

TERMS AND CONDITIONS OF PROPERTY BROKING TRANSACTIONS

March 2017

1 INTRODUCTION

- 1.1 These terms and conditions are intended to set out clearly defined circumstances under which Abreal shall become liable to a broker (otherwise known as a property or estate agent) for the payment of commission pursuant to such broker being the effective cause of the successful conclusion of a lease or sale agreement.
- 1.2 The purpose of setting out such terms is to ensure that the relevant broker is paid its due commission and to avoid situations wherein multiple brokers claim commission on the same transaction.
- 1.3 By using any information which refers to these terms and conditions and that has been provided to you, in whatever form, from Abreal, you, in your capacity as a broker, confirm that you have read and understood these terms and conditions and that you agree to be bound by them.

2 MANDATE

- 2.1 The broker recognises that -
- 2.1.1 the providing of, sending of, making available or reference to marketing material, brochures, fact sheets, vacancy schedules and proposal documents does not automatically create a mandate by Abreal, or the landlords which Abreal represent, to the broker to lease or sell the property;
- 2.1.2 an introduction by a broker to Abreal in relation to the property does not give rise to any right or entitlement to commission unless the conditions set out in this policy are fulfilled;

- 2.1.3 no sole or exclusive mandates are granted by Abreal;
- 2.1.4 an introduction alone is not enough to establish effective cause. The mere fact that a broker introduces a property or tenant or a purchaser to Abreal (as the case may be) and a lease or sale agreement is concluded, is not in itself sufficient. The broker must play an active role in all material steps in the negotiations and must see the lease or sale agreement to its conclusion in order to be the effective cause of the transaction and as a result entitled to commission;
- 2.1.5 where following an introduction by one broker, another broker produces an acceptable binding offer, letter of intent, sale agreement, lease or some other written form of commitment on the part of the client to complete a transaction; Abreal reserves it right to recognise the second broker as the effective cause of the transaction without any obligation to pay commission to the first introducing broker.
- 2.1.6 the overarching principle is that it is the broker who can demonstrate that he or she was the effective cause of a transaction, as distinct from the introduction, is the broker who is entitled to a commission;
- 2.2 Should the broker not be able to arrange an initial meeting with the client and Abreal within a period of 30 (thirty) calendar days from the date of the initial introduction, then the introduction will be deemed to be of no further effect and will not be recognised by Abreal unless Abreal, in its sole discretion, extends the period within which the initial meeting must take place by notice in writing to the broker.
- 2.3 The broker must confirm in writing (i) that they represent the client; and (ii) the particulars of the introduction.
- 2.4 Should the broker be unable to bring negotiations regarding the transaction to conclusion within a further 30 (thirty) calendar days from the date of the initial meeting, then the introduction will be deemed to be of no force or effect and will not be recognised by Abreal unless Abreal, in its discretion, extends the period within which the broker must conclude such negotiations, including the conclusion of a valid lease/sale agreement, by notice in writing to the broker.
- 2.5 The obligation rests on the broker to provide written proof that the broker has been appointed as the exclusive representative of the client who is the potential

tenant or purchaser. In the absence of such proof the broker acknowledges that they are not the exclusive agent of the client and therefore that any alternate broker that can conclude a deal with the client by obtaining an acceptable binding agreement will be entitled to the brokering commission in respect thereof, irrespective of how much time or effort has been expended in attempts to conclude a deal by the broker who made the initial introduction to Abreal.

- 2.6 The broker that can provide an acceptable binding agreement from the client will be the broker that is the effective cause and as such is the only broker entitled to commission.
- 2.7 An introduction by a broker must be in respect of a specific client. Any associated companies, holding companies, or subsidiaries of the client will not be automatically considered as having been introduced by the broker.
- 2.8 An introduction by a broker must be in respect of a specific property. Any other properties that the client may consider that were not introduced by the broker will not entitle the broker to a commission.
- 2.9 The broker must act, in the utmost good faith, for both parties in the negotiation and conclusion of an agreement.
- 2.10 Abreal reserves the right to revive negotiations with a client, without the continued involvement of the broker, where such negotiations have been terminated at the election of the client prior to the conclusion of a binding lease or sale agreement, in which case no commission will be due to the broker.

3 OFFER

Any binding offer from a client that is delivered by a broker to Abreal must be on terms and conditions that are agreeable to Abreal, or the landlords which Abreal represent, to entitle the broker to commission.

4 EFFECTIVE CAUSE

- 4.1 The effective cause of a transaction is achieved only when a broker provides Abreal with an acceptable legally binding offer signed by a legitimate client that is acceptable to Abreal, or the landlords which Abreal represent.
- 4.2 The broker must have complied with the following terms of the mandate in order to be considered the effective cause of the transaction -
- 4.2.1 the broker must be actively involved in every material step of the negotiations and must engage meaningfully with the decision makers of Abreal, as the landlords representative, and the client;
- 4.2.2 the broker must use his or her best endeavours, as a diligent and committed broker, to identify and resolve, through investigation, research and negotiation, the respective needs of the client in relation to the property leading to the successful conclusion of a transaction;
- 4.2.3 the broker will be expected to, where necessary or appropriate, liaise with any and all professional advisors of either or both parties;
- 4.2.4 the broker is required to record his or her activities in relation to all negotiations and interactions, in regular emails circulated to the relevant parties and forwarded to Abreal;
- 4.2.5 the broker is required to remain fully transparent and demonstrate the utmost level of good faith in terms of the status of the transaction by keeping Abreal informed of all developments in relation to the transaction, including but not limited to, full disclosure of the client's level of interest in the property introduced and the client's intention, as far as the broker knows, to conclude a transaction. Should the client's interest reduce, diminish or cease, the broker is to inform Abreal of this change of heart immediately upon the broker becoming aware of this;
- 4.2.6 the broker is to remain in good favour with all parties to the transaction. If, for any reason, the client ceases or refuses to deal with the broker, then any possible entitlement to the commission will fall away;

- 4.2.7 the broker must produce a binding agreement that is acceptable to the Landlord that Abreal represents to be entitled to any commission;
- 4.2.8 the broker is to treat all information between Abreal and the client as privileged and not to disclose such information to any third party.

5 COMMISSION STRUCTURES

5.1 Unless otherwise agreed in writing by Abreal, the following commission payment structure will apply in relation to:

5.1.1 Lease Agreements -

5.1.1.1 5.0% of the gross rental for years 1 to 2

5.1.1.2 2.5% of the gross rental for years 3 to 5

5.1.1.3 1.5% of the gross rental for years 6 to 8

5.1.1.4 1.0% of the gross rental for years 9 to 10;

5.1.2 Land Sale Agreements, a commission of 2.5% of the value of the land sale;

5.1.3 Turnkey Development Sales, a commission of 0.25% of the value of the construction cost.

5.2 Terms of reference for the above scales are as follows:

5.2.1 Gross rental is the aggregate gross rental excluding rates and taxes, estimated utilities but including operating cost.

5.2.2 Years means the calendar years in terms of the lease calculated from lease commencement.

5.2.3 The relevant percentage applicable is calculated on amounts exclusive of VAT.

- 5.2.4 Any amounts granted as concessions in terms of the lease, such as rent free periods, tenant inducements or financial incentives, are to be deducted from the relevant year's gross rental, or alternatively from the first year rental, before the calculation of commission.
- 5.2.5 Commission on a land sale is on the nett value of land excluding transfer costs, VAT and the like.
- 5.2.6 Commission on a turnkey development is based on the estimated building cost of the top structure only.

6 PAYMENT OF COMMISSION

6.1 Payment terms are as follows in relation to:

6.1.1 Lease Agreements -

6.1.1.1 50% of the commission is due after the lease is signed by both landlord and tenant and after all suspensive conditions have been fulfilled including the payment of deposits or issuing of guarantees as is required in terms of the lease;

6.1.1.2 The remaining 50% of the commission is due once the tenant has taken occupation of the premises and all outstanding tenant installation costs due to the developer have been paid by the tenant to the developer;

6.1.2 Land Sale Agreements, the commission is payable upon transfer of the property;

6.1.3 Turnkey Development, the commission is payable upon occupation by the client of the property;

6.2 Additional commission will not be payable where the client in any way extends the lease period, increases the lease area, or where the client purchases the property after the conclusion of the original transaction.

6.3 Commission is not paid for any portion of any lease in excess of 10 years.

- 6.4 Any single user lease greater than 10,000 m² will be subject to a further discount of 30% of the commission as calculated above.
- 6.5 No commission will be payable on any transaction where the client has elected to undertake any form of a tender or RFI/RFP (Request For Information/Proposal), notwithstanding that an earlier introduction may have been made. The point in time at which a client elects to undertake any form of tender or RFP process immediately precludes the broker from claiming a commission, as the introduction is considered cancelled. Where a broker is appointed to facilitate a tender or RFP of any nature the onus will be on the broker to agree with the client any compensation for such processes. Should the payment of commission by the developer be a requirement of the client as part of the tender cost, then it is to be clearly communicated as to what amount is to be provided for as part of the tender. It is essential that all bidders provide the same amount for commission in this eventuality.
- 6.6 All payments will be paid on the last day of the month provided that the payment is due at that date and that a legally valid tax invoice is received by no later than the 15th day of the month and also subject to the requirement that you have complied with the payee information process so that you become loaded on to the Abreal payment system.

7 AMENDED OR UPDATED TERMS AND CONDITIONS

- 7.1 Abreal may periodically update or change these terms and conditions without notice. You should check them from time to time, as your continued use of information and interaction with Abreal will be taken to mean that you accept any updated or revised terms and conditions as published on the Abreal website.
- 7.2 Accordingly you agree to review these terms and conditions periodically, and your continued access or use of information supplied to you by Abreal, in whatever form, shall be deemed to be your acceptance, from time to time, of the amended standard terms and conditions.

8 GENERAL

- 8.1 These terms and conditions shall commence from the date on which they are published on the website and continue indefinitely, as amended by Abreal from

time to time, for so long as the website exists and is operational. Abreal shall be entitled to terminate these terms and conditions and/or shut down the website at any time.

- 8.2 If any clause in these terms and conditions is declared by any court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall in no way affect any other clause or part of any clause, all of which shall remain in full force and effect, so long as these terms and conditions shall be capable of continuing in effect without the unenforceable term.

9 **ELECTRONIC COMMUNICATIONS AND TRANSACTIONS ACT 25 OF 2002 (“THE ECT ACT”)**

These terms are subject to the provisions of the ECT Act and any of the terms that are in conflict with any of the compulsory provisions of the ECT Act will be deemed to have been modified so as to comply with such provisions of the ECT Act.