Aon
Empower Results®

CONFIRMATION OF SERVICES

KAROO-HOOGLAND LOCAL MUNICIPALITY

KAROO HOOGLAND MUNISIPALITEIT MUNICIPALITY

An amalgamation of Fraserburg, Sutherland, Williston and surrounding rural areas

CONFIRMATION OF SERVICES

Aon/us/we/our	Aon South Africa (Pty) Limited
Our registration number	Aon SA - 1978/004501/07
Our FSP number	Aon SA - 20555
Our *domicilium* address	Aon SA - The Place, 4th Floor, 1 Sandton Drive, Sandton, Johannesburg
Client's/you/your name	Karoo-Hoogland Local Municipality
Client's/you/your registration / identity number	N/A
Client's/you/your *domicilium* address (physical address only)	7 Mulder Street, Williston, 8920
Commencement Date	01 October 2021
Term	30 June 2022 with the option to extend
Termination notice period	90 days

1. Purpose

1.1. The purpose of this confirmation ("Confirmation") is to record the nature and scope of the Services we will render to you, the basis of our remuneration and any other terms and conditions that may apply to the Services we render to you.

1.2. Our standard Terms and Conditions of Business Agreement ("TOBA"), as amended from time to time, is attached hereto in Schedule 6. The terms defined in the TOBA shall have the same meanings when used in this Confirmation.

1.3. Where this Confirmation contradicts any of the terms in the TOBA, the terms of this Confirmation shall prevail.

1.4. **There are eight schedules which may be attached to this Confirmation. Only those schedules relevant to you will be attached and therefore you may not have sequential schedules.**

1.5. **Please indicate your acceptance of this Confirmation and TOBA by signature below. Alternatively, any Confirmation and the latest version of the TOBA will be deemed to be accepted by you whenever you instruct us to provide any Services to you.**

2. Appointment, Duration and Termination

2.1. You appoint us, which appointment we accept, to render the Services with effect from the Commencement Date being the date set out above or the date on which you are deemed to have accepted the Confirmation and TOBA (per clause 1.5), whichever is earlier, for the term set out above or if not stated, as set out in the TOBA.

2.2. This Confirmation may be terminated in its entirety or individual schedules may be terminated by

AH JJF

either you or us providing written notice for the period as set out in the table above or if not stated, as set out in the TOBA.

3. Aon Service Team

3.1. Your Aon service team will use their understanding of your business and its requirements to deliver the Services to you.

3.2. Members of the Aon service team will be advised separately and may be amended by us from time to time.

4. Services

The general description of the Services to be rendered by us comprising Intermediary Services and Additional Services are detailed in the schedules attached hereto.

5. Remuneration

5.1. Our remuneration in respect of the Services under this Confirmation is set out in the schedules attached hereto and will generally increase annually and/or be subject to mid-term reviews as agreed with you.

5.2. Any amendments to our remuneration (other than inflationary increases) including those arising out of any annual/monthly/quarterly remuneration review will be made in writing and agreed to by the Parties.

6. General

6.1. Any alterations, additions to or modifications of this Confirmation (excluding the TOBA which can be amended by us from time to time) must be agreed in writing between the Parties and signed by the Parties or failing signature by you will be deemed to apply in terms of clause 1.5.

6.2. You may not cede or assign any of your rights in terms of this Confirmation to any third party without our consent.

Signed by the Client at Williston on 8 November 2021

Signature

Jan J. Fortuin
Name

Municipal Manager
Designation

JJF

Signed by Aon at Bloemfontein on 20 October 2021

Signature

Name

Branch Manager – Bloemfontein (Aon South Africa (Pty) Ltd

Designation

SCHEDULE 1 – CORE SERVICES

This schedule sets out a description of the Core Services we provide and does not distinguish between Intermediary Services and Additional Services as defined in the TOBA. As such, the Services represent a combination of Intermediary Services and Additional Services presented in a generally sequential format.

SERVICES PROVIDED UNDER THIS CONFIRMATION

Services prefaced "when required" will be individually agreed in writing according to your particular requirements in the Supplementary Services schedule to this Confirmation and be subject to all associated terms and conditions.

1. **Risk Advice and Placement of Cover**

We will with your agreement:

1.1 Develop strategies with you for the selection, implementation, administration and maintenance, including the future renewal, of your Insurance Policies and our Services;

1.2 Prepare and present the information you provide to a selection of Insurers;

1.3 Negotiate the most competitive terms and advantageous design and scope of cover consistent with your requirements;

1.4 Provide a summary of our negotiations with Insurers as well as our recommendations;

1.5 Obtain your final placing instructions;

1.6 Complete the placement of the required insurances with Insurers;

1.7 Review Insurance Policy documentation received from Insurers for accuracy and completeness;

1.8 Send all Insurance Policy documentation to you for your confirmation and address any queries or concerns;

1.9 Issue premium payment notifications and collect premiums for on-payment to Insurers.

2. **Insurance Policy portfolio management and administration**

In respect of your portfolio of Insurance Policies we will:

2.1 Provide ongoing and specific information about the extent of coverage, including exclusions, coverage gaps, and claims triggers;

2.2 Ensure that all amendments to your Insurance Policies instructed by you are effected promptly;

2.3 **When required and if agreed in the Supplementary Services schedule**, provide a formal servicing programme structured in accordance with your operational design and requirements (i.e. at corporate, divisional, operational levels).

2.4 **When required and if agreed in the Supplementary Services schedule**, assist you in making appropriate declarations as required in terms of your Insurance Policies;

2.5 Provide general management and administration of your Insurance Policies;

2.6 In respect of additional risks identified during the period of your Insurance Policies, negotiate with Insurers effective insurance cover at competitive premiums;

2.7 Process mid-term adjustments to your Insurance Policies and associated documentation;

2.8 Provide general insurance market information, including insurance market developments, topics of interest and, on request, our view of the financial security and service standards of Insurers underwriting your Insurance Policies;

2.9 Provide minutes of meetings with you;

2.10 Provide a summary of your Insurance Policies (Insurance Summary) as well as any required schedule of uninsured risks;

2.11 Provide client publications produced by us;

2.12 Provide on your request, non-legal information and/or advice in respect of issues of relevance in respect of your risks and Insurance Policies; and

2.13 Provide general advice on insurance and risk management issues you require.

JJF

3. Claims Advice and Services

We will:

3.1 Provide advice on how to submit claims under your Insurance Policies;

3.2 Receive claims notifications from you;

3.3 Submit claims notifications to Insurers, negotiate and obtain settlement from Insurers;

3.4 Engage with loss-adjusters and other specialists involved in the evaluation and settlement of your claims;

3.5 **When required and if agreed in the Supplementary Services schedule**, establish and maintain a loss reporting system and provide you with monthly claims reports;

3.6 **When required and under your specific authorisation and if agreed in the Supplementary Services schedule**, manage and settle claims within any self-insured limits;

3.7 Monitor the claim services of your Insurers and escalate delays or other concerns;

3.8 Attend claims related meetings;

3.9 Assist you in claims complaint escalations and/or in the appointment of attorneys and/or other professionals in respect of disputed claims.

4. ACTIVITIES PROVIDED UNDER THIS CONFIRMATION

4.1 Risk Transfer

4.1.1 Risk Identification and Advice on the type and scope of insurance coverage suitable to protect risk exposures.

4.1.2 Insurance programme design, structure and negotiation of terms, conditions, costing and market placements.

4.1.3 **When required and if agreed in the Supplementary Services schedule**, negotiate "bespoke" Insurance Policy wordings.

4.2 Annual Activities

4.2.1 Placement

4.2.1.1 Renewal Strategy Meetings.

4.2.1.2 Collation of Risk Information and Strategies from Renewal Meetings.

4.2.1.3 Preparation of Underwriting Submission for Market Quotes which includes:

a) Basis of valuation for property values and gross profit for business interruption.

b) Loss information.

c) Risk information.

d) Insurance Policy wording / improvements.

e) Agreed claims procedures and settlement authorities.

f) Basis of quotations required.

4.2.2 Run-up to Renewal placement

4.2.2.1 Identification and facilitation of additional risk information.

4.2.2.2 Presentation of risk information to Insurers.

4.2.2.3 Marketing the risk both locally and when required internationally.

4.2.2.4 Obtaining details of claims from your Insurers to communicate to you for statistical purposes in the format and frequencies agreed with you.

4.2.2.5 Preparation of claims histories for renewal negotiations.

4.2.2.6 Submission of applications to the Prudential Authority for approval to place business in foreign markets and for approval to remit premiums.

4.2.2.7 Preparation of Renewal submissions.

4.2.2.8 Presentation to you of Renewal terms and conditions.

4.2.2.9 Final confirmation, to Insurers to go on risk, as required and in accordance with your instructions.

4.2.2.10 **When required and if agreed in the Supplementary Services schedule**, liaison with your Captive Managers on the issuing of documentation.

JJF

4.2.2.11 Preparation of slips, cover notes and where applicable scope of Insurance Policy wordings.

4.2.3 Post Renewal placement

4.2.3.1 **When required and if agreed in the Supplementary Services schedule**, agreement of premium allocations to your insured group entities.

4.2.3.2 Preparation of premium payment notifications to collect premium.

4.2.3.3 Co-ordination of credit control to facilitate collection of premium under the authorisation of Insurers.

4.2.3.4 Premium payment to Insurers locally and internationally including any Captive Managers.

4.2.3.5 Preparation and distribution of Insurance Summary and Claims Procedure Manuals summarising scope of cover purchased and procedure for submission of claims.

4.2.3.6 Receiving your advices regarding mid-term changes to your risk profile, advising on changes to your Insurance Policies and implementation with your Insurers;

4.2.3.7 Processing of premium adjustments for prior insurance period.

4.3 Technical

4.3.1 Policy wordings –negotiation with Insurers.

4.3.2 Checking and distribution of Cover Notes – initial, renewal and mid-term amendments.

4.3.3 Preparation and checking of endorsements for amendments to cover.

4.3.4 On-going premium accounting functions.

4.3.5 Drafting and issuing of minutes following meetings.

4.4 Claims

4.4.1 **When required and if agreed in the Supplementary Services schedule**, management of claims under self-insurance arrangements and/or on behalf of Captive Managers.

4.4.2 Provision of support to your operations on the preparation and quantification of claims.

4.4.3 Negotiation of claims with Insurers and loss adjusters.

4.4.4 **When required and if agreed in the Supplementary Services schedule**, collection and payments of claims from local and foreign Insurers.

4.4.5 **When required and if agreed in the Supplementary Services schedule**, assistance in the recovery of claims costs.

4.5 Client Liaison

4.5.1 Scheduled and ad hoc visits to your operations, where required and as agreed with you, to provide information and discuss new and emerging issues in relation to your insurances.

4.5.2 Assistance in collection and preparation of risk information required for insuring or renewal.

4.5.3 **When required and if agreed in the Supplementary Services schedule**, on-going co-ordination and monitoring of other Risk Management and Risk Control service providers.

5. INSURANCE POLICIES

The Services under this Schedule 1 shall apply to any policy that is placed by us for you from time to time.

TM

6. OTHER SERVICES

Aon also offers further specialised services outside of those contemplated in this Confirmation. These are reflected in Schedule 6.

Should any of these be appropriate to your needs and required by you they can, by agreement, be included in this Confirmation or can be the subject of a separate agreement.

SCHEDULE 2 – AON GLOBAL CLIENT NETWORKING (AGCN) SERVICES

For the purposes of this Confirmation, AGCN Services are provided to Clients whose Insurance Policies and our Services apply to and/or are instructed by any of the Client's associated entities or risks outside South Africa requiring us to engage with other Aon operations or affiliates or Aon correspondent brokers outside South Africa in providing the Services or arranging the Insurance Policies other than where arranged on our instruction via Aon's Global Broking Centre.

These AGCN Services are generally provided in addition to the Core Services per Schedule 1 as further commented on below.

Services prefaced "when required" will be individually agreed in writing according to your particular requirements in the Supplementary Services schedule to this Confirmation and be subject to all associated terms and conditions.

1. **Risk Advice and Placement of Cover (Risk Transfer)**
We will in addition to and in alignment with the Services in Schedule 1:

1.1 Generally, engage with any Aon office or other broker outside South Africa in respect of the selection and implementation of your Insurance Policies and our Services in line with the objectives and requirements of any global insurance programme;

1.2 Advise on South African legal and regulatory requirements relating to insurance and seek and receive same from Aon offices or other brokers in respect of such foreign laws and assess their impact on and implementation of any global insurance programmes, as necessary;

1.3 Assist in obtaining information regarding the scope of cover, terms and conditions of global insurance programmes;

1.4 Assist with the collection, preparation and submission of information for global insurance programmes.

2. **Insurance Policy Portfolio – Management and Administration**

2.1 We will in addition to and in alignment with the Services in Schedule 1:

2.1.1 Assist in the local management and implementation of global insurance programmes in which you participate;

2.1.2 When required, facilitate the collection of premiums from you in connection with such global programmes for on-payment to Insurers in terms of such programmes; and

2.1.3 Provide general on-going advice on such global insurance programmes and associated risk management issues.

3. **Claims Advice and Services**
We will in addition to and in alignment with the Services in Schedule 1:

3.1.1 **When required and if agreed in the Supplementary Services schedule**, receive notification from you of all claims by you under the global insurance programmes and submit such notifications to Insurers in terms of claims reporting requirements.

3.1.2 **When required and if agreed in the Supplementary Services schedule,** meet with loss adjusters and other professionals appointed by the Insurer when assessing the claim.

4. **ACTIVITIES PROVIDED UNDER THIS CONFIRMATION**

Per Schedule 1

7. **INSURANCE POLICIES**

The Services under this Schedule 2 shall apply to any policy that is placed by us for you from time to time.

5. OTHER SERVICES

Per Schedule 1.

TB
TF

SCHEDULE 3 – AFRICA NETWORKING SERVICES

For the purposes of this Confirmation, Aon's African Networking Services are provided to Clients whose Insurance Policies and our Services apply to and/or are instructed by any of the Client's associated entities or risks in Africa but outside South Africa requiring us to engage with other Aon operations or affiliates or Aon correspondent brokers in Africa but outside South Africa in providing the Services.

These African Networking Services are generally provided in addition to the Core Services per Schedule 1 as further commented on below.

Services prefaced "when required" will be individually agreed in writing according to your particular requirements in the Supplementary Services schedule to this Confirmation and be subject to all associated terms and conditions.

1. **Risk Advice and Placement of Cover (Risk Transfer)**
We will in addition to and in alignment with the Services in Schedule 1:

1.1. Generally, engage with any Aon office or other broker in Africa but outside South Africa in respect of the selection and implementation of your Insurance Policies and our Services in line with the objectives and requirements of any Africa-wide insurance programme;

1.2. Advise on South African legal and regulatory requirements relating to insurance and seek and receive same from Aon offices or other brokers in respect of such laws that apply elsewhere in Africa and assess their impact on and implementation of any Africa-wide insurance programmes, as necessary;

1.3. Assist in obtaining information regarding the scope of cover, terms and conditions of Africa-wide insurance programmes;

1.4. Assist with the collection, preparation and submission of information for Africa-wide insurance programmes.

2. **Insurance Policy Portfolio – Management and Administration**
We will in addition to and in alignment with the Services in Schedule 1:

2.1. Assist in the local management and implementation of Africa-wide insurance programmes in which you participate;

2.2. When required, facilitate the collection of premiums from you in connection with such Africa-wide programmes for on-payment to Insurers in terms of such programmes; and

2.3. Provide general on-going advice on such Africa-wide insurance programmes and associated risk management issues.

3. **Claims Advice and Services**

3.1. We will in addition to and in alignment with the Services in Schedule 1:

3.2. **When required and if agreed in the Supplementary Services schedule**, receive notification from you of all claims by you under the Africa-wide insurance programmes and submit such notifications to Insurers in terms of claims reporting requirements.

3.3. **When required and if agreed in the Supplementary Services schedule,** meet with loss adjusters and other professionals appointed by the Insurer when assessing the claim.

4. **ACTIVITIES PROVIDED UNDER THIS CONFIRMATION**

Per Schedule 1

8. INSURANCE POLICIES

The Services under this Schedule 3 shall apply to any policy that is placed by us for you from time to time.

5. OTHER SERVICES

Per Schedule 1.

JA

SCHEDULE 4 – COMMERCIAL SERVICES

This schedule sets out a description of the Services we provide and does not distinguish between Intermediary Services and Additional Services as defined in the TOBA. As such, the Services represent a combination of Intermediary Services and Additional Services presented in a generally sequential format.

SERVICES PROVIDED UNDER THIS CONFIRMATION

Services prefaced "when required" will be individually agreed in writing according to your particular requirements in the Supplementary Services schedule to this Confirmation and be subject to all associated terms and conditions.

1. Risk Advice and Placement of Cover

We will with your agreement:

1.1. Conduct an insurance needs analysis from the risk information you provide and recommend and agree with you an insurance approach that may be by way of Bespoke Broking across a selection of Insurers or an Aon Product per section 9 of the TOBA;
1.2. Prepare and present the information you provide to suitable Insurers;
1.3. Negotiate competitive terms and pricing for your Insurance Policies in line with your insurance needs, agreed scope of coverage and other requirements;
1.4. Provide a summary of our negotiations with Insurers as well as our recommendations;
1.5. Obtain your final placing instructions;
1.6. Complete the placement of the required insurances with Insurers;
1.7. Review Insurance Policy documentation received from Insurers for accuracy and completeness;
1.8. Send all Insurance Policy documentation to you for your confirmation and address any queries or concerns;
1.9. Issue premium payment notifications and collect premiums or facilitate premium collection via debit order for on-payment to Insurers.

2. Insurance Policy portfolio management and administration

In respect of your portfolio of Insurance Policy/ies we will:

2.1. Provide ongoing information about the extent of coverage, including exclusions, coverage gaps, and claims triggers;
2.2. Assist you in making appropriate declarations as called for in terms of your Insurance Policies, where required and as agreed;
2.3. Provide general administration of your Insurance Policies;
2.4. If additional risks are identified during the period of your Insurance Policies, we will negotiate with Insurers appropriate insurance cover at competitive premiums;
2.5. Ensure that all mid-term amendments to your Insurance Policies instructed by you are effected and processed promptly;
2.6. Provide information on insurance related topics of interest and, at your request, our view of the financial security and service standards of Insurers underwriting your Insurance Policies;
2.7. Provide minutes of meetings with you;
2.8. Provide a summary of your Insurance Policies ("Insurance Summary") as well as any required schedule of uninsured risks;
2.9. Provide client publications produced by us;
2.10. Provide on your request, non-legal information and/or advice in respect of issues of relevance in respect of your risks and Insurance Policies; and

2.11. Provide general advice on insurance and risk management issues, where and as agreed.

3. Claims Advice and Services

We will:

3.1. Provide advice on how to submit claims under your Insurance Policies;
3.2. Receive claims notifications from you;
3.3. Submit your claims notifications to Insurers, negotiate and obtain settlement from Insurers;
3.4. Engage with loss-adjusters and other specialists involved in the evaluation and settlement of your claims, where required and as agreed;
3.5. **When required and if agreed in the Supplementary Services schedule**, establish and maintain a loss reporting system and provide you with monthly claims reports;
3.6. **When required and if agreed in the Supplementary Services schedule** and under your authorisation, manage and settle claims within any self-insured limits;
3.7. Monitor the claim services of your Insurers and escalate delays or other concerns;
3.8. Attend claims related meetings, where required and as agreed;
3.9. Assist you in claims complaint escalations and/or in the appointment of attorneys and/or other professionals in respect of disputed claims, where required and as agreed.

4. ACTIVITIES PROVIDED UNDER THIS CONFIRMATION

4.1. Risk Transfer
- 4.1.1. Identification of insurance needs and provision of Advice on the type and scope of insurance coverage suitable to protect your insurable risks.
- 4.1.2. Insurance Policy selection and negotiation with Insurers of terms, conditions and pricing including bespoke amendments to policy wordings when required and as agreed.

4.2. Annual Activities
- 4.2.1. Placement of your Insurance Policies
  - 4.2.1.1. Renewal planning engagements, in the form and as agreed between us.
  - 4.2.1.2. Collation of Risk Information provided by you.
  - 4.2.1.3. Preparation of Underwriting Submission for Market Quotes including:
    - 4.2.1.3.1. Presentation to Insurers of description and valuation of risk exposures including, where required, gross profit estimations for business interruption cover, in accordance with general insurance definitions and requirements.
    - 4.2.1.3.2. Previous loss history.
    - 4.2.1.3.3. Other information required by Insurers to understand your risk profile and to provide quotations.
    - 4.2.1.3.4. Basis of quotations required.

- 4.2.2. Run-up to Renewal placement
  - 4.2.2.1. Identification and facilitation of additional risk information.
  - 4.2.2.2. Presentation of risk information to Insurers.
  - 4.2.2.3. Marketing the risk to suitable Insurers.
  - 4.2.2.4. Regular updating of claims statistics and final value updates, where required and as agreed.
  - 4.2.2.5. Preparation of loss histories for renewal negotiations.
  - 4.2.2.6. Submission of applications to the Prudential Authority for approval to place business in foreign markets and for approval to remit premiums, where required and as agreed.
  - 4.2.2.7. Preparation of Renewal submissions.

JJF

4.2.2.8. Presentation to you of Renewal terms and conditions.
4.2.2.9. Final confirmation to Insurers to go on risk in accordance with your instructions.
4.2.2.10. Preparation of slips, cover notes and where required and as agreed, enhancing scope of Insurance Policy wordings.

4.2.3. Post Renewal placement
4.2.3.1. Preparation of premium payment notifications, or facilitation of premium payment via debit order, and on-payment of collected premiums to Insurers.
4.2.3.2. Preparation and distribution of Insurance Summary and Claims Procedure Manuals summarising scope of cover purchased and procedure for submission of claims.
4.2.3.3. Receiving your advices regarding mid-term changes to your insurance needs, advising on changes to your Insurance Policies and implementation with your Insurers;
4.2.3.4. Processing of premium adjustments for prior insurance period.

4.3. Technical
4.3.1. Preparation and checking of endorsements for amendments to cover.
4.3.2. On-going premium accounting functions.
4.3.3. Drafting and issuing of minutes following meetings.

4.4. Claims
4.4.1. **When required and if agreed in the Supplementary Services schedule**, management of claims under self-insurance arrangements
4.4.2. Negotiation of claims with Insurers and loss adjusters, where required and as agreed.
4.4.3. **When required and if agreed in the Supplementary Services schedule**, assistance in the recovery of claims costs.

4.5. Client Liaison
4.5.1 Scheduled and/or ad hoc visits to your operational locations, where required and as agreed with you, to provide information and discuss new and emerging issues in relation to your insurances.

4.5.2 Assistance in the collection and preparation of risk information required for insuring or renewal.

9. INSURANCE POLICIES

The Services under this Schedule 4 shall apply to any policy that is placed by us for you from time to time.

5. OTHER SERVICES

Aon also offers further specialised services outside those contemplated in this Confirmation. These are reflected in Schedule 6.

Should any of these be appropriate to your needs and required by you they can by agreement be included in this Confirmation or can be the subject of a separate agreement.

JTF

SCHEDULE 5 – REMUNERATION

1. **Remuneration types**
For the performance of Intermediary Services, we earn commission paid by your Insurers at legislated rates. For the performance of Additional Services, we charge a fee. Depending on the nature of the Insurance Policies we arrange for you and our Services we may agree to be remunerated by way of commission only or fee only or a combination of commission and fee.

2. **Remuneration changes and Excluded Services**

2.1. We may renegotiate the remuneration periodically based on any changed servicing requirements.

2.2. At renewal our remuneration for the forthcoming period will be advised in writing which communication will form an integral part of this Confirmation.

2.3. Excluded Services
Unless by written agreement, our remuneration does not include expenses incurred in support of your account not included in this Confirmation such as:

2.3.1. Specialist services outside the scope of Services under this Confirmation;

2.3.2. advice and the arranging of Insurance Policies and associated Services in respect of any new insurable risk identified by you or us after the inception of this Confirmation;

2.3.3. risk or insurance related advice in connection with any merger, acquisition or disposal activity in which you are involved including the subsequent provision of services in the case of an acquisition or merger;

2.3.4. provision of take-on services on commencement and/or run-off services upon termination of our appointment as your insurance brokers;

2.3.5. local travel outside a 50km radius of the Aon office out of which the service is provided and all foreign travel;

2.3.6. specialised claims advocacy costs in the resolution of extraordinary large and complex or contentious claims as notified to you and agreed between us.

2.4. Any written agreement in respect of such services and costs and any additional remuneration agreed between us will form an integral part of this Confirmation from the effective date of the provision of the Services under such agreement and will attract the same terms and conditions unless otherwise agreed.

3. **Remuneration for Services under this Confirmation**

3.1. Our remuneration will be based on the Services to be provided to you for 12 (twelve) month periods starting on the Commencement Date and will comprise the following:

OPTION 1

3.2 COMMISSION ONLY

3.2.1 The commission we receive from the Insurer/s with whom your covers are placed out of the premium they receive from you. This type of remuneration is standard for insurance brokers and the rates of commission are subject to legislated maxima as follows:

Class of insurance	% Commission
Motor	12.5%
Non-motor	20%
Sasria Motor	12,5%
Sasria Non Motor	15%

OPTION 2

3.2 ANNUAL ADJUSTABLE FEE ONLY

3.2.1 An annual adjustable fee of R[ ] (exclusive of VAT) calculated from the Commencement Date until the anniversary of the Commencement Date adjustable annually on a time sheet basis.

OPTION 3

3.2 ANNUAL FIXED FEE ONLY

3.2.1 An annual fixed fee of R[ ] (exclusive of VAT) calculated from the Commencement Date until the anniversary of the Commencement Date.

OPTION 4

3.2 ANNUAL / MONTHLY ADJUSTABLE FEE AND COMMISSION

3.2.1 A fee / commission combination consisting of an annual adjustable fee of RNIL per annum (exclusive of VAT)] and commission.

3.2.2 "Commission" is the remuneration we receive from the Insurer/s with whom your covers are placed out of the premium they receive from you. This type of remuneration is standard for insurance brokers and the rates of Commission are subject to legislated maxima as follows:

Class of insurance	% Commission
Motor	12.5%
Non-motor	20%
Sasria Motor	12,5%
Sasria Non Motor	15%

OPTION 5

3.2 ANNUAL FIXED FEE AND COMMISSION

3.2.1 A fee / commission combination consisting of an annual fixed fee of R[ ] (exclusive of VAT)] and Commission.

3.2.2 "Commission" is the remuneration we receive from the Insurer/s with whom your covers are placed out of the premium they receive from you. This type of remuneration is standard for insurance brokers and the rates of Commission are subject to legislated maxima as follows:

Class of insurance	% Commission
Motor	12.5%
Non-motor	20%
Sasria Motor	12,5%
Sasria Non Motor	15%

4 Fee payment

OPTION 1

4.1 Our fee is payable annually in advance within 14 days of receipt of our invoice.

OPTION 2

4.1 Our fee is payable in instalments as follows:

4.1.1 first instalment payable on [insert date], in the amount of R[ ] (exclusive of VAT), to be paid to us within 14 [fourteen] days of receipt of our invoice;

4.1.2 second instalment payable on [insert date], in the amount of R[ ] (exclusive of VAT), to be paid to us within 14 [fourteen] days of receipt of our invoice;

4.1.3 third instalment payable on [insert date], in the amount of R[ ] (exclusive of VAT), to be paid to us within 14 [fourteen] days of receipt of our invoice; and

4.1.4 fourth instalment payable on [insert date], in the amount of R[ ] (exclusive of VAT), to

be paid to us within 14 [fourteen] days of receipt of our invoice.

SCHEDULE 6 - SPECIALISED SERVICES

- Claims management services
  - Self-insured programme design and implementation
  - Registration and management of claims within the aggregate limits
  - Submission to insurers of claims outside the aggregate limits
  - Management of self-insured aggregate funds
  - Operational and statistical reporting and trend control

- Risk consulting services
  - Risk surveys
  - Risk engineering
  - Enterprise-wide risk management
  - Business continuity management

- Alternative Risk Financing services
  - Captive design and operation
  - Contingency Fund set up and management

SCHEDULE 7 – SUPPLEMENTARY SERVICES

Refer back to your services schedules and if any of the "When required and if agreed in the Supplementary Services schedule" apply to the client, please insert them in this schedule.

If none are applicable, then you do not need to add this schedule to your CoS.

JJF

SCHEDULE 8 – STANDARD TERMS AND CONDITIONS OF BUSINESS (TOBA)