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Cnr Wale & Burg Streets  
Cape Town, 8001  
0861 250 250

## **AGREEMENT**

entered into between

### **RISK MANAGEMENT LOGIQUE (PTY) LTD**

(hereinafter referred to as "Logique" or "the Insurer")

**and**

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(hereinafter referred to as "the Broker")

**WHERE** the Insurer offers a rental continuation programme, referred to as RentMaster,

**AND WHERE** the Broker wants to implement the RentMaster product in its business, and offer the RentMaster product to its clients,

**AND WHERE** the Insurer requires specific performance commitments from participating Brokers, management agents and property owners.

## **THE PARTIES HAVE NOW AGREED AS FOLLOWS**

### **1. Interpretation and Definitions**

- 1.1 The headings to the various clauses of this agreement are inserted for convenience only and shall in no way affect the interpretation of this agreement.
- 1.2 Words importing to the masculine shall include the feminine.
- 1.3 Words in singular shall include the plural and visa versa.
- 1.4 Unless the context indicates otherwise:
  - “**Application**” shall mean a proposal or an application for insurance and other products offered by Logique from time to time.
  - “**Agreement**” shall mean this agreement between Logique and the Broker and includes the schedule of commissions, and other annexures referred to in this agreement.
  - “**Commission**” shall mean the amount payable to the Broker in accordance with the terms hereof and the conditions and calculations method laid down in the schedule of commissions.
  - “**Contract**” shall mean all products offered by Logique from time to time.
  - “**Consultant**” shall mean the natural person who will sign the applications on behalf of the Broker for submission to Logique and who has been accepted as such by Logique.
  - “**Implementation Guide**” shall mean the RentMaster Implementation Guide (Ref: 811) supplied as part of the implementation training and available on the website.
  - “**Premiums**” shall mean premiums or contributions payable to Logique in terms of a contract.
  - “**the Insurer**” shall mean Santam Limited, and the underwriter of the Logique products.

## **PART I: APPOINTMENT OF BROKER**

### **2. Appointment as Independent Intermediary**

- 2.1 The Broker is appointed by Logique to act as an independent intermediary as defined in the Insurance Act, and on the terms and conditions contained in this document, and as further set out in his written mandate, in accordance with Annexure C.
- 2.2 This agreement shall be regarded as having commenced on the date on which the Broker's Mandate (in accordance with Annexure C) is signed by the Insurer.
- 2.3 It is recorded that the Broker will from time to time appoint consultants to act on its behalf. The Broker accepts that the consultant will be required to comply with Logique's policies and procedures as determined from time to time.
- 2.4 The Broker will:
  - 2.4.1 Within 14 days of signature hereof, deliver to Logique a list of consultants (in accordance with Annexure A) signed by each such consultant;
  - 2.4.2 Within 14 days of appointment or termination of a relationship with a consultant the Broker shall deliver to Logique an updated list of consultants;
  - 2.4.3 Logique shall advise the Broker in writing if it does not accept the appointment of a consultant.

### **3. Nature of Relationship**

It is recorded that the Broker acts for all purposes hereunder as an independent contractor. Neither the Broker nor any of its consultants or employees shall be deemed employees of Logique for any purpose whatsoever. Without limiting this the Broker shall not be entitled to:

- 3.1 Contract on behalf of or bind Logique in any manner whatsoever;
- 3.2 To incur any liability or debt on its behalf;
- 3.3 To publish or cause to be published on any medium, including electronic media, any advertisements or other information relating to Logique or its business or its products without the prior written approval of Logique.

### **4. Special Provisions**

- 4.1 The Broker acknowledges that the Insurer will require him to be accredited to sell the products and that Logique will on a regular and continuing basis review this as regulated by FAIS legislation and by the Policyholder Protection Rules in terms of the Short Term Insurance act. Should the Broker not be accredited by Logique, he will not be permitted to canvass and procure applications for such products.
- 4.2 All documentation submitted by the Broker to Logique or to the Insurer shall bear the Broker code as allocated to the Broker by Logique.
- 4.3 Acceptance of any risk proposed through the Broker will only be valid and binding on behalf of Logique if it is communicated by Logique, or the Insurer, in writing.
- 4.4 The Broker warrants that he has complied with all money laundering legislation and regulations applicable to South Africa. The Broker further undertakes to assist the Insurer in complying with such legislation, by obtaining all the necessary documentation, as indicated on the application forms.

### **5. Broker Remuneration**

- 5.1 The Broker shall be paid commission on premiums received by Logique during the currency of this agreement or contracts issued pursuant to applications submitted by consultants on behalf of the Broker. This shall constitute the sole compensation for services hereunder including any disbursements or charges incurred by the Broker.
- 5.2 Commissions may be withheld in respect of applications not bearing the code of the Broker.
- 5.3 The commissions shall be paid in accordance with the schedule of commission, attached hereto as Annexure B, (subject to any statutory tax deductions) and subject to the terms of this agreement.

- 5.4 The schedule of commissions may be changed at any time provided that such change, except where it may be imposed by statute or regulation, will be applicable only to contracts accepted by Logique after the effective date of the revised schedule of commissions. Increases in commission arising from updates in cover shall attract commission in accordance with the terms of the schedule of commissions current at the date of such increases.
- 5.5 Any change in plan or sum insured or premium under or in respect of a contract shall entitle Logique to adjust any commission in respect of such contract to accord with the schedule of commissions.
- 5.6 If a contract goes out of force for any reason whatsoever, no commission shall be paid to the Broker and if such commission has been received by the Broker it shall immediately repay it to Logique.
- 5.7 A statement issued by Logique shall be prima facie evidence of the state of account between Logique and the Broker, and unless an error in such statement is reported in writing within 30 days of receipt of the statement at the *domicilium citandi et executandi* of the Broker, shall become conclusive proof.
- 5.8 The Broker shall not be entitled to cede any of its rights and in particular its rights to commissions whether accrued or not hereunder.
- 5.9 Logique shall in its discretion and without notice to the Broker, be entitled to set off any amounts owing to it by the Broker from any cause whatsoever against any indebtedness of Logique to the Broker.

## **6. Code of Conduct**

The Broker will:

- 6.1 act honestly and fairly, and with care and diligence in the interest of clients;
- 6.2 make adequate disclosures of actual or potential own interests, in relation to dealings with clients;
- 6.3 act with circumspection and treat clients fairly in a situation of conflicting interests;
- 6.4 will keep adequate and appropriate records;
- 6.5 make provision for professional indemnity insurance;
- 6.6 comply with all applicable statutory or common law requirements, including the Policy Holder Protection Rules ("PPR"), applicable to the conduct of business.

## **7. Termination of Appointment**

- 7.1 The Broker may terminate his appointment at any time by giving Logique one month's written notice thereof.
- 7.2 In the event of the Broker being a natural person this agreement shall terminate on the death of such a person.
- 7.3 Logique may terminate this appointment with immediate effect in the event of:
  - 7.3.1 The Broker committing any breach of any of the terms and conditions of this agreement, or failing to comply with Logique's policies and procedures as published from time to time;
  - 7.3.2 The Broker misrepresenting the Logique products;
  - 7.3.3 The Broker abandoning or failing to actively promote the products of Logique;
  - 7.3.4 The Broker failing to diligently adhere to the policies and procedures of Logique;
  - 7.3.5 The Broker, their employees or agents conducting themselves in any manner which Logique deems as negative to the good name of Logique or its products;
  - 7.3.6 The Broker being liquidated or having to reach some compromise with their creditors.
- 7.4 On the termination of this appointment the Broker shall forthwith deliver to Logique all monies belonging to Logique and all printed matter and computer software issued by Logique or relating to Logique's business. The Broker furthermore shall arrange for the deletion within 14 days, of any information contained on computers relating to Logique or its business.
- 7.5 Upon termination of this appointment:

- 7.5.1 No further commission will become due to the Broker;
- 7.5.2 Payment of any commission then already due to the Broker shall be suspended for a period of 3 months from the date of such termination whereafter the balance of commission due on the termination date shall be paid to the Broker.
- 7.5.3 Payments of any commissions to the Broker shall be subject to:
  - 7.5.3.1 the liquidation or set off of all its indebtedness to Logique, and
  - 7.5.3.2 compliance by the Broker with Clause 8.1.
- 7.6 Upon termination of this appointment:
  - 7.6.1 The Broker shall not have any claim for damages against Logique; and
  - 7.6.2 No compensation of any nature whatsoever will be payable to the Broker.
- 7.7 During the currency of this agreement and for a period of twelve months after its termination, the directors, the members or the employees of the Broker shall not attempt to persuade or invite policyholders and customers of Logique to discontinue their contracts with Logique or otherwise knowingly do anything which is contrary to the interests of Logique. Furthermore the directors, the members and the employees of the Broker undertake not to directly or indirectly disclose in any format Logique's business secrets or systems to any party or conduct business of the same or of a similar nature with any insurer, underwriter, broker or cell captive.
- 7.8 The termination of the Broker's appointment shall not have any impact on the rights and obligations of the parties in terms of any contract of insurance, nor on Logique's appointment as the debit order service provider in terms of Part IV of the agreement.

## **PART II IMPLEMENTATION OF RENTMASTER PRODUCT**

### **8. Relationship with the Broker & Property Owners**

- 8.1 It is recorded that in entering into this agreement The Broker also acts as agent for and on behalf of participating property owners, who will also be bound by the terms of this agreement.
- 8.2 It shall be the duty of The Broker to ensure that all current and future participating property owners have either specifically authorised The Broker to contract on these terms with the Insurer, or that The Broker is empowered to do so in terms of their general appointment;
- 8.3 The Broker herewith warrants that it is duly authorised to represent the participating property owners in any and all transactions that may arise out of the implementation of the RentMaster policy. In particular, but without derogation from the generality of this warranty, The Broker warrants that:
- 8.3.1 It is authorised to bind all the participating property owners to the terms of this agreement;
- 8.3.2 It is authorised to accept any payment from the Insurer or Underwriter on behalf of all the participating property owners.
- 8.4 The Broker indemnifies the Insurer against any damages that it may suffer arising from any claim instituted by a property owner on the basis that The Broker did not have the necessary authority to transact with the Insurer as herein before set out.
- 8.5 It is recorded that Risk Management Logique is appointed by the Insurer Ltd to administer the RentMaster rental continuation programme which is underwritten by the Insurer. Any reference to Logique in this agreement shall be considered, where appropriate, to also be a reference to the Insurer, and vice versa;
- 8.6 The relationship between all the parties shall be governed by the terms of this agreement, as well as by the terms of the insurance contract to be issued;
- 8.7 Where any conflict exists in the terms of the two agreements the provisions of the policy document shall be considered binding and effective.

### **9. RentMaster Policy Applications Process**

- 9.1 Once The Broker has been accredited as a Broker for the RentMaster product, it will be allowed to submit policy applications for the RentMaster product.
- 9.2 A copy of the Insurer's Implementation Guide has been supplied to The Broker. The Insurer may from time to time amend the Implementation Guide, and publish such amendments on its website. The Broker shall apply any changes in the prescribed process as from the implementation date published in the Guide.
- 9.3 The Broker shall be responsible for ensuring that all policy applications submitted to the Insurer comply with the provisions of the Implementation Guide, as amended and amplified. The Insurer may reject applications that do not meet the provisions of the Implementation Guide.
- 9.4 In order to avoid embarrassment, the Broker should submit applications for approval prior to concluding a rental agreement with the prospective tenant.
- 9.5 A policy fee will be payable to the Insurer in respect of every application, including applications that are rejected. The policy fee currently is R75 (plus VAT) for successful applications, and R50 (plus VAT) for rejected applications. These amounts may be increased from time to time, at the Insurer's complete discretion.

### **10. Introducing new Property Owners to the RentMaster product**

- 10.1 The Broker may from time to time introduce to the Insurer new property owners who wish to participate in the RentMaster insurance product. In respect of any such new property owner, The Broker shall follow the Insurer's prescribed process as defined in the Implementation Guide, and any additional documents that the Insurer may publish from time to time.
- 10.2 Where the Insurer takes on a new portfolio with existing rental agreements in place, the Insurer will be entitled to implement a one month waiting period, during which time the

- Insurer may conduct a tenant education programme. No premium shall be payable during the one month waiting period, and no cover shall be given for that month.
- 10.3 Where a property placed with the Insurer has arrears due on the date of placement, any payments made or recovered after the date on which the policy commences, shall first be applied to settling any amounts which became due after the policy commencement date.
- 10.4 Where any existing lease agreements are accepted under the RentMaster policy The Broker shall ensure that:
- 10.4.1 The terms of that lease agreements shall not be varied;
- 10.4.2 The lease agreement shall be replaced at the earliest possible moment with the standard lease agreement prescribed by the Insurer;
- 10.4.3 Rental amounts due in terms of that lease agreement shall not be increased other than in accordance with the terms of the lease agreement, or in the absence of any such terms, in accordance with market related rates.

## **11. Principle of anti-selection**

- 11.1 The Insurer requires that property owners who implement the RentMaster policy do so on the basis of anti-selection. What this implies is that a property owner who wants to implement the RentMaster policy will be obliged to do so in respect of all his properties – he cannot elect to only place some of his properties (eg the “bad apples”).
- 11.2 The Broker herewith undertakes to implement the principle of anti-selection. The Broker undertakes that it will at all times endeavour to ensure that all of the properties of a participating property owner is placed under the RentMaster insurance cover.
- 11.3 In order to give effect to this principle, The Broker will, in the event that any property owner decides to implement the RentMaster insurance cover into his portfolio, follow the process stipulated clause 10 of the agreement.
- 11.4 The Broker agrees that where the principle of anti-selection, and the Implementation Guide referred to in clause 10 of the agreement is not adhered to, the Insurer shall:
- 11.4.1 At any time be entitled to cancel all existing RentMaster insurance policies in respect of that property owner, and
- 11.4.2 Not be legally obliged to pay any claims in terms of the policy in respect of any period during which this policy was not applied.

## **12. New Tenants Selection**

- 12.1 The Insurer will, in terms of the policy, from time to time prescribe credit vetting procedure to be applied in the selection of new tenants. The appointed procedure may include a provision that:
- 12.1.1 A particular accredited credit vetting services be utilised, and
- 12.1.2 Certain minimum selection criteria be adhered to.
- 12.2 The Broker has been provided with the Insurer’s current credit vetting policy document that stipulates both the currently accredited service provider and the minimum selection criteria.
- 12.3 The Broker agrees to apply the Insurer’s current credit vetting policy in the selection of new tenants for premises insured under the RentMaster policy;
- 12.4 The Insurer may from time to time change the credit vetting policy, and publish such amendments on its website. Any such changed policies shall be applied by The Broker as from the implementation date published in the policy document;
- 12.5 All credit vetting costs will be for the account of the applicant tenant, the property owner, or the Broker.

## **13. Termination of Lease Agreements**

- 13.1 The Insurer shall be entitled to only accept lease agreements with a minimum lease period of 6 months;
- 13.2 In the event of the initial lease period terminating, and the tenant still occupying the property, the lease will normally become a month to month lease agreement. In this event, the rental cover available to the Insured will only extend to the period of rental that the tenant may be held liable for.

- 13.3 Where the initial lease agreement with a tenant has terminated, the Insurer shall be entitled to refuse to accept any application for a new term-lease agreement with the tenant.
- 13.4 Where the Broker submits any new term-lease agreements to the Insurer, the provisions of clause 9 and 12 shall apply.

**14. Standard Lease Agreement**

- 14.1 The Broker has been provided with a copy of the Insurer's approved standard lease agreement.
- 14.2 All new tenants who take up a lease in premises insured under the RentMaster policy shall be obliged to sign a standard lease agreement that accords with the Insurer's approved standard lease agreement.
- 14.3 The Insurer may from time to time amend the prescribed terms of the standard lease agreement, and publish such amendments on its website. The amended standard lease agreement shall be implemented by The Broker as from the implementation date published in the standard lease agreement.

## PART III RENTAL AND PREMIUM COLLECTIONS

### 15. Payment of Rentals

- 15.1 The Standard Lease Agreement prescribed by the Insurer requires that the rental collections be implemented through a debit order system. The Broker agrees to implement a debit order system in respect of any lease agreements insured under the RentMaster policy.
- 15.2 The Broker has agreed to appoint Logique as the debit order service provider for purposes of collections in terms of the lease agreements between its property owners and tenants. This appointment is in accordance with terms and conditions set out in Part IV of this agreement.
- 15.3 It shall at all times remain the responsibility of the Broker to provide the Insurer with the correct data and information regarding the collections to be made from tenants (eg. monthly rentals, rental increases, etc):
  - 15.3.1 Such data shall at all times correspond with the Lessor's entitlement in terms of the lease agreement;
  - 15.3.2 The Underwriter's liability to the insured shall at all times be limited to the maximum amount due in terms of the lease agreement, provided that where a lesser amount was submitted for collection, the Underwriter's liability shall be limited to that lesser amount.

### 16. Direct Payments to the Broker

- 16.1 The parties recognise that some tenants may on an ad hoc basis tender payment directly to The Broker. The parties are in agreement that in such an event:
  - 16.1.1 The Broker will not accept such payment, but will provide to the tenant the bank account details of the Insurer (as provided by the Insurer to the Broker from time to time);
  - 16.1.2 The Broker will further assist the tenant in completing a deposit slip by including thereon the relevant lease agreement's RentMaster policy number;
  - 16.1.3 Direct the tenant to deposit the payment by using the said deposit slip.
- 16.2 The Broker herewith undertakes to, subject to clause 16.1, refuse any method of payment other than debit order, from any tenant under a lease that is subject to the RentMaster policy.
- 16.3 In the event that the Broker does accept payment from any tenant, or where a tenant pays such an amount into the account of the Broker, the Broker shall be obliged to pay such amounts over to Logique within one working day. Failing this, the Insurer shall be entitled to:
  - 16.3.1 Immediately debit the Broker's bank account in respect of any such amount. Any costs in respect of such debit shall be for the account of the Broker. The bank account referred to in this clause shall be the bank account stipulated in clause 20.5; or
  - 16.3.2 Deduct any outstanding amount, including interest, from the following insurance claim; and
  - 16.3.3 Charge interest on the said amounts at a rate equal to the maximum interest rate prescribed by the Usury Act for the period of any such delay.

### 17. Payment of Premium

- 17.1 Neither the Broker nor its consultants are authorised to collect premium, or issue any receipts in either the name of or on behalf of Logique and or the Insurer.
- 17.2 The insured shall be obliged to pay to the Insurer on or before the 1st working day of each month the full insurance premium due in respect of all contracts of insurance.
- 17.3 The parties are in agreement that the premium collection shall be conducted in accordance with clause 16.4 below.
- 17.4 The Broker herewith consents to, and instructs the Insurer to subtract all insurance premiums due to the Insurer from the rentals collected in accordance with Part IV of the agreement, and pay this into the Underwriter's designated account.

## PART IV: DEBIT ORDER COLLECTION

### 18. Interpretation

In Part IV of this agreement, and unless inconsistent with the context, the expressions set forth below shall bear the following meanings:

- 18.1 "the effective date" shall be the date of signature of this agreement
- 18.2 "the signature date" the date of last signature of this agreement
- 18.3 "client" shall be a client of the Broker who has signed a debit order instruction in favour of the Broker and or Logique.

### 19. Appointment of Logique

- 19.1 The Broker hereby appoints Logique, who hereby accepts such appointment, to provide the collection services referred to in clause 19 upon the terms and conditions contained in this agreement.
- 19.2 The relationship created by this debit order collection agreement shall be that of principal and independent contractor and shall not create the relationship of principal and agent, nor that of employer and employee or master and servant.
- 19.3 This appointment shall be deemed to have commenced on the effective date and shall continue thereafter for a 24 month period, unless and until terminated by either party giving not less than 90 days prior written notice of termination to the other; provided that no such notice of termination may be given by the Broker so as to terminate this appointment:
  - 19.3.1 within three months after the effective date; or
  - 19.3.2 while a RentMaster contract is in place in respect of that client.

### 20. The Collection Service

The parties are in agreement that the collection services to be performed by Logique shall entail the following:

- 20.1 The Broker shall obtained a signed debit order authority from all it's relevant clients, in accordance with the procedure outlined in the Implementation Guide;
- 20.2 The Broker shall provide Logique with written standing collection instructions. Such instructions shall provide details (amount and date of collection) of the monthly recurring collections to be collected by Logique;
- 20.3 The Broker shall provide Logique with written details concerning any amendments to the standing collection instructions, or with details regarding special collections. Such details shall be provided at least 20 days prior to the collection date;
- 20.4 Logique will implement all timeously received collection instructions in accordance with the Broker's written instructions. Logique will effect such collections through an accredited service provider that Logique may from time to time nominate;
- 20.5 Such service provider will pay all monies due to the broker directly into the account stipulated by the Broker on or before the 4th working day after a collection has been effected. The Broker stipulates the following account for these purposes:
  - 20.5.1 Account name: \_\_\_\_\_
  - 20.5.2 Banking Institution: \_\_\_\_\_
  - 20.5.3 Account Number: \_\_\_\_\_
  - 20.5.4 Branch name and code: \_\_\_\_\_
- 20.6 In the event that any debit order is returned after the date that such funds were paid by Logique to the Broker, and in the event that a RentMaster claim in respect of any such non-payment is rejected for non-compliance with the terms and conditions of the contract, the Broker shall within 3 hours, and in any event on the same day, upon receipt of notification of such fact, pay an amount equal to those funds back to Logique;
- 20.7 In the event of any amount due to Logique in terms of clauses 19.6, 19.9 or 25 remaining unpaid, Logique shall, without derogation to any of its other rights, be entitled to retain any other funds due to the Broker as set off for the outstanding amount;

- 20.8 The Broker hereby cedes to Logique *in securitatem debiti*, any and all rental deposits held by it in respect of clients who have signed debit order instructions in favour of the Broker and Logique. Logique will be entitled to call on immediate payment of such funds in the event that any amount due to it in terms of clause 19.6 remains unpaid;
- 20.9 Interest at the maximum prescribed usury rate shall be levied by Logique on any amount due in terms of clause 19.6, that remains unpaid after the due date.

## **21. Access**

On the signature date, the Broker shall allow Logique access to all relevant Broker information, to enable Logique to provide the collection services on the effective date.

## **22. Duties of Logique**

Logique shall do all such things, which are necessary for or incidental to or connected with the carrying out of its duties in terms of its appointment in terms of this agreement. In particular and without limiting the generality of the foregoing, Logique shall:

- 22.1 Carry out and perform all such duties and exercise all such functions as may be permitted by law and as may be necessary or desirable for the proper provision of the services;
- 22.2 Have no dealings with any of the Broker's clients other than in the normal course of Logique's business;
- 22.3 Logique will ensure that it maintains a daily backup of the data files. Weekly and monthly backups will be kept at different premises from those of Logique's offices.

## **23. Duties of the Broker**

Notwithstanding the provisions of this agreement, the Broker shall ensure that:

- 23.1 Any collection instruction given to Logique be in accordance with the Broker's legal entitlement to such collection;
- 23.2 The termination of any debit order instruction is forwarded to Logique immediately upon its receipt.

## **24. Limitation of Liability**

- 24.1 The parties record that any issue regarding the Broker's entitlement to a collection shall be an issue between the Broker and the client that raises the issue. The Broker shall not be entitled to withhold payment of any amount due to Logique on the basis of such a claim or dispute.
- 24.2 The Broker hereby indemnifies Logique and any of its associates against any claim of whatever nature that any client of the Broker may institute regarding any collection arising out of this agreement, or any instruction given in accordance with this agreement by the Broker to Logique.
- 24.3 The Broker shall maintain a professional liability policy at its cost.

## **25. Breach**

Should either party ("the defaulting party") commit a breach of any of the provisions hereof, then the other party ("the aggrieved party") shall be entitled to:

- 25.1 claim immediate specific performance and damages; or
- 25.2 cancel this appointment, claim restitution and damages;

provided that the aggrieved party shall not be entitled to cancel this agreement until it shall first have given the defaulting party 14 (FOURTEEN) days written notice to rectify the default complained of and the party in default shall have failed to comply therewith within the said 14 (FOURTEEN) day period provided further that no such written notice shall be required where the aggrieved party has given the defaulting party a notice in terms of the foregoing within the previous 180 (ONE HUNDRED AND EIGHTY) days.

## **26. Remuneration**

- 26.1 As remuneration for the services to be rendered by Logique in terms of its appointment hereunder, the Broker shall pay to Logique
- 26.1.1 Four Rand per debit order.
  - 26.1.2 Ten Rand per nominated bank account to which payments are made, unless more than 10 payment instructions are applicable per such nominated account.
- 26.2 Logique shall be entitled to deduct all amounts due in terms of this agreement from funds collected prior to payment of those funds to the Broker;
- 26.3 Logique shall be entitled to from time to time increase the amounts stipulated in clause 25.1, provided that the Broker shall be given 30 days written notice of such increase.

**27. Confidentiality**

- 27.1 For the purposes of this clause, "client data" shall mean all information and records including information stored electronically, passed by the Broker to Logique prior to or subsequent to signature hereof regarding the subject matter of this agreement including all client information and any information and records acquired by Logique pursuant to its carrying out its obligations under this agreement.
- 27.2 Client data shall be deemed the property of the Broker and Logique shall have no claim to the client data whatsoever and shall use same solely to the extent necessary to carry out its obligations in terms of this agreement.
- 27.3 The Broker shall be entitled to the return of the client data at any time, on demand. Upon termination of this agreement for any cause whatsoever, Logique shall return the client data to the Broker.
- 27.4 Logique shall in perpetuity keep the client data confidential and shall not itself use or allow or permit any other party to use the client data for any purpose whatsoever other than in carrying out the obligations of Logique under this agreement.

## **PART V: INSURANCE CLAIMS AND RENTAL RECOVERY**

### **28. Rental Payments and Insurance claims**

- 28.1 Provided that the lease agreement with the tenant is current, the Broker has complied with all the terms and conditions of this policy and of this agreement, and provided further that the 3 months cover has not been exhausted, the Insurer undertakes to deposit the rental payments into the account(s) nominated by the Broker on the 1<sup>st</sup> working day of every month.
- 28.2 The Broker will:
- 28.2.1 Not be required or entitled to take any steps regarding "late payers"; and
- 28.2.2 Not be required to formally lodge an insurance claim, as all non-payment information will already be supplied to the Insurer by reason of the fact that it is the appointed debit order service provider.
- 28.3 The parties are in agreement that in the event that a tenant did not pay his rental on the 1<sup>st</sup> working day of the month, and the Insurer has complied with his undertaking in terms of clause 28.1, the Insurer will be regarded as having paid an Insurance claim to the Insured.

### **29. Action in respect of Late Payers**

- 29.1 It is recorded that in terms of the RentMaster insurance policy the Insurer is entitled to, and will take such steps as it deems necessary to reduce the risk of late or non-payment of rental by tenants. This shall include the provision of the administration process in respect of late paying tenants.
- 29.2 The parties are in agreement that the Insurer shall be entitled to receive any and all late payment fees that may be levied in terms of the standard rental agreement, or any other rental agreement that may be of force and effect between the Broker and a tenant.
- 29.3 The Insurer shall be entitled to collect any such fees for its benefit by way of the existing debit order instruction.
- 29.4 Where any such fees are to be levied, the Insurer shall inform The Broker, who shall specify details of such a fee on the next invoice to be submitted to the tenant.
- 29.5 The Broker shall not be entitled to enter into any agreement with the tenant regarding the late payment or withholding of rental. Should the tenant on the basis of any such agreement withhold payment on the stipulated date, the Insurer shall not be liable for payment of any such amount. Where the Insurer has paid any such amount to the Broker, the Broker shall pay such an amount back to the Insurer within one working day, failing which the Insurer shall have all the remedies stipulated in clause 15.3.

### **30. Recovery by The Broker in respect of Claims Paid**

The parties are in agreement that once an insurance claim has been paid to The Broker, the Underwriter becomes entitled to any rental income received in respect of that claim period.

### **31. Rights of recourse after payment of claim**

- 31.1 Once an insurance claim has been paid, the Insurer shall be entitled to make the final decision of whether or not that defaulting tenant will be evicted, or to dictate the terms on which such a tenant will be allowed to stay in the property;
- 31.2 Where the defaulting tenant is allowed to stay subject to a renegotiated agreement, The Broker shall, if requested, conclude such a new contract with the tenant, and shall be entitled to charge an appropriate fee from the tenant.
- 31.3 Where the Insurer has paid a claim:
- 31.3.1 The Insurer shall be entitled to exercise any and all rights in terms of the lease agreement it deems necessary against the defaulting tenant;
- 31.3.2 The Broker shall not be entitled to reach any agreement with the tenant regarding outstanding monies. This shall not prevent The Broker from accepting full payment

from the tenant, in accordance with the provisions of clause 16. All other queries and negotiations are to be referred to the Insurer;

- 31.4 The Broker and the property owner shall give all reasonable assistance required by the Insurer with regard to the recovery of outstanding monies from defaulting tenants. Any information required by the Insurer for such purposes shall be supplied without any delay;
- 31.5 Subject to compliance with this agreement, the Insurer indemnifies the property owner and The Broker against any claims and or costs arising out of any claims instituted against the tenant under the principle of subrogation.

### **32. Cession & Payment of Deposit**

- 32.1 The Broker shall be obliged to collect from the tenant a deposit of at least one month's rental, or such additional amounts as may be stipulated as a condition for accepting the tenant.
- 32.2 It is recorded that in terms of the insurance policy The Broker and the property owner has ceded to the Insurer the rights and title to the deposit paid by the tenant.
- 32.3 The Broker before the commencement date of the RentMaster policy pay any deposit amount received from the tenant into a trust account designated by the Insurer. The Insurer shall, in respect of the management of such deposit amounts be obliged to comply with all the obligations of the Lessee.
- 32.4 After payment of a claim the Insurer shall (subject to the terms of the Rental Housing Act) have full powers to apply the deposit in respect of outstanding monies in terms of the lease agreement, as if it were the contracting property owner, and or agent;
- 32.5 Where the Insurer has received more than one month's deposit, and such amount is not required for repairs to the property, the Insurer shall be entitled to set off any such balance of the deposit as remains against any outstanding amounts owed by the tenant. "Repairs" for purposes of this clause refers to such repairs as the property owner would be lawfully entitled to deduct from the tenant's deposit in terms of the lease agreement;
- 32.6 Despite having the legal cession of the full deposit, as above set out, RentMaster does acknowledge the necessity of repairing the property as quickly as possible, so as to put it in a rentable condition again. In view of this, and notwithstanding the cession, the deposit shall be applied to repair damages, in circumstances set out below:
- 32.6.1 Where the landlord submits an inspection report within 10 days after the expiration of the lease, that specifies the damages that the tenant is legally liable for, the deposit may be applied to pay for such damages. Any balance of the deposit will be applied to cover arrear rentals;
- 32.6.2 Where no inspection report is received in accordance with 3.1, the whole deposit will be applied to cover arrear rentals. We point out that in the absence of such an inspection report, the tenant would in any event not be liable for the repairs.
- 32.7 Where the Insurer has received payment of any deposit amount, The Broker and the property owner is herewith indemnified against any further claim by the Tenant relating to such deposit amount paid to the Insurer.

### **33. Re-letting of properties**

- 33.1 Where a defaulting tenant has vacated a property, the Insurer shall be supplied with a copy of the inspection report of that property as soon as it becomes available. The Insurer shall be entitled to inspect any vacated property;
- 33.2 Where any condition of a vacated property renders it unsuitable for re-letting, the property shall be placed in a lettable condition within 10 working days from the date it became available. Where any dispute arises between the parties in respect of this issue, the Insurer shall appoint an independent expert to examine the property and give directions, which shall be final;
- 33.3 When a defaulting tenant has vacated a property, The Broker shall endeavour to re-let the property as soon as is possible.
- 33.4 Where the property remains unlet one month after becoming vacant, the Insurer shall be entitled to also appoint a letting agent. Where the Broker has not found a tenant, the Broker shall be obliged to accept any tenant sourced by the letting agent. The costs in respect of

such letting agent shall be for the account of the property owner, provided that such costs shall be charged at reasonable market related fees;

- 33.5 Where the Broker receives any rental as a result of the re-letting of the property in respect of a period for which the Insurer has indemnified the property owner, such rental shall be paid to the Insurer as per the provisions of clause 16.

## **PART VI: ANCILIARY OBLIGATIONS AND RIGHTS**

### **34. Invoicing & Notices**

- 34.1 The Broker shall be obliged to invoice all tenants on behalf of the property owners on a regular monthly basis. Such invoices shall reach the tenants timeously (at least 7 days prior to the rental amount being due), and shall contain a full description of rentals and other costs being levied.
- 34.2 The Insurer may from time to time require that notices be sent to all participating properties. Provided that the Insurer provides the copies of such notices, these shall be forwarded to the tenants by The Broker together with the invoices, at no charge to the Insurer.
- 34.3 The insurer will on or before the 10<sup>th</sup> day after the collection date report to the Broker the details of all unmet debit orders.
- 34.4 The Broker shall on a monthly basis, and after the 10<sup>th</sup> working day, provide receipts to the tenants in accordance with the provisions of the Rental Housing Act. The Broker shall ensure that such receipts are issued in accordance with the report referred to in clause 33.4. The Broker must ensure that tenants whose debit orders are returned unmet are not issued with receipts.

## **PART VII: GENERAL PROVISIONS**

### **35. Disputes**

- 35.1 In the event of any dispute of any nature whatsoever arising between the parties on any matter provided for in, or arising out of this agreement, then that dispute shall be submitted to and decided by arbitration;
- 35.1.1 "Dispute" in clause 35.1 shall include, but shall not be limited to the following:
- 35.1.2 Any dispute regarding the interpretation or rectification of the main agreement, as well as this clause;
- 35.1.3 Any dispute regarding the termination of the main agreement, and the consequences of any such termination or purported termination;
- 35.1.4 Any dispute regarding the voidness or voidability of the main agreement. It is specifically recorded that this arbitration agreement is severable from the main agreement;
- 35.1.5 A counterclaim on any matter provided for in, or arising out of this agreement.



**Annexure A:**

**LIST OF CONSULTANTS**

**NAME OF BROKER:** \_\_\_\_\_

The following persons are currently consultants with the above Broker. They are authorised to sign contract applications for and on behalf of the Broker.

<b>No</b>	<b>Name &amp; Surname Of Consultant</b>	<b>ID Number</b>	<b>Signature of Consultant</b>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15*			

\* If insufficient space, please add additional pages.

Signed at .....on this.....day of .....20.....

.....  
**(for and behalf of the Broker)**

.....  
**As Witness**

**ANNEXURE B**

**Schedule of Commissions**

<b>Product</b>	<b>Percentage of Premium paid as a commission to the Broker</b>
RentMaster	5% up to 50 policies
RentMaster	10% over 50 policies