

Guidelines

for property administration
and management

1. Introduction

Property administrators, property managers, asset managers, etc. play a unique role in the industry. They look after our properties, including all the people who live and work in them. For this reason, they are subject to a number of stricter requirements that, among other things, shall contribute to a clear alignment of expectations and good co-operation both with customers and among administrators, managers, asset managers, etc.

In addition, the guidelines help to ensure trust from society that property administration and management is always done professionally, properly and at a high level.

Guidelines for property administration and management reflects EjendomDanmark's view of the minimum requirements for the professional standards and ethics of property administrators and managers.

It is recommended to actively apply the guidelines, for example, by enclosing them as an appendix when entering into agreements.

These guidelines for property administration and management are valid from 1 July 2024.



Peter Stenholm
Managing Director



Lena Hartmann
Legal Director



Cecilie Lund Vinther
Deputy Director



Mikkel Rode
Deputy Director



Jan Ellebye
Deputy Director



2. Scope of application

These guidelines apply to all members of EjendomDanmark who carry out external property administration or management. The guidelines only apply to the administration and management of other people's properties, while self-managing owners are not subject to the guidelines.

These guidelines for property administration and management must be read in conjunction with EjendomDanmark's ethical norms, which apply to all members of EjendomDanmark.

In addition to the guidelines for administration and property management, separate guidelines have been drawn up for the handover of material when changing administrators. It details how the parties can best contribute to a successful and smooth transition of administration.



3. Definitions

The deal:

Any agreement entered into between the property administrator or manager and the owner regarding the administration or management of real estate. This includes administration and management agreements and all other agreements entered into regarding investment in, operation and development of real estate. This applies both at the start of the customer relationship and continuously during the customer relationship between the property administrator or manager and the client.

Liability insurance:

Insurance that covers the liability, including adviser liability, of a property administrator or a manager who manages properties for others vis-à-vis their customers.

Enriched data:

Data resulting from the property administrator or manager improving, refining or otherwise processing the customer's raw data, including e.g. cleaning, structuring or merging with other data sources.

Own properties:

Own properties are properties that are owned by the property administrator or manager. This also includes properties that are jointly owned with others or that are in the owner's group companies. This applies regardless of whether the ownership is personal or corporate.

Property data:

All relevant information and documents regarding the customer's properties and other relevant material, including both physical and digital data. This includes all information, records, drawings, overviews, documentation, files, contracts, service agreements, etc. that the property administrator or manager has come into possession of from or on behalf of the customer, or that the property administrator or manager has prepared or otherwise handled for or on behalf of the customer under the agreement. This list is not exhaustive. However, this does not include data that the property

administrator or manager has an intellectual property right to, including systems, templates, formulas, paradigms, spreadsheets, etc. that the property administrator or manager has developed. Enriched data that does not originate from the owner is also excluded.

Property management:

Any kind of property administration or management regardless of whether it is administration or management of one's own or other people's properties. The term is understood broadly and includes all tasks related to the management, the operation and the development of real estate.

Regardless of the term chosen for the service, the term covers property administration, property management, etc. whether the business is run personally or as a company.

Property administrator or manager:

Any player that fully or partially performs property administration or management.

Owner:

Any owner of real estate, legal or personal. A customer can also be an association, such as a land owners' association, owners' association or cooperative housing association.

External property administration or management:

Any kind of administration or management of real estate on behalf of another owner.

Administration or management of properties owned jointly with someone else or owned by a group company is not covered under the term.

Crime insurance:

Insurance that covers losses that occur if one of the property administrator's or manager's employees commits embezzlement.



Customer:

Any owner of real estate, legal or personal, who has entered into an agreement for the administration or management of real estate with a property administrator or manager. This applies regardless of the term chosen in the specific agreement. A customer can also be an association, such as a land owners' association, owners' association or cooperative housing association.

Member:

Any member of EjendomDanmark who is entitled to vote cf.

EjendomDanmark's articles of association. This includes direct and collectively direct members as well as association members. Affiliate members, on the other hand, are not included.

Self-managing owner:

Any player that fully or partially performs property administration or management of their own properties. This applies regardless of the term chosen and whether the business is run personally or as a company.

4. Special requirements for continuing education

In addition to the general requirements to ensure a high level of competence and continuous reinforcement set out in the ethical norms, the property administrator or manager must ensure that employees have and maintain the necessary professional skills to fulfil their duties and therefore the following requirements for continuing education shall apply:

All employees, including persons employed in a management position, who are either directly involved in property administration or management or otherwise involved in tasks related to property administration or management must, within a period of three years, participate in supplementary training corresponding to at least 24 lessons of 45 minutes duration each.

Continuing education is defined as training that is of general importance for the exercise of the the property administration or property management profession or that is of specific importance for the performance of the tasks of the owner, manager or employee in question.

For example, the following may be considered continuing education:

- Participation in relevant courses, including EjendomDanmark's continuing education courses and programmes, such as the property administrator programme.

- Participation in the member company's internal training for its own employees (up to 12 lessons can be counted for a three-year period).
- Performing duties as a member of a rent control board or appeals board or as a lay judge in main hearings in the housing court (can be counted with up to 12 lessons for a three-year period).
- The property administrator's or manager's management must ensure compliance with continuing education requirements and the property administrator or manager must confirm this in the management declaration obtained annually, cf. EjendomDanmark's articles of association.
- EjendomDanmark may carry out random checks and the property administrator's or manager's management must be able to provide documentation of compliance with continuing education requirements.



5. Special requirements for performing property administration and management

The property administrator or manager shall carry out the administration or management in accordance with the agreement entered into and otherwise conscientiously, thoroughly and in accordance with the legitimate interests of the customer and the property administrator's or manager's business.

A property administrator or manager must follow the client's written and oral instructions unless the property administrator or manager thereby violates applicable rules or the ethical norms set by EjendomDanmark. If the property administrator or manager believes that an instruction contravenes applicable rules or ethical norms, the customer must be notified accordingly and the property administrator or manager should not follow the instruction if there is a risk that the instruction will lead to a violation of applicable rules. If the instruction alone contradicts the ethical norms or these

guidelines, the property administrator or manager must refrain from following the instruction to the extent possible, taking into account contractual obligations.

A property administrator or manager may only take on tasks that his or her company - possibly with the assistance of a third party - has the necessary professional competence and capacity to perform and which, taking into account other tasks, can be performed safely and at an appropriate speed.

6. Special requirements for transparency and information

The property administrator or manager must provide transparency to their customers.

The property administrator or manager must ensure that the following information is always available and correctly disclosed to customers and EjendomDanmark:

- Name, contact details (address, phone number and email) and CVR number of the member company, as well as information about the legal entity and any special legal structure.
- Information that the property administrator or manager has taken out crime and liability insurance providing at least equivalent cover to the insurance taken out collectively by EjendomDanmark, including the name of the insurance company.
- The property administrator or manager is responsible for reasonably informing tenants, members of a co-operative society and condominium owners of their rights and obligations.
- The property administrator or manager shall keep the customer reasonably informed about the status of the ongoing management and the progress of any other and specific cases. Similarly, the customer must continuously ensure that the service meets expectations, requests and other agreements and notify the property administrator or manager if this is not the case.



7. Special requirements for insurance

The property administrator or manager must take out crime and liability insurance to provide the customer with the necessary security.

The property administrator or manager must have crime and liability insurance that, as a minimum, provides coverage equivalent to the insurance taken out collectively by EjendomDanmark.

The property administrator or manager is also encouraged to take out cyber insurance.

Lawyers' liability insurance and membership of a compensation fund are considered to fulfil the coverage requirement.

8. Special requirements for handling customers' fiduciary funds

The property administrator or manager handling other people's funds must pay special attention and ensure proper separation of funds.

The property administrator or manager may not accept money from, make or participate in money transactions for anyone unless it occurs in the course of performing a task for a customer whose identity is known to the property administrator or manager.

and the property administrator's or manager's access to such account is granted. It is the responsibility of the property administrator or manager to speed up the set-up process and ensure the quickest possible separation of funds.

A property administrator or manager, who receives money from or on behalf of the customer, must immediately deposit the money in a separate account in the customer's name at a financial institution. However, at the start of a customer relationship, it is recognised that it may be necessary for the property administrator or manager to make their own accounts available until the customer's bank account

If a property administrator or manager has reasonable grounds to suspect that a customer's purpose is to misuse the property administrator's or manager's advice to facilitate criminal offences or omissions, including money laundering, the property administrator or manager must not accept the assignment.



9. Conflicts of interest and incapacity

The property administrator or manager shall act in the best interests of their customers and shall not, in advising a customer, be influenced by their own or any third parties' interests that are likely to cause a conflict of interest.

Unless the property administrator or manager has obtained the consent of a client, the property administrator or manager must never carry out administration or management for a client or otherwise advise a client in a matter where the property administrator or manager is also assisting other clients and where there are significant conflicting interests between the various clients.

The property administrator or manager may not receive any commission, discount or profit on expenses incurred by the customer without obtaining the client's prior consent. Supplier selection and invoicing of the property administrator's or manager's products or services must be transparent.

The property administrator or manager shall endeavour to be impartial in their selection of subcontractors. Unless the customer is explicitly informed of the relationship and has accepted the relationship, the property administrator or manager may not place orders on behalf of a customer from a close relation or a company in which the property administrator or manager has a direct or indirect interest.

The property administrator or manager shall not purchase or cause to be purchased, in whole or in part, any property under the management of the property administrator or manager from a related person or from a legal person in which the property administrator or manager owns part or all of the property, unless the customer has been informed in advance of the property administrator's or manager's intention and the circumstances giving rise to incapacity. The property administrator or manager must also encourage the customer in writing to seek advice from other advisers regarding the sale.

The property administrator or manager may not offer leases to persons closely related to the property administrator or manager themselves unless the customer is expressly notified accordingly and accepts this relationship.

When there is a conflict of interest as described above or an imminent risk of such a conflict of interest, the property administrator or manager must ensure that the conflict of interest or risk thereof ceases.

This may result in the property administrator or manager having to withdraw from the specific case(s) or one or more specific customer relationships.

If the property administrator's or manager's withdrawal from a case or client relationship is due to a conflict of interest arising solely or mainly from the property administrator's or manager's relationship, the property administrator or manager may not charge a fee for the part of the work on the case or client relationship that is taken over by another property administrator or manager or adviser. To the extent such fees have been paid by the customer, the property administrator or manager shall refund such fees.



10. Confidentiality

Property administrators and managers are subject to confidentiality.

All information concerning customers' affairs that a property administrator or manager or their employees receive or become aware of in the course of administration or management of property, including property data, shall be treated as confidential.

The duty of confidentiality is permanent and applies for an unlimited period.

11. Special requirements for the formation of agreements on property administration or management, services, fees, etc.

Property administration and management agreements should help align expectations between the property administrator or manager and the customer, so they should be precise and clear about the services the property administrator or manager will provide and must include a transparent pricing structure.

Property administration and management agreements, regardless of type and scope, must be in writing. The property administrator or manager is always as a minimum obligated in accordance with the standard agreements prepared by EjendomDanmark from time to time unless another agreement can be established by the property administrator or manager.

As a minimum, a property administration or management agreement must contain a detailed description of the services to be provided by the property administrator or manager. It should be made reasonably clear which services are included as standard services and which are additional or optional services.

The fee for both fixed and additional services must be set in a way that is transparent and clear to the customer. This may be a total price or a price per unit, e.g. lease/property, for the fixed services as well as information on the hourly rate, standard price or another calculation basis for additional or supplementary services.

Price regulation or the principle of price regulation should also be stated in the agreements.

If the fee has not been agreed in writing, the property administrator or manager may not charge more than what is customary or reasonable for the work performed. Commission, interest, discounts and similar received from third parties shall be credited to the customer unless otherwise agreed with the customer.



If, in the existing administration or management relationship, the property administrator or manager takes on tasks that are not already included in the fixed fee or explicitly stated in the agreement as additional services that justify a separate fee, the property administrator or manager must inform the customer accordingly before the task is performed.

At the same time, the customer must be informed of the expected fee that will be charged for the assignment. If the property administrator

or manager is unable to provide an hourly rate or a total fee, the property administrator or manager must state how the price for the service will be calculated.

The above also applies to additional work in connection with the takeover and termination of a customer relationship, if not already agreed.

12. Property data management and data ownership

Property data received and processed by the property administrator or manager belongs to the customer unless otherwise agreed, and the property administrator or manager shall process this data accordingly.

The property administrator or manager must store all property data in a safe and secure manner and keep it confidential.

The property administrator or manager may not use property data for their own commercial purposes without the customer's consent.

Property data must be continuously accessible by the customer or made available to the customer when reasonably requested by the customer.

Unless otherwise agreed between the parties, property data must be stored for the duration of the management relationship and can be stored for up to 10 years after the administration or management

relationship has ended. The property administrator or manager may only use property data in relation to matters related to the agreement.

However, the property administrator or manager is obliged and entitled to delete documents in accordance with the personal data processing legislation in force at any time.

The property administrator or manager is obliged, at the customer's request, to delete all non-publicly available property data in the possession of the property administrator or manager, taking into account and in accordance with obligations under the agreement and applicable legislation.



13. Termination and assignment of property administration or management agreements

The property administrator or manager shall take care of the property during the termination or transfer period and shall loyally perform all customary services related to property administration or management until the termination date. The property administrator or manager must also contribute loyally to the handover process so that neither the customer nor the users of the property experience unnecessary undue inconvenience during the handover. Similarly, customers who are members of EjendomDanmark must loyally contribute to the transfer process, and customers must thus to a reasonable extent contribute to a smooth handover process.

13.1 Good governance and quality assurance during the notice period

A property administrator or manager may not - during the notice period - unreasonably refuse or cease to perform services relating to a property, but must loyally provide all customary services.

A property administrator or a manager shall act in good faith to ensure that the termination does not lead to a deterioration in the quality of service delivery up to the termination date.

13.2 Fees

Before the transfer is carried out, it is the responsibility of the new and terminated property administrator or manager to inform the customer of the expected fee that will be charged for the additional work in connection with the takeover and termination of the management relationship, respectively, if this is not already stated in the agreement.

The fee must be fair, itemised and reflect the actual work performed.

13.3 Handover coordination

It is the responsibility of the new property administrator or manager or the customer to contact the terminated property administrator or manager as soon as possible to coordinate the transfer of management and all relevant material related thereto.

Both the terminated and the new property administrator or manager must contribute loyally and constructively and ensure that a plan for the proper, safe and efficient transfer of services, including the return or handover of property data, is prepared as soon as possible.

13.4 Transfer of property data etc.

Unless otherwise agreed between the parties, the terminated property administrator or manager shall hand over the property data in the possession of the property administrator or manager relating to the properties that are no longer under administration or management.

This includes property data provided to the property administrator or manager by the customer and property data created by the property administrator or manager during the management period on behalf of the customer and/or in relation to the customer's properties. The property administrator or manager must also hand over all other relevant documents and information in the possession of the property administrator or manager that are necessary for the customer or the new property administrator or manager to continue the management, including collecting rent, paying bills, etc.



However, the property administrator or manager is not required to disclose data to which it has an intellectual property right, including systems, templates, paradigms, spreadsheets, formulae, etc. developed by the property administrator or manager. The property administrator or manager is also not required to provide enriched data.

If the customer is in default, the property administrator or manager is not required to actively contribute to the transfer until the amount due has been paid.

Prior to the termination date, the property administrator or manager must also return all intellectual property rights, licences and other rights and assets belonging to the customer.

The property administrator or manager handing over the administration or management should hand over the property data in the form - electronic and/or physical - that is most appropriate taking

into account the technical options, the time spent by the parties and any other costs, including for external assistance.

13.5 Obligations upon termination of administration or management

Questions that arise in the immediate aftermath of the transfer must be answered by the transferring property administrator or manager within a reasonable period of time and at the necessary speed.

It is the responsibility of the customer and any acquiring property administrator or manager to review property data and received material as soon as possible and to ask any questions without undue delay.

14. Amendment to EjendomDanmark's guidelines for property administration and management and entry into force

These guidelines for property administration and management have been adopted by the Executive Board of EjendomDanmark and enter into force on 1 July 2024.

The Executive Board of EjendomDanmark may at any time change the content of these guidelines for property administration and management.

Decisions on amendments to EjendomDanmark's guidelines for property administration and management must be made by consensus, but are otherwise made by a simple majority vote. In the event of a tie, the chairman shall have the casting vote.

EjendomDanmark's guidelines for property administration and management are further developed and adapted over time. Members are required to keep themselves informed of any changes. Changes will be published via EjendomDanmark's own relevant media.





EJENDOM DANMARK

- Rammer for vækst og liv

Copenhagen, Denmark

Vester Farimagsgade 41
1606 Copenhagen V, Denmark
33 12 03 30

Odense, Denmark

c/o Ejendomsforeningen Fyn
Tarupvej 80
5210 Odense NV, Denmark
66 12 34 00

Aalborg

c/o ProDomus
Boulevarden 11
9000 Aalborg, Denmark
98 12 05 00

Aarhus

c/o Sinding & Co
Havnegade 2 A
8000 Aarhus C, Denmark
31 73 15 50