk management tools and calculators available, where necessary.

2. Amendments or Variations

- 2.1 Source amendment quotations from the Company;
- 2.2 Consider and negotiate proposed amendment terms if require;
- 2.3 Present proposed amendment terms to Policyholder;
- 2.4 Obtain client instructions for activation of amendment;
- 2.5 Request placement of cover;
- 2.6 Assess and ensure accuracy of cover;
- 2.7 Maintain records.

3. Renewals

- 3.1 Review of Clients needs analysis;
- 3.2 Source renewal terms or quotations;
- 3.3 Consider and negotiate proposed renewal terms if required;



- 3.4 Present proposed renewal terms to Policyholder;
- 3.5 Obtain Policyholder instruction for activation of cover;
- 3.6 Request activation of renewal as instructed by Policyholder;
- 3.7 Assess and ensure accuracy of renewal terms;
- 3.8 Maintain Records.



SERVICING AND MAINTAINING POLICIES

1. Provide on-going policy support services to Policyholders;
2. Source and provide proof of insurance and other ad-hoc requests from Policyholder;
3. Facilitate communications between the Company and policyholder;
4. Maintain Records.



PROCESSING CLAIMS

1. Communicate claims process to Policyholder and source required documentation;
2. Arrange emergency assistance services, if necessary;
3. Receive and review claim documentation;
4. Assess claims experience impact on cover and /or premium;
5. Submit claim to the Company;
6. Source additional information as may be required;
7. Negotiate merit and quantum if required;
8. Register customer complaints if any and relay to the Company;
9. Maintaining Records.



COLLECT AND/OR ACCOUNT FOR PREMIUM**1. Credit control****The following identified functions are required:**

- 1.1. Obtain premium payment banking account details and authority for debit order collections purposes;
- 1.2. Premium collection on behalf of the Company; follow-ups; maintaining a premium collection system; debit order / salary deduction/ collection processes and payment of premium to the Company into the Company's designated bank account;
- 1.3. Manage Policyholder enquiries relating to premium;
- 1.4. Prepare premium payment notifications and facilitate the transmission thereof to Policyholder;
- 1.5. Perform all related premium credit control and cash management functions;
- 1.6. Reconcile refunds;
- 1.7. Reconcile unpaids;
- 1.8. Reconcile miscellaneous payments and deposits;
- 1.9. Follow up on outstanding or unpaid premiums;
- 1.10. Manage cash flow and related reconciliations;
- 1.11. Bordereaux submission as per Company's agreed layout and format.
- 1.12. The following minimum process must be followed:
 - 1.12.1. Security certification in force, where applicable;
 - 1.12.2. Premium and Provisional Bordereaux in AMS/ or agreed format;
 - 1.12.3. Timely payment of funds due to the Company less any commissions payable to the Intermediary;
 - 1.12.4. Monthly bank reconciliation;
 - 1.12.5. Age analysis;
 - 1.12.6. Year-end outstanding confirmation sign-off.



1.13. The following minimum controls must be in place:

1.13.1. ACB audit trail and Reconciliations;

1.13.2. Company to sign-off age analysis.

1.14. Performance must be monitored by the following minimum management information requirements:

1.14.1. Monitoring implementation of agreed actions through “Before and After” reports.

OPERATIONAL REQUIREMENTS RELATING TO COLLECTING AND ACCOUNTING FOR PREMIUM

The Intermediary is obliged to ensure that:

1. the finance team is adequately and appropriately skilled;
2. it opens, operates and maintains a separate bank account designated exclusively for receiving and remitting premiums;
3. All premium received by the Intermediary must be received into the bank account designated for receipt of premium for and on behalf of the Company;
4. All premium received in cash are within a period of 2 business days of receipt deposited into the bank account designated for receipt of premium;
5. It issues proof of receipt to any person who pays premium in cash which shall as a minimum contain the name, address and telephone number of the recipient, the policy number and name of the Company for whose account the premium is received;
6. It shall not transfer the funds received into the premium bank account to any person other than the Company;
7. The premium account may not be used for any purpose other than receiving and remitting premium to the Company;
8. there are adequate controls to ensure correct application of VAT; and
9. there are adequate cut-off procedures at financial half-year and year end.

Security Requirements in respect of Premium Collection (where applicable)

The Intermediary shall furnish the Company with security in respect of premium collected for and on behalf of the Company pursuant to this Agreement in the form as may be prescribed by the Company including but not limited to a Guarantee as may be issued by either a short-term insurer or a bank, respectively, registered as such in the Republic of South Africa or such other security as may be prescribed by any applicable legislation, if any and at the levels and extent prescribed by the Company.



COMMISSION

The Company shall pay the Intermediary, commission for services as intermediary rendered in accordance with this Agreement as follows:

1. MOTOR POLICY AND ANY POLICY UNDERWRITTEN UNDER THE MOTOR CLASS:

12.5% (TWELVE COMMA FIVE percent)

2. NON-MOTOR (OTHER THAN POLICY IN 3 BELOW):

20% (TWENTY percent)

3. CATEGORY 1, 2 AND 3 POLICY UNDER REGULATION 7.2(1) OF THE REGULATIONS UNDER THE SHORT-TERM INSURANCE ACT:

Monthly Premium band above R1200	-	5% (FIVE percent)
Monthly Premium band between R601 and R1200-		10% (TEN percent)
Monthly premium band between R300 and R600	-	15% (FIFTEEN percent)
Monthly Premium band less than R300	-	20% (TWENTY percent)



ANNEXURE C

CLASSES OF INSURANCE

A. Personal Lines Policies

Insurance Class of Business	Section	Cover Type
Property	Contents	Standard Construction
		Thatch Construction
		House contents - Accidental Damage
		House contents - Home Industry
		Personal Liability
	All Risks	Overall limit for all Unspecified and Specified All Risks items.
		Clothing and personal effects
		Stamp and coin collections and personal documents
		Transport of Groceries and household goods
		Keys and locks, remote control units
		Wheelchair
		Bicycle
		Mobile communication devices (e.g. Cell phone)
		Audiovisual equipment: Television, Video, Decoder
		Computing equipment and accessories
		Items in a bank vault
	Motor radio / Sound Equipment	
	Other Specified Items	
	Buildings	Standard Construction
Thatch Construction		
Accidental Damage to fixed machinery - Buildings (Pool equipment etc.)		
Personal Liability		
Motor	Motor Vehicles	Vehicle Cover
		Maximum motor vehicle age (since first registration year)
		Limited Cover (Third Party, Fire and Theft)
		Tools, parts extension (All Risks Cover)
		Vehicle Liability
	Motor Cycles	Motor Cycle Maximum Insured Amount
		Maximum motor cycle age (since first registration year)
		Tools, parts extension (All Risks Cover)
		Vehicle Liability
	Caravans & Trailers	Motor Cycle Maximum Insured Amount
		Contents of Caravan (All Risks Cover)
		Maximum Caravan / trailer age (since first registration year)
Marine	Watercraft	Watercraft Maximum Insured Amount
		Specified accessories (such as water skis and electronic equipment)
		Watercraft Liability
Legal Expense	Legal Costs and Legal Expense	Covers any legal expenses and costs of litigation
Liability	Personal Legal Liability	Covers liability to another person.

Accident and Health	Personal Accident	Covers costs or loss of income resulting from- * a disability or death event caused by an accident; or * a health event, other than costs or services regulated under the Medical Schemes Act, 1998, but includes any kind, type or category of contract identified by the Minister in regulations as an insurance policy that may be entered into under this class
	Group	
Travel	Personal Lines – Individual	Covers damage or loss resulting from cancellation, interruption, loss of property (including baggage), or other unforeseen events before, while and after travelling; a death, disability or health event while travelling in a country in which the insured person is not ordinarily resident
	Group	
Miscellaneous	Other	Motor Warranty

B. Commercial Line Policies

Insurance Class	Section	Cover Type
Property	Fire	Standard Construction
		Non-Standard Construction
		Thatch Construction
		Sprinkler Leakage
	Buildings Combined	Standard Construction
		Non-Standard Construction
		Thatch Construction
	Office Contents	All constructions
	Business Interruption	Standard Construction
		Non-Standard Construction
		Thatch Construction
	Accounts Receivable	Not applicable
	Theft	Not applicable
	Money	Major Limit
		Collectors
	Glass	Not applicable
	Accidental Damage	Not applicable
	Business All Risk	Specified Items
		Unspecified Items
	House Holders	Standard Construction
Non-Standard Construction		
Thatch Construction		
Home Owners	Standard Construction	
	Non-Standard Construction	
	Thatch Construction	
Motor	Specified Motor	Own Damage Third Party Liability
	Motor Fleet	
	Internal Risk	
	External Risk	
Agriculture	Commercial Lines	Covers damage or loss to crop, forestry, agricultural equipment, other agricultural activities and livestock
Engineering	Contractors' All Risk Erection All Risks Contractors' Plant and Equipment (CP&M) Project Insurance Advanced Loss of Profit (Delay in Start-up) Machinery Breakdown Insurance Loss of Profit following Machinery Breakdown Deterioration of Stock Electronic Equipment Civil Engineering Complete Risk Comprehensive Machinery Insurance Liability In conjunction with the relevant	Covers damage to or loss resulting from the risks related to engineering line of business. These include machinery or equipment; the construction / erection, loss of profit and liabilities relevant to the sub classes as stated on the Section column.

	Engineering Sub-Classes	
Marine	Commercial Lines	Covers damage or loss resulting from the possession, use or ownership of vessels used on or in a river, canal, dam, lake or sea
Aviation	Aircraft or Spacecraft	Damage or loss resulting from the possession, use or ownership of aircraft or spacecraft
Transport	Commercial Lines	Covers damage or loss resulting from the conveyance, storage, treatment and handling of goods in transit, irrespective of the form of transport
Rail		Covers damage or loss resulting from the possession, use or ownership of railway rolling stock or related infrastructure
Legal Expense	Legal Expense	Covers any legal expenses and costs of litigation
Liability Rail	Railway rolling stock or related infrastructure	Damage or loss resulting from the possession, use or ownership of railway rolling stock or related infrastructure
Liability	Public Liability	Covers liability to another person including liability provided for under the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993)
	Employers Liability	
	Directors and Officers	
	Product Liability	
	Professional Indemnity	
	Aviation	
	Engineering (including environmental impairment liability)	
	Marine	
	Motor	
	Rail	
	Transport	
Other		
Trade Credit	Trade Credit	Covers loss resulting from the provision of export credit or agricultural credit or any other trade credit as a result of insolvency or any other event
Guarantees		Covers loss resulting from insolvency; the direct and indirect failure of a person to discharge an obligation; suretyship offered as part of normal business activities, other than a guarantee issued by a Bank registered under the Banks Act, 1990
Travel	Individual – Commercial Lines	Covers damage or loss resulting from cancellation, interruption, loss of property (including baggage), or other unforeseen events before, while and after travelling; a death, disability or health event while travelling in a country in which the insured person is not ordinarily resident
	Group	
Accident and Health	Individual – Commercial Lines	Death & Permanent Disability
		Total Temporary Disability
		Any One Accumulation
		Covers costs or loss of income resulting from a disability or death event caused by an accident; or a health event, other than costs or services regulated under the Medical Schemes Act, 1998, but includes any kind, type or category of contract identified by the Minister in regulations as an insurance policy that may be entered into under this class
	Group	Death & Permanent Disability
		Total Temporary Disability
		Any One Accumulation
		Covers costs or loss of income resulting from a disability or death event caused by an accident; or a health event, other than costs or services regulated under the Medical Schemes Act, 1998, but

		includes any kind, type or category of contract identified by the Minister in regulations as an insurance policy that may be entered into under this class
Travel	Individual – Commercial Lines	Covers damage or loss resulting from cancellation, interruption, loss of property (including baggage), or other unforeseen events before, while and after travelling; a death, disability or health event while travelling in a country in which the insured person is not ordinarily resident
Miscellaneous	Commercial Lines	Covers damage to or loss resulting from a risk not addressed under any other class or sub-class referred to in this Table, which risk is approved by the Prudential Authority

MONTHLY REPORTS AND CORPORATE GOVERNANCE PRACTICES

The following reports are important and must be produced on a monthly basis or as indicated and must be produced using the suggested methodologies and procedures as set out below:

QUOTATION, CONCLUSION AND ISSUANCE OF POLICIES

1. Quote register (on request);
2. Record of needs analysis;
3. Record of advice;
4. Record of policyholder acceptance of policy;
5. Record of policies and transmissions to Policyholders.

FINANCE (Only applicable if the Intermediary is authorised to collect and account for premium)

1. Premium bordereaux (15th of each month) and in a format as prescribed by the Company and containing as a minimum the following:
 - 1.1 the premium received;
 - 1.2 commission payable to the Intermediary;
 - 1.3 and the amount paid to the Company;
2. Unearned Premium Reserve reports (calculated according to 365th method on all annual policies);
3. Bordereaux indicating monthly and annual policies separately;
4. Details of unallocated cash;
5. Bank reconciliations for premium account monthly;
6. BI-annual signed certificates on premium account.

CLAIMS (Only applicable if the Intermediary is authorised to receive, submit or process claim)

1. Weekly claims (all registered claims for the week);
2. Monthly claims (list of all registered claims + outstanding claims);
3. Report on all claims with inception date within 30days of inception;
4. Report of all claims reported late (after 30day of the event).



CORPORATE GOVERNANCE PRACTICES

Human Resources

The Intermediary is obliged to:

1. conduct adequate background checks (e.g. Kroll checks) on employees of the Intermediary responsible for tasks related to the Specified Policies including but not limited to claims registration and processing and finance functions relating to policies; and
2. ensure that proper employment agreements have been concluded with its employees.

General governance practices

The Intermediary is obliged to ensure that:

1. suitably qualified compliance officer is appointed;
2. there is adequate segregation of key functions (e.g. underwriting and claims,);
3. a proper gift register is established and maintained;
4. a basic operational risk management system is in place;
5. a reputable external auditor is appointed;
6. the following basic information technology governance is in place:
 - a. Basic Disaster Recovery and Business Continuity in place;
 - b. Access rights on key applications aligned with job functions;
 - c. Adequate protection of sensitive client information;
 - d. Adequate logical and physical access control to key applications; and
 - e. Adequate change management over key applications.
7. there is basic fraud awareness (which at a minimum should include promoting awareness of the Company or the industry fraud lines);
8. there is participation in industry-driven data-sharing initiatives, where applicable; and
9. fraud management policies and procedures are implemented (i.e. clarifying who is responsible for investigation of fraud incidents, what procedures are in place to proactively identify and monitor fraudulent activities, procedures to report fraud, etc.).
10. TCF Reporting and Recording of Complaints
 - 10.1 Number of open complaints;
 - 10.2 Category of complaints;



10.3 Number of resolved complaints.

10.4 Average complaint life span.

11. Training

Training programmes available including TCF;

11.2 Number of employees who completed training.

Governance practices relating specifically to payments

The Intermediary is obliged to ensure that there is adequate:

1. segregation of duties over initiating and authorising payments;
2. control over the changes in bank account details;
3. exception reporting to identify duplicate payments etc;
4. controls over premium refund processes.

Governance practices relating specifically to the finance function

The Intermediary is obliged to ensure that:

1. the finance management team is appropriately skilled and experienced;
2. there is proper and correct reconciliation of any financial system(s) utilised, as well as the key control accounts;
3. there are adequate controls over manual journals;
4. there are adequate processes in place to ensure cancellation or deactivation of unpaid policies;
5. there are adequate controls over commission calculations (tables changes etc.);
6. there are adequate controls to ensure correct application of VAT; and
7. there are adequate cut-off procedures at financial half-year and year end.

Governance practices relating specifically claims intermediation (where applicable)

The Intermediary is obliged to ensure that there is adequate:

1. Allocation and segregation of duties relating to claims management;



2. Performance management standards and remuneration and reward strategies for claims intermediation management;
3. Documented process for management of claims intermediation;
4. Claims intermediation escalation processes;
5. Claims intermediation record keeping infrastructure, systems, controls and processes;
6. Communications systems and process in support of claims intermediation;
7. Reporting processes limited to claims intermediation;
8. Training for its personnel responsible for claims intermediation;
9. Record keeping, monitoring and evaluation processes relating to claims intermediation;
10. Complaints management processes relating to claims intermediation.

HOLD COVERED TERMS AND CONDITIONS

1. DEFINITIONS

1.1 For the purposes of this annexure, "Due Date" shall mean:

- 1.1.1. in the case of a new policy, the inception date of the policy; or
- 1.1.2. in the case of an existing policy which has been renewed, the renewal date of the policy; or
- 1.1.3. in respect of the policy where there are instalments, the first instalment date specified in the policy; or
- 1.1.4. in respect of an endorsement to the policy the first day of the month following the date on which the endorsement became effective.

2. HOLD COVERED

The Company hereby authorises the Intermediary to provide cover to a Policyholder for a limited and interim period ("the hold covered period") during which neither the Company, nor the Intermediary, as the case may be, has received premiums due from a Policyholder on the Due Date ("the hold covered arrangement") nor are the cover terms and conditions settled between the Company and the Policyholder. The following terms and condition are applicable to the hold covered authority granted to the Intermediary:

- 2.1 Cover may be provided for hold covered period commencing on the Due Date and valid for a period of not more than **30 (thirty) days** in respect of **commercial lines business** pending settlement of the terms and conditions of cover, payment of premium to the Company during the hold covered period **and** the Intermediary has in writing confirmed the Company's legal liability under the relevant policy prior to the expiry of the hold covered period.
- 2.2 Cover may be provided for hold covered period commencing on the Due Date and valid for a period of not more than **96 (ninety six) hours** in respect of **personal lines business** pending settlement of the terms and conditions of cover, payment of premium to the Company during the hold covered period **and** the Intermediary has in writing confirmed the Company's legal liability under the relevant policy prior to the expiry of the hold covered period.
- 2.3 The Company may, in its sole discretion, terminate this hold covered arrangement at any time and for any reason whatsoever by providing the Intermediary with 30 day's written notice to that effect.



3. UNDERTAKINGS BY THE INTERMEDIARY

The Intermediary undertakes to use its best endeavours at all times to expedite the settlement of cover terms and conditions to enable payment of premium to the Company on the date as may be agreed by the parties for payment of premium, and in particular to:

- 3.1. commence all cover negotiations as soon as possible;
- 3.2. advise Policyholders at the beginning of negotiations of the need for premiums to be paid on or before the Due Date but, if not practically possible, then within the hold covered period;
- 3.3. expedite the finalisation of negotiations between the Company and the Policyholder so as to facilitate the finalisation of the relevant policy on or before the Due Date but, if not practically possible, then within the hold covered periods;
- 3.4. actively monitor premium payments by the Due Date; and
- 3.5. inform the Company of any Policyholders who appear to be delaying the finalisation of the cover terms and payment of premium without good cause.

4. UNDERTAKINGS BY THE COMPANY

The Company undertakes to use its best endeavours at all times to expedite whatever documentation and/or decisions that are necessary to facilitate the timely settlement of cover terms and collection of premium, and in particular to:

- 4.1. provide cover terms for new policies within 7 (seven) days of receipt of notification of requirements;
- 4.2. provide renewal terms at least 8 (eight) weeks prior to renewal date;
- 4.3. provide amended terms within 7 (seven) days of receipt of revised information;
- 4.4. respond to all Intermediary inquiries promptly and completely.

