

ANNEXURE C - LICENSE AGREEMENT

Updated : October 2017

NATIONAL AND INTERNATIONAL POLICY AND PROCEDURES MANUAL

A. PREAMBLE:

Participants: This policy and procedure manual is designed to assist licensees operating in South Africa, Sub-Saharan Africa and licensees under the International banner of Fine & Country.

Intention: The intention is to provide guidelines which will maximise the benefits of belonging and interacting with the network. In order to ensure that a Company, such as ours functions efficiently, achieves maximum communication and integration of effort, it is necessary to establish a number of written guidelines for general behaviour and conduct among Fine & Country members when we refer clients from one office to another.

In terms of the License Agreement a Licensee must make full use of the provided referral system provided by the Company as more fully describe in the attached Referral Policy and Procedure Manual marked Annexure C. The member will give feedback to the appointed Referral Manager as requested. The Member also undertakes to provide the Company with feedback on sales concluded as a result of referrals, commission paid and received as a result of the referral network. Failing to comply with the Referral Policy and Procedure will constitute a material breach of this agreement.

B. GENERAL GUIDELINES:

On recommendation of the Steering Committee, which was supported by Members of Fine & Country, a decision was taken in February 2015 to appoint a Referral Manager whose salary will be covered by a special levy (to be paid by Members). The objective of this appointment is to have a skilled senior person who will manage the process effectively.

1. Information required for a buyer referral: (6 months life-span)

- Name & Surname of the buyer
- Contact telephone number of the buyer
- Email address of the buyer
- Price Range
- Areas looking to buy in (Max 3 suburbs) The Referring agent should question the buyer to such extent that only three possible areas can be submitted, being the area where the buyer would prefer to live.
- Accommodation required

2. Information required for a seller referral: (12 month life-span)

- Name & Surname of the seller
- Contact telephone number of the seller
- Email address of the seller
- Address of property to be sold: Street, number and suburb; county or province
- A Sectional Title & Cluster must include the complex name and the number
- Lightstone report (assist referring agent to give accurate information). The property should be identifiable from the information given by the referring agent
- We do not accept referrals where the seller is not the owner, unless accompanied with the relevant documentation, giving the third party the right to deal with the property

3. Information required for a landlord referral: (12 month life-span)

- Name & Surname of the landlord
- Contact telephone number of the landlord
- Email address of the landlord
- Address of property to be leased: Street, number and suburb; county or province
- A Sectional Title & Cluster must include the complex name and the number
- Occupation date
- Accommodation available
- Rental expectation if possible
- We do not accept referrals where the Lessor is not the owner, unless accompanied with the relevant documentation, giving the third party the right to deal with the property

4. Identity of the referrer: Please include the office and the referring agent's details, agent/manager or admin person to be contacted to give feedback. E-mail address is sufficient.

5. Responsibility of licensees:

- (i) It is the duty of the Member (licensee) to educate employees and to ensure that the correct procedure is followed, including providing sufficient information to capture onto the system.
- (ii) The Licensee will be expected to hand a copy of these Referral Rules and Guidelines to each of his/her employees. The Company may request proof thereof during inspection visits to the offices.
- (iii) It is the Licensee's responsibility to ensure that any New Referral received by their office, is assigned to an agent within 24 hours (1 day) and that the agent contacts the client within 24 hours (1 day).
- (iv) Should an agent resign, the Licensee is expected to reassign the referral to another agent and to advise the Referral Manager within 72 hours (3 days).
- (v) It is the Licensee's responsibility to provide a copy of the signed Sale/Lease Agreement to the Referral Manager as soon as the agreement has been signed and accepted.

6. How to refer:

- (i) Email the buyer / seller / landlord referral to the Referrals Manager on referrals.sa@fineandcountry.com who will then capture it into the referrals system and process the referral.
- (ii) This may be done by completing a Referral Form electronically and forwarding it by e-mail to the Referral Manager or by sending an e-mail with all the relevant information directly to the Referral Manager. All Inter-Office referrals must be sent to the Referral Manager, no exceptions.
- (iii) A referral that is sent outside office hours will be recorded at the time the email is read.

7. Payment procedures:

- (i) Good and professional conduct is expected from each and every licensee: Once a sale is concluded the commission amount payable will be confirmed by the Referral Manager.
- (ii) A copy of the Sale Agreement / Lease Agreement must be forwarded to the Referrals Manager within 7 days of the conclusion of such transaction.
- (iii) **The Referral Manager will calculate the commission as per the Sales Agreement / Lease Agreement and will submit an invoice to the Receiving Licensee Office for the amount of 25% plus VAT.**
- (iv) Upon receipt of the payment, the Referral Manager will request an invoice from the Referring Licensee Office for the amount of 20% plus VAT.
- (v) Upon receipt of the invoice the Referral Manager will instruct the Accounts Department to pay the Referring Licensee Office.

8. Source: Always include the name of the referring agent and the Office.
(This is important for Awards Ceremony)

9. Feedback: Feedback is the breakfast of champions. As soon as a property is listed the Website Reference Number must be sent to the Referral Manager via e-mail. Kindly adhere to giving feedback to the Referral Manager on a regular basis. The onus is on the receiving office to give feedback to the Referral Manager via e-mail. (failure to give feedback when required may be given to the licensor to investigate)

10. Show day visitors: Each Member should have an in-house policy which deals with show-day buyers.

11. Property Exhibitions: Clients belong to the representative on the stand and will be regarded as referrals if referred to any office. Normal referral commissions will be due. The referral listings will be handed to the Referrals Manager who will load them within 24 hours (1 day) of receiving them.

12. Follow up: It is the referring agent / licensees' responsibility to continuously follow up on all referrals and to respond to all requests of the Referral Manager within 24 hours (1 day) of receiving such request.

13. REFERRAL COMMISSION PAID ON SELLERS / BUYERS / LANDLORDS

- (i) Commission is payable on all inter-office referrals whether recorded or not
- (ii) 25% of the Gross Commission received by the Receiving Licensee Office plus Vat will be paid to the Referral Department. (5% hereof will be retained by the Referral Department and 20% will be paid by the Referral Department to the Referring Licensee Office
- (iii) Should an agent have left the company before a deal has taken place, then the referring office will receive the full referral commission.
- (iv) Due to the relatively high commission paid, the qualification process will be strict - agents are expected to send through qualified referrals only.
- (v) In the case where an agent receives a seller referral, as well as a buyer referral and matches the two together, both a buyer and a seller referral will be due.

14. REFERRAL COMMISSION CALCULATION FOR COMMISSION PAID ON RENTALS (LANDLORDS ONLY)

- (i) Irrespective of the way the Licensee Office derives their income from a Lease Agreement, the following calculation will apply:

$$\text{Monthly rental amount} \times \text{period in months} \times 8\% + \text{VAT} \times 25\% = \text{Referral Fee payable}$$

15. REFERRAL COMMISSION CALCULATION FOR COMMISSION PAID ON SALES (BUYERS & SELLERS)

- (i) Irrespective of the way the Licensee Office derives their income from a Sale Agreement, the following calculation will apply:

$$\text{Total commission plus VAT} \times 25\% = \text{Referral Fee payable}$$

16. LIFE of a BUYER / SELLER / LANDLORD

- (i) A Buyer referral will have a life span of 12 months from the date it is recorded on the system.
- (ii) A Sellers referral will have a life-span of 12 months from the date it is recorded on the system.
- (iii) A Landlord referral will have a life span of 12 months from the date it is recorded on the system.



- (iv) A Referral life span may be extended within 14 days of expiry date and re-listed with new or existing information. This may only be done after the buyer / seller / landlord has been contacted and his status has been verified by the agent. A new referral form must be completed and submitted to the Referral Manager via e-mail with confirmation of the contact made with the client.

Please note that the time of the referral starts at the time of record on the system. Should the data for any reason whatsoever be incorrect on the system, the date of the email sent to the Referral Manager, will apply. It is the intention however that the date on the system will indicate the effective starting date of the referral.

17. **IN-HOUSE**

(insert your company policy here)

18. **Arbitration**

Whenever a dispute occurs it will be referred to the licensor who will set up a meeting , the following parties must be present:

- (i) The licensee
- (ii) The agent involved
- (iii) Linda Erasmus CEO
- (iv) A member of the Steering Committee to be present (if requested)

Arbitration is held at Head office, The South African law (as in any South African court) will be applied in any/all arbitrations.

19. **All complaints/disputes** regarding referrals should be reported to;

The Business Operations Manager
Nicolau Silva
nicolau@fineandcountry.com