

LETTING MANDATE

01 March 2011

This mandate contains the standard terms and conditions applicable to Property Brokers. Any Property broker wishing to perform estate agency services in respect of a building and/or premises managed by Rennie Property, shall perform such services and receive commission on the basis and in accordance with the terms and conditions herein set out.

1. Definitions

- 1.1 "Commission" shall be: the fee payable to a Property Broker by a Landlord for estate agency services rendered.
- 1.2 "Introduction" shall be: the manner as defined hereinafter whereby a Property Broker shall introduce a prospective tenant to prospective premises and to the Property Manager.
- 1.3 "Estate Agent" shall be: the definition as described in The Estate Agency Affairs Act 112 of 1976.
- 1.4 "Property Broker" shall be: an estate agent in possession of a valid fidelity fund certificate issued by the Estate Agency Affairs Board.
- 1.5 "Property Manager" shall be Rennie Property, duly mandated by a Landlord to manage its building(s) on its behalf and authorised to accept introductions from Property Brokers.
- 1.6 "Landlord" shall be: an owner of a particular building or property managed by the Property Manager.

2. Letting Mandate

- 2.1 The Property Manager hereby grants to the Property Broker a mandate to perform estate agency services in respect of buildings or premises managed by the Property Manager.
- 2.2 A Property Broker shall have a valid claim for commission, provided that the Property Broker is the effective cause of an agreement of lease entered into by a Tenant and a Landlord, calculated in accordance with the following:
 - 2.2.1 On monthly leases or leases shorter than or equal to 1 year:
 - the lesser of one month's rental or 10% of the total rental.
 - 2.2.2 On fixed term leases longer than 1 year:
 - 5% of the first two year's rental;
 - 2,5% of the next three years' rental;
 - 1,5% of the next three years' rental;
 - 1% of the balance of the period.



- 2.2.3 A Property Broker will be deemed to be the effective cause of a lease agreement if:
- 2.2.3.1 The Property Broker physically accompanies a prospective tenant to a specified premises that the Property Broker deems to be suitable for the prospective tenant's use and purposes and thereafter, in writing, introduces the prospective tenant in respect of the specified premises to the Property Manager.
 - 2.2.3.2 A Property Broker is the effective cause of the introduction and negotiations which give rise to the conclusion of an Agreement of Lease between a Landlord and a prospective tenant.
 - 2.2.3.3 The Landlord's standard lease agreement has been signed by both the tenant and Landlord and all or any suspensive conditions contained in the lease agreement have been fulfilled.
 - 2.2.3.4 All fees payable by the tenant in terms of the lease agreement have been paid to the Property Manager.
 - 2.2.3.5 A deposit or bank guarantee, as stipulated in the lease agreement, has been paid or delivered to the Property Manager.
 - 2.2.3.6 The tenant has taken occupation of the premises and the first month's rental has been paid by the tenant to the Property Manager.
- 2.3 It is recorded that in the following situations a Property Broker will not be entitled to any commission or increased commission as the case may be:
- 2.3.1 Where a prospective tenant is introduced directly to a Landlord, without at the same time introducing the prospective tenant to the Property Manager.
 - 2.3.2 Where a prospective tenant is introduced to the Property Manager, in any manner, before the Property Broker has physically accompanied and introduced the prospective tenant to a prospective premises.
 - 2.3.3 Where, in the circumstances set out in paragraph 2.7 below, a prospective tenant chooses to deal with the Property Manager directly and the Property Manager thereby becomes the effective cause of the lease transaction.
 - 2.3.4 Where the Property Broker was the effective cause of a lease agreement which was concluded between a tenant and the Landlord and:
 - 2.3.4.1 The Tenant renews his/her lease or exercises an option provided for in the lease; and/or
 - 2.3.4.2 The Tenant takes up any additional premises or space during the lease period; and/or
 - 2.3.4.3 Additional rental is derived out of a market revision of rentals in terms of the lease; and/or
 - 2.3.4.4 There is escalation in respect of local authority charges (e.g. rates) payable in terms of the lease.
- 2.4 Commission shall be calculated on (and where applicable): basic rental; operating costs; municipal rate recoveries; marketing fund recoveries and parking. It will specifically exclude any amortised costs and VAT or costs recoverable from the tenant relative to his/her occupancy of a specific premises, eg cleaning or garden maintenance services recovered by the Landlord.



- 2.5 Where a lease agreement is concluded between a Landlord and a tenant and the tenant:
- 2.5.1 Is declared insolvent or liquidated within a period of twelve months from the commencement date of a lease; and/or
 - 2.5.2 Defaults on payment within a period of twelve months from the commencement date of a lease causing the Landlord to cancel the agreement of lease,
- the Landlord reserves the right to claim back the any commission or part thereof paid to the Property Broker.
- 2.6 All offers made by prospective tenants must allow the Landlord at least 5 (five) working days to accept the offer. Such offers shall include sufficient of the prospective tenant's details to enable the Property Manager to perform the necessary bank and credit bureau checks.
- 2.7 Where a prospective tenant by means of an advertisement(s) to the general public or otherwise invites proposals, tenders or submissions to be submitted by Landlords in terms of which such prospective tenant requires office, retail or other premises, the Property Manager shall be entitled to submit directly to such prospective tenant its own proposal or complete its own tender.
- 2.8 The Property Manager shall have the right, at any time, to continue with negotiations on all available premises and conclude, on behalf of the Landlord, a lease agreement with any prospective tenant not introduced by a Property Broker.
- 2.9 Unless the Property Broker, after the introduction of the prospective tenant, actively and without unreasonable interruption or delay pursues negotiations with the potential tenant for the prospective premises, the Property Broker's introduction shall only remain valid for a period of one (1) month from the date of introduction.
- 2.10 A Property Broker's introduction shall be for a specific premises and shall not be regarded as a general introduction to a building or to the Property Manager's portfolio.
- 2.11 No "To Let" boards or other advertising other than that of the Property Manager shall be displayed on vacant premises.
- 2.12 This mandate supercedes any previous mandate given to any Property Broker and shall henceforth form the basis of any commission agreement unless otherwise agreed to in writing, and shall regulate the relationship between the Property Manager and a Property Broker.

ON BEHALF OF RENNIE PROPERTY
24 MAY 2010

