

*BROKER AGREEMENT

BETWEEN S.A. UNDERWRITING AGENCIES (PTY) LTD



REGISTRATION NUMBER: 92/03324/07

FSP license number: **FSP281**

(Hereinafter referred as the "SAU")

and

.....

(The Broker)

(Hereinafter referred to as the "**Broker**")

.....

1. BACKGROUND

- 1.1 SA Underwriting Agencies Pty Ltd (FSP281) is a registered financial services provider (FSP) licensed in respect of Category I products, Short Term Insurance Personal Lines and Short Term Insurance Commercial Lines.
- 1.2 SAU might in future change its license restrictions to include additional financial services or to render services in relation to additional subcategories.
- 1.3 The broker is a registered financial services provider (FSP) licensed in respect of Category I products, Short Term Insurance Personal Lines and/or Short Term Insurance Commercial Lines.
- 1.4 The broker wishes to offer and sell SAU's products to their potential clients and SAU is to provide the services in respect of their product to the broker's clients.
- 1.5 The broker has represented to SAU that it has the necessary expertise, experience and resources required to offer and sell SAU's the products to their potential clients.
- 1.6 The Parties wish to record the terms and conditions regulating the manner in which the broker shall offer and sell SAU's products to potential clients and SAU rendering the services, in respect of their product.

2. REPRESENTATION

- 2.1 The Broker hereby accepts the appointment and acknowledges that he/she acts as agent for his/her client and that any action that he/she takes on his/her clients' behalf shall be deemed to be on his/her clients' instructions.
- 2.2 In addition any notice whether written or verbal, which may be served on the Broker, shall be deemed to have been served on the broker's client. We shall ensure that the broker is provided with sufficient time to present the information to their client.
- 2.3 The broker can never represent SAU as an employee or as an extension of the SAU's office.
- 2.4 Nothing in this Agreement or in the activities of SAU or its Insurers at the time shall detract from the Broker's obligations of any statutory requirements as enacted or gazetted from time to time.

3. BROKER MANDATE

3.1 The Broker shall not be entitled to:

- 3.1.1 publish or distribute any advertising material or circular concerning SAU, unless written authority has been granted by SAU as supplied by or authorised by SAU;
- 3.2.1 without prior consent by SAU conclude any insurance or give any undertaking or proposal that could be binding on SAU in any way.
- 3.1.3 act in any other way in the performance of his/her agreement, unless otherwise agreed by SAU.
- 3.1.4 investigate and or administer and or accept any claim for and on behalf of SAU or the Insurer without prior written agreement. Should the Insured and/or

Broker not be satisfied with the result or procedures of a claim, the Broker has the right to use whatever resources necessary to resolve the matter.

- 3.1.5 settle any claim whatsoever.
- 3.1.6 commit SAU or the Insurer in anyway whatsoever without prior written agreement.
- 3.1.7 advertise for and on behalf of SAU's Insurers.
- 3.1.8 portray to any party that they hold any binding authority for SAU and/or its Insurers or portray the image or perception to be an employee or extension of SAU or its Insurers
- 3.1.9 deviate from the SAU's underwriting guidelines and or Policy Wording without the prior written approval of SAU or the Insurer.
- 3.1.10 commit SAU and/or Insurer to any block or book of business or Insurance Portfolio without prior written agreement of SAU and/or Insurer.
- 3.1.11 to alter or change any policy wording, underwriting criteria or premium rates without prior written agreement with SAU.
- 3.1.12 employ or subcontract with Sub-Brokers or handle business on or behalf of any other Brokers unless agreed in writing by SAU.

3.2 The Broker undertakes:

- 3.2.1 that there are no undisclosed circumstances or reasons that may influence SAU's decision to accept this application;
- 3.2.2 that no documentation of any description belonging or relating to SAU shall be passed into the possession of any unauthorised person or any competitors of SAU;
- 3.2.3 to utilise the full product offering of SAU to promote SAU, where appropriate.
- 3.2.4 not to disclose to any person at any time even after the operation of this agreement, any procedures, rating structures or business practices of SAU.
- 3.2.5 to be fully compliant with the Financial Advisory and Intermediary Act, subordinate legislation such as the General code of Conduct, Regulations etc. and all relevant legislation.
- 3.2.6 all staff, key individuals and representatives to adhere to all Fit and proper requirements in terms of the FAIS Act and subordinate legislation.

4. COMPENSATION OF THE BROKER

- 4.1 The Broker shall be entitled to payment of commission and fees as regulated by relevant legislation, calculated according to the terms of paragraph 16, subject to review by SAU from time to time and agreed by the Broker.
- 4.2 Commission shall be payable in advance to the Broker, where after all unpaid premiums will be deducted and accounted for on the commission due for the following month, subject to the following conditions being complied with:

- 4.2.1 written confirmation by SAU of acceptance of an application for insurance;
- 4.2.2 payment of all premiums and/or debts due to the SAU;
- 4.2.3 premium payments made to the insurer by means of the debit order system.
- 4.3 Any expenditure incurred by the Broker shall be his/her responsibility.
- 4.4 The Broker will not be entitled to set off commission due to him/her against any amount owing to SAU.
- 4.5 SAU shall be entitled at any time to offset an amount owed to SAU by the Broker against the credit of the Broker, and to retain any credit until any dispute has been settled
- 4.6 In the event of cancellation of this agreement SAU may retain the commission payable to the Broker for a maximum of 90 days from the date that the insurer received the last premium from the insured. This precaution is merely to cover the commission being paid in advance as per Par. 4.2 with regards to unpaid premiums, stop payments by Insured or disputes raised by the insured's bank.
- 4.7 In the event that the Broker's FSP license is withdrawn, suspended or lapses SAU will retain the commission payable to the Broker until such a time as confirmation is received that the license has been reinstated or reissued. In terms of relevant legislation SAU cannot deal with the Broker unless they are duly authorised to conduct financial services.

5. CANCELLATION OF AGREEMENT

- 5.1 This agreement may be cancelled in writing at any time by either party by giving 30 (thirty) days' notice in writing by fax and/or registered post in which case:
 - 5.1.1 The Broker shall return to SAU all documentation belonging to SAU within a period of 7 (seven) days from the date of such cancellation being in force, meaning after the 30 day period, inclusive of computer programs, quotation systems etc. SAU will retain the copyright on all such material, systems and programs at all times, and have the right to delete such from the Broker's Network.
 - 5.1.2 The Broker shall delete/uninstall SAU's quoting system. The broker will not have access to any of SAU's online systems and web quote systems and any other systems obtained from SAU. The broker will only be allowed access to SAU's public website.
- 5.2 In the event that the agreement is cancelled and the policies of mutual clients will be cancelled, the following is required;
 - 5.2.1 In the event that the Broker is a 'mandated intermediary' SAU will require copies of such mandates granting the broker the authority to cancel the policy on behalf of the policy holder.
 - 5.2.2 In the event that the Broker is a 'non-mandated intermediary' written confirmation from the policy holder will be required before the policy may be cancelled.

6. OWNERSHIP OF DATA AND CLIENT INFORMATION

- 6.1 Ownership of all policy and policy holder information will remain that of SAU and the relevant insurer as required by legislation.
- 6.2 The client remains the broker's.
 - 6.2.1 The broker is to obtain and keep record of their clients banking details. In terms of legislation and this agreement SAU will not disclose clients banking details without the prior written consent by each individual client.
- 6.3 No data and information of the broker's clients and/or portfolio may be discussed, disclosed or given to any third party without the prior written consent of the Broker.

7. OBLIGATIONS OF BROKER

7.1 The Broker agrees:

- 7.1.1 that no amendment to any policy, endorsement or receipt shall be effective unless confirmed in writing by SAU.
- 7.1.2 that no liability rests with SAU and or the Insurer for any risk until it has been accepted by SAU and or the Cover holder and a policy number has been issued;
- 7.1.3 that no new policy, endorsement or receipt shall be submitted to the insured or his/her representative before acceptance of the necessary premium by SAU; unless by prior agreement,
- 7.1.4 to ensure that all information provided to clients regarding SAU are factual. The Broker warrants that he/she will refrain from making any defamatory, insulting or unsubstantiated negative comments about SAU. The broker acknowledges that by doing so it would render the Broker liable in liquidated damages to SAU for any patrimonial losses suffered, whether directly or indirectly, by SAU.
- 7.1.5 **on first application SAU** may enquire on I.T.C./Credit Inform and other references to the financial background of the Broker and/or his/her Partners, Directors, Members, or Shareholders.
- 7.1.6 Acceptance of the aforesaid underwriting criteria by Broker:
- 7.1.7 SA Underwriting Agencies will send Notices / Endorsements / Policy Documents / Instructions and communications with regards to the normal course of business to the client and a copy will be sent to the Broker. The Broker is however responsible to fulfil its duties as a financial services provider. SAU agrees to attempt to assist the broker to fulfil such duties. SAU accepts no liability due to the brokers' failure to adhere to the Financial Advisory and Intermediary Act, subordinate legislation such as General code of Conduct, Regulations etc. and all other relevant legislation.

8. OBLIGATIONS OF THE SAU/INSURER

- 8.1 SAU/Insurer retains the right to fulfil such obligations as it has or may have accepted, either expressly or otherwise in any Agreement with Insurers from time to time, and

may communicate with insured or prospective Policy Holders directly to the extent that any legislation so requires for the purposes of satisfying such statutory obligations.

- 8.2 SAU will disclose underwriting criteria to the insured at the time when the insured accepts the policy and the policy is underwritten.

9. CLAIMS

- 9.1 The Broker shall not accept or purport to accept any liability on behalf of the SAU in respect of any claim against SAU or the insurer.
- 9.2 SAU and/or Insurer shall only accept liability for any claim that has been notified to their offices within 30 days of the event by the insured or authorised representative.

10. SAU WEBSITES, ONLINE SYSTEMS AND WEB QUOTE SYSTEMS

It is recorded and agreed to between the parties hereto, that in addition to the aforementioned, the following terms and conditions herein below shall specifically govern SAU websites, online and web quote systems, and insofar as such may be capable of being applied without contradiction or conflict, to the remainder of this Agreement :-

10.1 The Broker will have access to www.saunderwriters.com and the following:

- 10.1.1 Their client's records accessible on www.sauonline.co.za
- 10.1.2 Online quoting facilities accessible at www.flashquote.co.za
- 10.1.3 Where applicable, tailored quoting websites.

10.2 SAU ONLINE SYSTEM (www.sauonline.co.za)

- 10.2.1 SAU wishes to provide a service to its Broker that will allow the Broker to gain access to their client's records on SAU Online.
- 10.2.2 SAU will issue a password to each of its Brokers. Such password will gain the Broker access to his/her clients' records on the website. Immediately after gaining first time access to the website, the Broker is obliged to modify his/her own password for future access.
- 10.2.3 Such password can be changed as many times as the Broker may deem fit. It is the Brokers responsibility to ensure that the password is secure and is not provided to any unauthorised individuals.
- 10.2.4 Use of his/her facility and the online services is entirely at the Broker's own risk.
- 10.2.5 The Broker acknowledges he/she is authorised by his/her client to disclose certain information regarding his/her client to SAU. The Broker, after submitting his/her password, authorises SAU to reveal his/her record of clients on SAU online. SAU confirms that such records can only be accessed by entering his/her Broker password.
- 10.2.6 The Broker accepts that SAU cannot be held liable for any loss, or damage suffered by the Broker as a result of unlawful activities by unscrupulous persons, as SAU cannot prevent such behavior. SAU may request independent

verification of any information transmitted by the user through the site or e-mail from time to time, to limit these risks.

10.2.7 SAU and its affiliates, shareholders, agents, consultants or employees are not liable for any damages direct or indirect, special, incidental, consequential or punitive damages, whatsoever relating (to the loss or theft of the Broker's password) caused by malfunction of third party systems, unlawful access to or theft of data, or negligence of SAU's part.

10.3 WEB QUOTE SYSTEMS (www.flashquote.co.za and tailored quoting websites)

10.3.1 Any and all insurance applications for policy fulfilment that SAU may receive via the web quote system in terms of, and in accordance with? shall only be capable of being so accepted on or after the third (3rd) business day from the date of receipt of any such application.

10.3.2 Pending the acceptance of any such submission in accordance with clause 10.3.1 above, any and all liability or risk in relation to any and all information submitted to SAU and/or advice emanating from the Broker to any prospective insured is agreed to be borne exclusively by the Broker.

10.3.3 All quotes generated by the web quoting system are based on the limited information provided by the Broker on behalf of its client/s on the electronic form. The quotes are therefore only an estimation and not a binding offer. The quotes are subject to change, based upon more comprehensive risk related and personal information that the Broker is obliged to verify and the prospective insured will be required to disclose, verification of this information and further consideration when SAU contacts the Broker or the prospective insured.

10.3.3 In the event that any insured, prospective insured or client approaches SAU and requests advice from SAU, SAU shall direct such insured, prospective insured or client to the Broker who shall then be obliged to render any such advice sought to the insured, prospective insured or client.

10.3.4 The finalisation of any and all insurance policies as contemplated herein shall be so confirmed and communicated in one of the following manners:

10.3.4.1 per direct communication to SAU's tele centre;

10.3.4.2 per SMS validation;

10.3.4.3 per hard copy print

10.3.4.4 It is agreed that any technical failure/s on the part of the SAU online and web systems (which system includes SMS transmissions) shall not be capable of sustaining or constituting any adverse claim/s as against SAU, and to this end, the Broker hereby indemnifies SAU, and holds SAU blameless in respect of any such adverse claims from whomsoever such may arise.

10.3.4.5 It is hereby specifically recorded that SAU's online and web quote systems is and constitutes SAU's exclusive intellectual property all and any elements of which are prohibited from being in any duplicated or materially replicated.

10.3.4.6 SAU reserves its right to, without notice, and from time to time, disable its systems in order to carry out upgrades, repairs, maintenance and any other changes or amendments thereto which actions are agreed shall not constitute a breach of this Agreement. SAU endeavour to give reasonable notice where possible.

10.3.4.7 Upon becoming aware of any faults, inconsistencies or lacunain the SAU online and web quote systems, the Broker undertakes, and shall be obliged, to immediately notify SAU thereof.

10.3.5 The terms and conditions to follow should be read in conjunction with the terms and conditions set out in paragraph 10.2 above. The Broker agreement governs the relationship between the Broker and SAU. Should there be a conflict between the provisions, the conditions of the Broker agreement insofar as conflict will take precedence.

11. ENTIRE AGREEMENT

11.1 The parties acknowledge that this/her agreement replaces all previous agreements between the Broker and SAU from date of signature of this/her agreement, and that the Agreement is based upon the facts and information supplied by the Broker on the Application Form for an Agency and by S.A Underwriters in their marketing and underwriting criteria supplied.

12. AMENDMENTS

12.1 Any amendment, addition or variation of the terms of this/her agreement must be in writing and signed by both parties, in which case such alteration or addition or shall not constitute a notation of the whole agreement.

12.2 The Broker undertakes not to cede or assign any of his/her rights or obligations in terms of this/her agreement to third parties without prior written consent from SAU.

12.3 Should either one of the parties to this/her agreement change its physical address or any of its other contact details, the other party to this/her agreement must be notified in writing of such change within 7 (SEVEN) days.

13. WAIVER

13.1 No indulgence, extension, relaxation or latitude by any of the parties shall in any way prejudice the other party's rights in terms hereof or create new rights, nor shall SAU be prejudiced, stopped or precluded from exercising its lawful contractual rights against the Broker by virtue of such indulgence, extension, relaxation or latitude.

13.2 For the purpose of interpretation of this/her agreement and in the event of any dispute arising here from, the English version hereof shall prevail in accordance with the laws of the Republic of South Africa.

14. COSTS

- 14.1 If SAU institutes proceedings, or instructs attorneys, or incurs any other cost or expense in connection with the enforcement of any of its rights against the Broker in terms of this/her contract, the costs and expenses incurred shall be borne by the Broker, on the scale applicable as between an attorney and own Client scale, and shall include collection, commission, tracing charges and the costs of employing a detective to obtain evidence of, and/or information concerning the Broker's breach of the provisions, which in all of the circumstances the Broker acknowledges would be fair, reasonable and necessary for the protection of SAU's interests in terms hereof.

15. DURATION

- 15.1 SAU will be entitled to terminate his/her Agreement summarily if:-
- 15.1.1 The Broker commits a breach of any of his/her obligations in terms of his/her Agreement;
- 15.1.2 The Broker's estate is sequestrated or liquidated, as the case may be.

16. COMPENSATION TO THE BROKER (BROKER APPOINTMENT)

16.1 COMMISSION (AS PER THE INSURANCE ACT)

Motor 12.5%

Non-Motor 20%

16.2 BROKER FEE

A maximum of Rper policy. (Maximum Fee R100.00)

16.2.1 The Broker agrees that R.....Broker fee may be used to retain the Broker's client in the event the Broker's client wishes to cancel his/her policy.

16.2.2 In the event the Broker's fee is used to retain the client, SAU undertakes to increase the Policy fee to the original amount over a period of time on terms agreed between the parties by example on anniversary date, incremental annual increase etc.

IMPORTANT:

- All fees must be shown separate of premium.
- All fees must be agreed and declared to the Client.
- SAU will ensure that the fees will be reflected on the policy schedule and disclosed to the Insured disclosed to the Insured during the process underwriting done by SAU

16.3 OTHER/NOTES

16.3.1 Commission paid on 15th each month (or closest working day) during the month of cover

16.3.2 Inception fees, joining fees, etc., which are collected at the inception of the Policy by the Broker or his/her Staff does NOT form part of this Agreement and is solely levied by the Broker.

Thus done and signed at on this/her day of

.....

(SAU AUTHORISED PERSON)

For and on behalf of:

SA UNDERWRITING AGENCIES (PTY) LTD

Bond Street Business Park

679 Bond Street, Ferndale

RANDBURG 2194

As Witnesses:

Thus done and signed at on this/her day of

.....

(BROKER SIGNATURE)

For and on behalf of: (BROKER)

As Witnesses:

BROKER DETAILS

BROKER NAME:

REGISTRATION NUMBER:

FSP NUMBER:

YEAR REGISTERED AS FSP:

YEARS IN BUSINESS:

PI Cover:

Insurance Company:

Policy Number:

Insured Amount:

Inception/Renewal Date:

VAT:

VAT Number (If VAT registered):

KEY INDIVIDUAL(S) NAME(S):

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TELEPHONE:

FAX:

CELL PHONE:

E-MAIL (Principal member).....

PHYSICAL ADDRESS:

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POSTAL ADDRESS:

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BANKING DETAILS (Please attach proof):

BANK:

BRANCH CODE:

ACCOUNT HOLDER:

ACCOUNT NUMBER:

ACCOUNT TYPE:

E-MAILS TO BE DIRECTED:

E-MAIL (Commission Statement).....

E-MAIL (Policy Cancellations).....

E-MAIL (Underwriting).....

E-MAIL (Marketing).....

E-MAIL (Claims).....

BROKER EMPLOYEES BIRTHDAYS:

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CONTRACTS HELD WITH OTHER INSURERS AND/OR UNDERWRITERS

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THE FOLLOWING DOCUMENTS SHOULD ACCOMPANY THIS APPLICATION:

- Copy ID of principal member
- Proof of banking details
- Vat certificate (If Vat registered)
- Copy of PI cover

HAVE ANY CONTRACTS WITH OTHER INSURERS AND/OR UNDERWRITERS BEEN DECLINED OR PREMATURELY TERMINATED? PROVIDE DETAILS

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Policy Protection Rules declaration:

- Do you receive more than 30% of your total commission and remuneration from any of the mentioned insurers?
- Do you hold more than 10% of Shares of any of the mentioned insurers?
- Are you an associated company of any of the mentioned insurers?

Centriq		Santam	
Yes	No	Yes	No

Centriq		Santam	
Yes	No	Yes	No

Centriq		Santam	
Yes	No	Yes	No