



19 February 2021

LETTING MANDATE

This Letting 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 on behalf of Boxwood Property Fund, shall perform such services and receive commission on the basis and in accordance with the terms and conditions herein set out.

1. The Property Manager hereby grants to the Property Broker a Letting Mandate to perform estate agency services in respect of Boxwood's buildings/premises.
2. A Property Broker shall have a valid claim for commission, (calculated as per para 2.1 and 2.2) provided that the Property Broker is the effective cause (as defined in para 3) of an agreement of lease entered into by a Tenant and a Landlord.
 - 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 On fixed term leases longer than 1 year:
 - 5% of the first two year's rental;
 - 2.5% of the next three year's rental;
 - 1.5% of the next three year's rental;
 - 1% of the balance of the period.
3. A Property Broker will be deemed to be the effective cause of a lease agreement if:
 - 3.1 The Property Broker physically accompanies a prospective tenant to a specified premise that the Property Broker deems to be suitable for the prospective tenant's use and purposes and introduces the prospective tenant in respect of the specified premises to the Property Manager and/or Boxwood in writing, and
 - 3.2 The 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.
4. Commission will be paid to the Property Broker only after;
 - 4.1 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, and
 - 4.2 All fees payable by the tenant in terms of the lease agreement have been paid to the Property Manager, and
 - 4.3 A deposit or bank guarantee, as stipulated in the lease agreement, has been paid or delivered to the Property Manager, and
 - 4.4 The tenant has taken occupation of the premises and the first month's rental has been paid by the tenant to the Property Manager.



5. 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:
 - 5.1 Where the Property Broker was the effective cause of a lease agreement which was concluded between a tenant and the Landlord and:
 - 5.2 The Tenant renews his/her lease or exercises an option provided for in the lease; and/or
 - 5.3 The Tenant takes up any additional premises or space during the lease period; and/or
 - 5.4 Additional rental is derived out of a market revision of rentals in terms of the lease; and/or
 - 5.5 There is escalation in respect of local authority charges (e.g., rates) payable in terms of the lease.
6. 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 amortized costs and VAT or costs recoverable from the tenant relative to his/her occupancy of a specific premises, e.g., cleaning or garden maintenance services recovered by the Landlord.
7. Where a lease agreement is concluded between a Landlord and a tenant, and the tenant:
 - 7.1 Is declared insolvent or liquidated within a period of twelve months from the commencement date of a lease; and/or
 - 7.2 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 any commission or part thereof paid to the Property Broker.
8. 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.
9. 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 Boxwood in terms of which such prospective tenant requires office, retail or other premises, the Property Manager/Boxwood shall be entitled to submit directly to such prospective tenant its own proposal or complete its own tender.
 - 9.1 The Property Manager shall have the right, at any time, to continue with negotiations on all available premises and conclude, on behalf of Boxwood, a lease agreement with any prospective tenant not introduced by a Property Broker.
 - 9.2 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.



- 9.3 A Property Broker's introduction shall be for a specific premise and shall not be regarded as a general introduction to a building or to the Property Manager's portfolio.
- 9.4 No "To Let" boards or other advertising other than that of the Property Manager shall be displayed on vacant premises.
- 9.5 This mandate supersedes 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/Boxwood and a Property Broker.

10. Definitions:

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