

INTERMEDIARY AGREEMENT

BETWEEN:

MSB INSURANCE ADMINISTRATORS (PTY) LTD

Registration Number: 2000/024624/07

("the Company")

AND

Registration Number/ID Number: _____

("the Intermediary")

THE PARTIES AGREE AS FOLLOWS: -

1. INTERPRETATION

1.1 In this agreement, except in a context indicating that some other meaning is intended,

1.1.1 "prescribed insurance" shall mean
Agricultural Insurance; Commercial Insurance;
Domestic Insurance or any Insurance Scheme
administered by MSB Insurance
Administrators.

1.1.2 “prescribed area” shall mean the area indicated in annexure “A” hereto;

1.1.3 “prescribed affiliates” shall mean any persons with whom the Company, at any time during the period of this agreement, has arrangements for the provision by such persons to the Company or its brokers or associates of leads and introductions to prospective clients;

1.1.4 “software” shall mean the Lansure Agricultural, MSBIA Insurance software in Microsoft Excell format or TIAL policy administration software.

1.1.5 “the prescribed clients” means any persons that may at any time during the period of this agreement be introduced or otherwise made known to the Intermediary as clients or prospective clients of the Company by or through the Company or the prescribed affiliates;

1.1.6 “Confidential Information” shall mean any information of whatever nature, which has been or may be obtained by the Intermediary from the Company, whether in writing or in electronic form or pursuant to discussion between the parties, including, without limitation, business or financial data, know-how, formulae, processors, specifications, sample reports, customer lists, price lists, studies, findings, computer software, inventions or ideas;

1.2 Any provision of this agreement imposing a restraint, prohibition or restriction on the Intermediary shall be so construed that the Intermediary is not only bound to comply therewith but is also

obliged to procure that the same restraint, prohibition or restriction is observed by its associates and the directors, members, trustees, officers, employees, agents and customers.

1.3 Clause headings appear in this agreement for purposes of reference only and shall not influence the proper interpretation of the subject matter.

1.4 This agreement shall be interpreted and applied in accordance with South African law.

2. APPOINTMENT OF INTERMEDIARY

The Company hereby appoints the Intermediary to represent the Company for the purpose of canvassing and placing the prescribed insurance and to maintain and service all policy holders of the prescribed insurance so obtained in the prescribed area.

3. DURATION OF AGREEMENT

The appointment of the Intermediary shall commence on the day of20.....and shall continue until determined as hereinafter provided.

4. DUTIES OF INTERMEDIARY

4.1 The Intermediary undertakes to procure applications for the prescribed insurance in the prescribed area to the best of its ability and to deliver such applications or cause such

applications to be delivered to the Company immediately upon receipt thereof.

4.2 The Intermediary will maintain and service all policy holders of the prescribed insurance so obtained in the prescribed area in a professional and diligent manner.

4.3 The Intermediary shall:-

4.3.1 be bound to observe all reasonable requirements of the Company, the prescribed affiliates and the policy holders of the prescribed insurance as well as the terms and conditions of any agreements or arrangements between the Company and any such persons;

4.3.2 submit to the Company or its authorized agents such information and reports as may be required from it from time to time in connection with the performance of its duties; and

4.3.3 place all or any of its business dealings relating to the prescribed insurance through the Company.

4.4 The Intermediary is not authorized to bind the Company in any manner whatsoever, save with written authority from the Company.

4.5 The Intermediary undertakes to comply strictly with all instructions from the Company in the course of the

Intermediary's business and the Company shall not be liable for any act by the Intermediary in excess of the Intermediary's authority.

- 4.6** The Intermediary shall immediately advise the Company of any claim intimated. The Intermediary is expected to render assistance where possible to effect settlement of the claim and must pass on to the Company any information given by or on behalf of the policy holder.
- 4.7** The Intermediary shall comply with all the necessary obligations imposed upon them in terms of the Financial Advisory Intermediary Services Act, in particular but not limited to obtaining a licence from the necessary authorities to be a Financial Service Provider. The appointment of the Intermediary is conditional upon such licence being obtained. If no such licence is obtained the appointment of the Intermediary will not be of any force or effect. This agreement shall not be construed as appointing the Intermediary as a representative on behalf of the Company in terms of the aforesaid Act but rather the Intermediary is deemed to be a Financial Service Provider in terms of the said Act. The company is entitled to audit the Intermediary and ascertain the extent and nature of such compliance.
- 4.8** Over and above the obligations set out in clause 4.7, the Intermediary agrees to comply with all other applicable legislation and regulations.

4.9 Within 7 (seven) days of termination of this agreement for any reason whatsoever, the Intermediary will hand to the Company all files, records, documents, portable computers, computer programs, keys, articles or other objects of whatsoever nature which belong to the Company, or which contain confidential information relating to the Company or to the prescribed affiliates, all to which the Company may otherwise be entitled and which, at the termination date, are in the Intermediary's possession or under his control.

5. CONDUCT

The Intermediary's conduct in all matters relative to, or in any way connected with its occupation as an insurance intermediary must always be such that it will be a credit to the insurance industry.

6. SOFTWARE

6.1 The Company hereby grants the Intermediary a licence to use the software on the terms and conditions set out in this agreement until the agreement is terminated.

6.2 The Intermediary shall not have the right to sub-license or transfer the software in any way, either in whole or in part, to any third party.

6.3 The Intermediary shall not copy nor permit any party to copy the software, except to make sufficient copies solely for backup or archival purposes.

6.4 The Intermediary shall not modify, de-compile, disassemble or otherwise reverse-engineer the software, or attempt to do any of these.

6.5 The Intermediary may issue quotes on the software to *bona fide* prospective clients, but may only do so in “*PDF*” format.

6.6 The Intermediary shall allow the Company, upon reasonable notice, access to its premises to audit the Intermediary’s compliance with this agreement.

7. INTELLECTUAL PROPERTY RIGHTS

7.1 The Intermediary acknowledges that any and all of the intellectual property rights used or embodied in or in connection with the software are and will remain the sole property of the Company.

7.2 The Intermediary shall not question or dispute the ownership of such rights at any time during the continuation in force of the agreement or thereafter.

7.3 The Company warrants that, to the best of its knowledge, the software does not infringe upon or violate any intellectual property rights of any third party.

8. REMUNERATION

- 8.1** The Company will allow the Intermediary the rates of commission according to the type of business set out in annexure “B” of this agreement on all premiums paid to the Company for prescribed insurance through the Intermediary’s account. The Intermediary agrees to refund commission at the same rates on any return premiums paid to the policy holder by the insurer.
- 8.2** Should legislation relating to commission change in any way, the Company reserves the right to amend all or any of the rates of commission set out in annexure “B” hereto provided that it shall give 60 (sixty) days notice in writing to the Intermediary of its intention to do so.
- 8.3** Where existing annual business is transferred from or to the Intermediary’s agency mid-term without cancelling the policy no commission will be refunded or be payable in respect of the business transferred. Commission will be payable and/or refundable in respect of alterations in cover which result in either an additional or refund premium.

9. REPAYMENTS

- 9.1** Any sum due, payable or repayable by the Intermediary to the Company from time to time, whether in terms of this agreement or any other cause, shall, notwithstanding anything to the contrary contained herein, be payable on demand.

9.2 Any such sum so payable shall, at the election of the Company and in its sole discretion, bear interest at the rate of not more than 2% (two percent) in excess of the prime bank overdraft rate charged by ABSA bank from time to time, calculated from the date of such demand, or such other date thereafter as the Company may specify, to the date of repayment thereof and calculated daily in advance on the balance outstanding from time to time. A certificate signed by a manager for the time being of any branch of ABSA bank (whose capacity need not be proved) as to the applicable rate at any time shall constitute *prima facie* proof of such rate.

10. LEGAL COSTS

The Intermediary shall be liable for all legal costs on an attorney and own client scale (including collection commission) incurred by the Company in enforcing its rights in terms of this agreement.

11. SUMMARY TERMINATION

The Company may terminate the appointment of the Intermediary immediately on the happening of any of the following events:-

11.1 should the Intermediary in the opinion of the Company become incapable of carrying out its duties in terms of this agreement;

11.2 should the Intermediary be sequestrated or liquidated or should it make any composition with its creditors; or

11.3 should the Intermediary refuse or fail to obey lawful instructions given to it by or on behalf of the Company or be guilty of any other conduct which in law would entitle the Company summarily to terminate the appointment.

12. TERMINATION ON NOTICE

This agreement may be terminated by either party at any time giving the other one calendar month's notice in writing.

13. NON-DISCLOSURE OF TRADE SECRETS

The Intermediary undertakes that it will not at any time, whether during the continuation in force of this agreement or at any time after the termination thereof, divulge any Confidential Information to any person.

14. NOTICES AND DOMICILLIUM

The parties choose as their *domicilia citandi et executandi* for purposes under this agreement the following addresses:

14.1 The Company: 17 Pickering Street, Newton Park, Port Elizabeth, 6045; P O Box 7049, Newton Park, Port Elizabeth, 6055; Tel: 0860 103 122 Fax: 0866 717 517

14.2 The Intermediary: _____

15. ARBITRATION

15.1 Any difference or dispute between the Parties in connection with the interpretation or application of the provisions of this agreement or its breach or termination shall be referred to and be determined by informal arbitration in terms of this clause.

15.2 Either Party to this agreement may demand that a dispute be determined in terms of this clause by written notice given to the other Party.

15.3 This clause shall not preclude either Party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.

15.4 The arbitrator shall be agreed upon between the two Parties. Should the Parties fail to agree on an arbitrator within seven (7) days after the giving of notice in terms of this clause 8, the arbitrator will be appointed at the written request of any party to the dispute by the chairman for the time being of the East Cape Society of Advocates (Port Elizabeth branch).

15.5 The arbitration shall be held:

15.5.1 at Port Elizabeth;

15.5.2 in an informal manner without any pleadings and without it being necessary to observe the strict rules of evidence;

15.5.3 as soon as possible with a view to it being completed within one (1) month from the date on which the dispute is referred to the arbitrator;

15.5.4 in accordance with such procedure as the arbitrator may determine in his discretion, provided that such procedures shall be fair to both Parties.

15.6 The arbitrator shall be entitled to investigate or cause to be investigated any matter which he considers necessary or desirable in connection with the dispute and for that purpose shall have the widest powers of the investigating all the relevant books and records of the Parties to the dispute, including the right to make copies and to have such records and books produced or delivered at any reasonable place required by him for the aforesaid purpose.

15.7 The arbitrator shall decide the dispute in accordance with South African law.

15.8 The arbitrator shall be entitled to make such award, including an award in respect of costs, as he may deem fit provided that the arbitrator shall be required to furnish written reasons.

15.9 The decision of the arbitrator shall be final and binding on both Parties, save in the event of it being established that:-

15.9.1 the arbitrator failed to apply his mind properly to the matter;

15.9.2 the arbitrator acted in bad faith,

15.9.3 in which event the decision of the arbitrator shall be subject to review.

15.10 The decision of the arbitrator may be made an order of court by either of the Parties at the cost of such party.

15.11 The provisions of this clause are severable from the rest of this agreement and will remain in effect notwithstanding the cancellation, termination or invalidity for any reason of this agreement.

16. INDULGENCE

No relaxation which either Party may give in regard to the performance of the other Party's obligations under this agreement shall prejudice such party's rights hereunder or be regarded as a waiver of such rights or as an estoppel against the enforcement thereof.

17. VARIATION

This agreement constitutes the sole memorial of the contract concluded between the Parties and no addition to, variation or consensual cancellation hereof shall be of any force or effect unless reduced to writing and signed by both Parties.

SIGNED at on this day of **20....**

Witnesses:

1.

2.

THE COMPANY

SIGNED at..... on this day of **20....**

Witnesses:

1.....

2.

THE INTERMEDIARY

ANNEXURE A

Prescribed marketing area

Please note

In order to protect yourself and all parties to this agreement it is necessary to request that all quotations are converted to a PDF file and forwarded to MSB for registration purposes prior to you providing the quotation to the client. In the event of any changes being made, the process should be repeated on return from the client.

The advantages of this process to you would be as follows.

1. Assist you to verify that this is not an existing Old Mutual Insure client and saving you from having to withdraw after spending much time and effort.
2. Assist you in establishing whether any other MSB Broker has already presented a quotation in order to ensure that equality is used in the application of no claim bonuses etc.
3. Peace of mind that you are acting under the authority of a leading insurer.

ANNEXURE B

Commission, Loss Ratios and Sales Targets

Sales targets

- No sales targets are set

Loss ratios

- Loss ratios to be managed and controlled to ensure that they remain below 60%.

Commission

- Non-Motor 20%
- Motor 12.5%