

DATE

Property Management Agreement

Relating to property at
[short description of Property]

between

[]

[]

[]

This Property Management Agreement has been produced by the City of London Law Society Land Law Committee. It is suitable for use for appointment of an agent to carry out day to day management of the property subject to tenancies and is adaptable to include limited advice functions, but not asset management duties

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Property Management Agreement

DATE: _____ 20____

PARTIES:

(1) The “Client” _____ [of] [whose registered office at] _____ ; [and]

(2) The “Agent” _____ [of] [whose registered office is at] _____. [and

(3) The “Owner” -----[of] [whose registered office is at] _____.]

OPERATIVE PROVISIONS:

1 Appointment

1.1 The Client appoints the Agent as the managing agent of the Property referred to in clause 2.

1.2 The Agent accepts the appointment as managing agent of the Property.

1.3 This Agreement incorporates the terms of engagement set out in Schedule 1 below.

1.4 This Agreement does not create a partnership or joint venture between the parties.

1.5 [The Owner confirms that the Client has full authority to appoint the Agent as managing Agent of the Property on the terms of this Agreement.]

2 The Property

The Property is [*here complete the description of the Property and short details of a lease under which it is held, if applicable*] of which the Owner is the registered proprietor at HM Land Registry with absolute [freehold][leasehold] title under title number [_____].

3 [Special provisions applicable to the Property

Here complete any special provisions relating to this Agreement unless it would be appropriate to vary or add to the terms of the terms of engagement in Schedule 1.]

SIGNED by or on behalf of the parties on the date at the beginning of this Agreement.

Schedule 1
Terms of Engagement
General Conditions

1 Interpretation

1.1 In this Agreement if the context so allows:

"Accounting Year" means a period of 12 months running from [1 January to 31 December] in each calendar year, but references to an Accounting Year do not necessarily correspond with the Service Charge Period set in relation to the Property.

"Appointment" means the appointment of the Agent by the Client in accordance with this Agreement.

"Client" means the party to this Agreement who [has the responsibility to the Owner for overall management of the Property] [is the Owner of the Property].

"Disposal" means the completion of a sale of the Property, [or] the grant of a lease of the Property on terms that reduce the retained reversion of material equity value, [or] any form of disposition of the Property, including a change of control of the owning company ("control" having the meaning given in section 707 of the Corporation Tax Act 2010), by which the Client ceases to have the responsibility for the management of the Property; **"Dispose"** has a corresponding meaning.

"Property" means the Property described in clause 2 above; a reference to the Property is to the whole or part of it as the context so requires.

"Quarter" means a period in each year, each period beginning on 25 March, 24 June, 29 September and 25 December ("**Quarter Days**") and ending on the day before the next Quarter Day; **"Quarterly"** has a corresponding meaning.

"RICS Code" means the most recent editions of the Royal Institution of Chartered Surveyors' Members' Accounts Regulations and the Accountants' Report Regulations, and the Codes or Professional Statements of Professional Management and Service Charge Management relating to commercial or residential property, as are applicable to the duties of the Agent under this Agreement.

"Service Charge Period" means each year during the currency of this Agreement ending on [] in each year. **"Service Charge Quarter"** means a Quarterly period during a Service Charge Period in connection with the collection from Tenants of rents and service charges.

"Tenancy" means any tenancy, licence, wayleave or other arrangement for the use and enjoyment of facilities to which the Property is subject; **"Tenant"** has a corresponding meaning.

"Terms" means the terms of engagement in this Schedule and includes the duties of the Agent set out in Schedule 2.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 Words importing the singular meaning include the plural meaning and vice versa.

- 1.2.2 Words of one gender include other genders, and words denoting natural persons include corporations and vice versa.
- 1.2.3 The paragraph and schedule headings in this Agreement are for the convenience of the parties and are not intended to affect their interpretation.
- 1.2.4 References to a Schedule and to a paragraph are to a Schedule, or to a paragraph in the relevant Schedule, in this Agreement.
- 1.2.5 References to a statute or statutory provision include a statute or statutory provision as amended, extended or re-enacted, and subordinate legislation pursuant to it, as in force for the time being.

2 Term of this Agreement

- 2.1 The Appointment is to continue until a Disposal, unless this Agreement is terminated under paragraph 2.2 in the meantime.
- 2.2 Either the Client or the Agent may terminate this Agreement by giving to the other not less than [_____] months' notice to that effect [and this Agreement is to end on the expiry of the notice].
- 2.3 This Agreement is to be terminated by a Disposal.

3 Duties of the Agent

- 3.1 The duties of the Agent to the Client are set out in Schedule 2.
- 3.2 The Agent shall carry out the duties in a good and efficient manner, with due diligence and with the degree of skill and competence to be expected of an experienced real estate manager, having regard to the principles of good estate management, and professional codes of conduct as laid down by the RICS Codes. Accordingly, the Agent shall:
- 3.2.1 consult with the Client as frequently as may be necessary to attain those objectives;
- 3.2.2 duly observe and perform the terms of this Agreement in carrying out the instructions of the Client;
- 3.2.3 comply with the relevant RICS Codes;
- 3.2.4 throughout the currency of this Agreement, and for [six years] thereafter, maintain [and keep in force] professional indemnity insurance:
- (a) with an insurer approved by the Client (such approval not to be unreasonably withheld);

(b) in the minimum sum of [£_____]¹ in respect of each and every claim in that insurance year that may be brought by the Client; and

(c) without onerous conditions or terms of excess,

to cover liability to the Client which the Agent may incur for breach of duty under this Agreement or for negligence or other tortious liability.

3.2.5 The Agent shall, if so requested by the Client and at the Client's expense, enter into a duty of care undertaking in favour of a bank, funding institution or other lender providing funding on the security of the Property, to the effect that it will exercise due care and skill in the performance of its duties under this Agreement, and in such form as the bank or lending institution may reasonably require.

4 Scope of authority of the Agent

4.1 The Agent may [appoint or] seek the advice of [surveyors, engineers, building contractors, lawyers and other] professional specialist advisers where the circumstances call for professional advice to be sought in relation to its duties, subject to the prior approval of the Client, [approval not to be unreasonably withheld,] as to the identity and terms of the appointment of the adviser.

4.2 The Agent may not without the consent of the Client:

4.2.1 make profit or commission out of the management of the Property other than (a) the fees due to it under this Agreement, and (b) fees for services, additional to those provided on behalf of the Client, requested by and agreed with Tenants which do not conflict with the Agent's performance or ability to perform its duties to the Client;

4.2.2 pledge the credit of the Client in any way except as may be provided in this Agreement;

4.2.3 give guarantees on behalf of the Client;

4.2.4 compromise, compound, release or discharge debts due to the Client otherwise than in accordance with the instructions, either general or specific, of the Client;

4.2.5 borrow or lend on behalf of the Client;

4.2.6 enter into an obligation where the consideration exceeds [£__];

¹ The sum should have regard to the property or properties that is or are the subject of this Agreement. Where possible, this sum should have been specified in the tender process for the agent. Agents may seek a cap on their liability under the Property Management Agreement and the professional indemnity insurance cover should at least match the cap.

4.2.7 agree to the variation of the terms or conditions of an agreement or arrangement concerning the Client or the Property, unless permitted by this Agreement;

4.2.8 conduct litigation on behalf of the Client except in the case of rent and debt collection not exceeding [£_____] in any one case; or

4.2.9 do anything which might reasonably be expected to have a materially adverse effect on the capital value of, or income from, the Property.

4.3 The Agent is authorised in the performance of its duties to expend sums with the implied authority and in the name of the Client:

4.3.1 of up to [£_____] disregarding value added tax incurred in respect of any one item or a series of items if at least [_____%] of that sum is recoverable from tenants under service charge arrangements or other Tenant contributions; and

4.3.2 of up to [£_____] (disregarding value added tax) in the case of expenditure that is not so recoverable.

4.4 The Agent may, as agent of the Client, enter into contracts for the supply of goods and services, required to enable the Agent to carry out its duties on an annual basis, if they may be terminated in the meantime by the giving of not more than [_____] months' notice.

4.5 The Agent shall obtain for the approval of the Client alternative quotations for all work and contracts required to be arranged in carrying out its duties of a value in excess of [£_____] in the aggregate.

4.6 The Client may [from time to time] during this Agreement raise the various financial limits specified in this paragraph 4 by issuing a written authorisation referring to the relevant paragraph in this Agreement.

5 Access to the Property

5.1 The Client permits the Agent, its employees and sub-contractors to have access to the Property for the purpose of performing their duties, subject to the provisions of the Tenancies.

5.2 [The Client shall provide such facilities as the Agent reasonably requires for the performance of the services under this Agreement, including electricity and water supply, storage space, telephone lines, toilet facilities, and other such facilities.]

5.3 The Client shall permit the Agent to have free use of equipment, documents and anything else which the Agent may need to perform its duties and which the Client has in its possession at the Property or otherwise at its disposal.

6 Termination on default

6.1 The Client may terminate this Agreement immediately by giving notice to the Agent to that effect if:

6.1.1 the Agent has not remedied in all material respects a substantial breach of its duties after notice from the Client allowing it a reasonable time in the circumstances to do so, and which at the time of the giving of the notice was not of such seriousness as to fall within paragraph 6.1.2;

6.1.2 the Agent has committed breaches of its duties which are individually or cumulatively of such seriousness as to permit the Client to treat this Agreement as repudiated by breach; or

6.1.3 an event of insolvency occurs in relation to the Agent.

6.1.4 in paragraph 6.1.3, an “event of insolvency” includes inability of the Agent to pay its debts, entry into liquidation, either compulsory or voluntary (except for the purpose of amalgamation or reconstruction), the passing of a resolution for a creditors’ winding up, the making of a proposal to the creditors of the Agent for a composition in satisfaction of its debts or a scheme of arrangement of its affairs, the appointment of an administrator and the appointment of a receiver.

6.2 The Client retains all rights and remedies against the Agent for breach of duty after it has terminated this Agreement; in any such case, the Agent is not to be entitled to fees which have not accrued due at the time this Agreement is terminated under paragraph 6.1.

7 [Key Personnel]

7.1 It is a condition of the appointment of the Agent that [*here insert name of the person*] (the “**Key Person**”) is employed or engaged in providing the services and performing the obligations of the Agent under this Agreement.

7.2 The Agent may not remove the Key Person from that responsibility without the consent of the Client, but the consent is not to be withheld if the Key Person has been responsible in case of illegality or serious breach of duty warranting instant dismissal.

7.3 The consent of the Client may be given to the removal of the Key Person on terms that a suitable replacement must be found, subject to its approval, within [] months following the removal; such a replacement is then to be treated as a Key Person.

7.4 Failure on the part of the Agent to find such a replacement may be treated by the Client as a ground for termination under paragraph 6.]

8 Rights and Duties following termination

8.1 After the termination of this Agreement for whatever reason, the following provisions of this paragraph 8 are to apply and remain in effect.

8.2 The termination of this Agreement does not prejudice accrued rights of either of the parties against the other for breach of its obligations in this Agreement.

8.3 As soon as may be reasonably practicable, or within such other period as may be agreed between the parties acting reasonably, the Agent shall:

8.3.1 cause to be delivered to the Client, or to whomsoever the Client may direct, all information and documents relating to the Property in its possession, but subject to any rights of lien of the Agent over them; and

8.3.2 unless directed by the Client not to do so, take steps to bring to an end in an orderly manner any outstanding matters which it has been handling, but not further or otherwise.

8.4 As soon as may be reasonably practicable, or within such other period as may be agreed between the parties, acting reasonably, the Client shall pay to the Agent:

8.4.1 the amounts (if any) which have accrued due and become payable to the Agent under this Agreement, and

8.4.2 remuneration on a *quantum meruit* basis for continuing to carry out duties under paragraph 8.3.2.

9 Fees due to the Agent

9.1 [The Agent is entitled to a fee equal to [_____] % of the aggregate annual amount of the rents and other such income (excluding service charges, insurance contributions and value added tax) collected from tenants and occupiers of the Property.] [OR]

[The Agent is entitled to a fee equal to [_____] % of the aggregate amount of the annual cost of services provided in respect of the Property (excluding insurance contributions and value added tax).] [OR]

[The Agent is entitled to an annual fee of [£ ____] payable [quarterly in advance/arrear at the [beginning] [end] of each Quarter, or proportionately for any period of less than a Quarter]².

9.2 The Agent may not deduct or set-off its fee against income, service charge or insurance contributions collected or received by it.

9.3 The fees to the Agent payable by the Client are exclusive of value added tax chargeable upon them.

9.4 The fee of the Agent is to be payable by quarterly instalments in arrear by reference to the amount of its fees in the annual budget for them, subject to an additional final payment or repayment to be given or made when service charge accounts for that Service Charge Period just ended have been finally audited or otherwise settled.

9.5 [The Agent is entitled to retain for itself the management fee reserved in service charge payments made by Tenants and the sums so retained are to be set-off against the payments otherwise to be made under paragraph 9.4.]

² A fixed fee arrangement is not usually adopted for payment to an agent in this type of agreement. If this option is used, some of the succeeding paragraphs will not be appropriate.

9.6 Fees payable to the Agent are to be treated [, where necessary for apportionment purposes,] as accruing on a day-to-day basis and apportionable in respect of time accordingly.

9.7 The following principles apply to the treatment of the Agent's management fee:

9.7.1 the Agent shall itself bear the overhead costs of running its own office, and providing the secretarial book-keeping services and the staff able to exercise the supervision, superintendence, discretions and judgement required, the use of office equipment in running a property management office, and travelling and hotel expenses in connection with presence at the Property;

9.7.2 the fee of the Agent does not include:

- (a) the fees of the specialist contractors and professional advisers whose services the Agent reasonably requires and who are properly engaged to advise it in the performance of its duties;
- (b) remuneration for duties which the Client requires the Agent to perform outside the scope of those, or to an extent beyond what is reasonably regarded as required by this Agreement; and
- (c) other costs and disbursements reasonably incurred in the course of the duties of the Agent, except those incurred under paragraph 9.7.1;

and in those circumstances, the Agent is to be indemnified for them by the Client under paragraph 10.3.

10 Duties of the Client

10.1 The Client shall promptly pay the fee of the Agent as payments of the fee fall due.

10.2 The Client shall provide to the Agent, whenever necessary, funds to enable the Agent to meet expenditure properly incurred, or to maintain reserves for expenditure to be incurred, on behalf of the Client to the extent that sufficient resources are not available to the Agent from:

10.2.1 a cash float to be maintained at a level agreed from time to time to be provided by the Client for routine liabilities for maintenance, repairs, insurance and management of the Property not adequately funded for by income and contributions budgeted for as provided in paragraph 10.2.2;

10.2.2 service charge contributions, reserve funds retained for the relevant expenditure, and rental income paid to the Agent by the Tenants,

and shall provide such additional funds as may be needed in case of emergencies.

10.3 The Client shall indemnify the Agent in respect of liability, and reimburse costs and disbursements of reasonable amount and which are properly incurred by the Agent in the course of its duties, unless otherwise required by this Agreement.

10.4 The Client shall co-operate with the Agent and respond properly and promptly to the request of the Agent for approvals, instructions, authorisations and assistance.

11 Alienation

11.1 Neither the Client nor the Agent may assign the benefit of this Agreement.

11.2 The Agent may not without the consent of the Client charge or sub-license this Agreement.

11.3 The Agent may delegate its duties [as authorised by this Agreement, but otherwise] only with the consent of the Client and, in any event, the Agent is not itself to be relieved of liability to the Client by so doing.

11.4 [The Agent may perform its obligations under this Agreement through a subsidiary, but:

11.4.1 only for so long as the subsidiary remains a subsidiary (as 'subsidiary' is defined in s.1159 of the Companies Act 2006); and

11.4.2 not so as to cause infringement of the terms of the Agent's professional indemnity insurance;

and the Agent is not itself to be relieved of liability to the Client by so doing.]

12 Employees – transfer of contracts of employment

The provisions of Schedule 3 are to apply in case of transfers of the contracts of employment of employees effected under The Transfer of Undertakings (Protection of Employees) Regulations 2006 (as amended) by or following the appointment of the Agent by this Agreement or in consequence of its termination.

13 Sustainability

The Client and the Agent declare their intention to use reasonable endeavours to:

13.1 formulate and comply with an energy management plan to aid the sustainability of resource, use and the reduction of emissions;

13.2 settle and operate initiatives to reduce, re-use and recycle waste; and

13.3 maintain and share energy data and other information reasonably required to monitor energy and resource consumption for the purposes expressed in this paragraph 13;

and to cooperate in order to achieve those objectives.

14 Notices

14.1 Notices and notifications required to be given under this Agreement must be given in writing.

14.2 A notice required to be given under this Agreement is to be treated as properly given if compliance is made with s.196 of the Law of Property Act 1925 (as amended by the Postal Services Act 2011).

15 Confidentiality

15.1 The Agent may not without the consent of the Client make an announcement, statement or publication concerning the Property, this Agreement, or the management of the Property, unless and to the extent that it is necessary to do so for:

15.1.1 the proper performance of its obligations under this Agreement; or

15.1.2 compliance with a requirement of law, a Stock Exchange requirement, an order of a court of competent jurisdiction or a requirement of HM Revenue and Customs.

15.2 The Agent shall keep the terms of this Agreement confidential, and shall procure that the professional advisers and other persons to whom it delegates any of the duties that it would otherwise itself be expected to perform, and to whom it is necessary to divulge details of the Appointment and of the management of the Property, shall maintain confidentiality on the same terms as apply to itself.

15.3 The provisions of this paragraph 15 are to continue to apply after the termination of this Agreement.

16 Data Protection

The provisions of Schedule 4 are to apply with respect to the processing and control of Data for the purposes of this Agreement,

17 Intellectual Property Rights

17.1 Intellectual property rights in and to a database created or maintained by the Agent under this Agreement, including copyright and database rights, are to be and remain the property of the Agent.

17.2 Subject to its obligations under data legislation, the Agent grants a royalty-free licence to the Client to use the database during the currency and after the termination of this Agreement for the purposes of the maintenance and management of the Property.

18 No third party rights of enforcement

18.1 Unless it is expressly provided, it is not intended that a third party should have the right to enforce the provisions of this Agreement under s.1(1)(b) of the Contracts (Rights of Third Parties) Act 1999.

18.2 [The parties may by agreement rescind or vary this Agreement without the consent of a third party to whom the right of enforcement of any of its terms has been expressly provided.]

19 Anti-bribery provisions

19.1 The Agent shall comply with the requirements of the anti-bribery laws in accordance with the following provisions of this paragraph 19.

19.2 The Agent shall not make or receive any bribe or other improper payment or allow any such to be made or received on its behalf, and shall implement and maintain adequate procedures to ensure that none is made or received directly or indirectly on its behalf.

19.3 The Agent shall ensure that:

19.3.1 it has adequate procedures relating to the prevention of bribery and corruption; “adequate procedures” are policies, procedures, processes and systems designed to ensure, and which are reasonably expected to continue to ensure, compliance with the applicable anti-bribery laws;

19.3.2 all the Agent’s personnel, others associated with the Agent and any Agent’s sub-contractors involved in performing services in connection with this Agreement so comply; and

19.3.3 there are proper arrangements in place to monitor adherence to the adequate procedures it has in place.

19.4 References in this paragraph 19 to the “Anti-Bribery Laws” are to the laws in force under the Bribery Act 2010 and its subordinate legislation; references to a “bribe” includes any activity, conduct or practice which would constitute an offence under sections 1, 2 and 6 of the Bribery Act 2010.

20 Value Added Tax

20.1 Sums required to be paid under or in connection with this Agreement for taxable supplies of goods or services are to be treated as exclusive of such VAT as is chargeable on the payment; the tax chargeable is to be payable in addition.

20.2 Payment of VAT chargeable to the supplier is to become due only on provision by the supplier of a VAT invoice.

20.3 Where one party is entitled under this Agreement to recover the cost of goods and services supplied to the other, but in respect of which it makes no taxable supply, the supplier is to be indemnified against so much input tax on the cost for which the supplier is not entitled to credit allowance under section 26 of the Value Added Tax Act 1994.

21 Mediation of Disputes and Dispute Resolution

21.1 Either the Client or the Agent may refer a dispute in connection with this Agreement to the respective nominated managers of each for resolution, both of whom are to use their reasonable endeavours to resolve the dispute in the first instance as soon as reasonably

practicable. A nominated manager must be a senior representative empowered to make executive decisions on behalf of the party he or she represents.

21.2 If the dispute is not so resolved within twenty-eight (28) days after referral in accordance with paragraph 21.1, either party may request by notice given to the other (“**dispute notice**”) that the dispute is referred to mediation for resolution. In that event:

21.2.1 the parties shall appoint a single mediator to perform the mediation;

21.2.2 where the parties are unable to agree on the appointment of a mediator within twenty-eight (28) days of the dispute notice, the mediator is to be appointed by the Centre for Effective Dispute Resolution, or its successor or replacement body, on the application of either party; and

21.2.3 the mediation is to be conducted in England pursuant to a procedure established by the mediator in his or her absolute discretion.

21.3 Neither party may commence court proceedings in relation to the dispute until (acting in good faith):

21.3.1 it has first attempted to settle the dispute by mediation in accordance with paragraph 21 and

21.3.2 either the mediation has terminated or the other party has failed to participate in the mediation,

but the right to issue proceedings is not to be prejudiced by unreasonable delay in the mediation proceedings.

21.4 A dispute or difference between the parties that is not resolved by mediation under this paragraph 21, is to be referred to a single arbitrator, if the parties can agree on one, but otherwise to an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors at the request of either party.

21.5 The Arbitration Act 1996 is to apply to the reference.

21.6 The parties acknowledge the power of the arbitrator, under section 37 of the Arbitration Act 1996, to appoint experts or legal advisers, or technical assessors to assist on technical matters.

22 Entire Agreement

This Agreement constitutes the entire agreement between the Client, [the Owner] and the Agent.

23 Governing law and jurisdiction

23.1 This Agreement, and a dispute or claim arising out of or in connection with it (including its formation and non-contractual disputes or claims), are to be governed by the laws of England and Wales.

23.2 The courts and tribunals of England and Wales are to have the exclusive jurisdiction to determine disputes or claims that arise out of or in connection with this Agreement, including its formation and non-contractual disputes or claims.

Schedule 2 Duties of the Agent

1 Records and accounts

1.1 Maintaining up-to-date records and accounts.

1.2 Maintaining proper file records and records of correspondence.

1.3 Maintaining up-to-date schedules of Tenancies, details of rent review dates, periods and dates of notices required to be given, termination dates of Tenancies and other dates material to each Tenancy for notices to be given by the Client.

1.4 Maintaining accurate copies of deeds, documents and dealings.

1.5 Setting up and maintaining separate bank accounts in compliance with the relevant RICS Code in relation to the Property for:

1.5.1 retention of service charges and other contributions from Tenants required for meeting costs of services incurred until disbursed;

1.5.2 cash floats provided by the Client as required by this Agreement, and

1.5.3 the Agent's personal accounts for fees and expenditure.

2 Budgets

Where services are to be provided by the Client, producing by the last month of a Service Charge Period a budget for meeting expenditure for the ensuing Service Charge Period, for notification to Tenants as required under the relevant RICS Code, but subject to prior approval of the Client.

3 Accounting

3.1 Rendering accounts of all revenue, expenditure, actual or contingent liabilities and reserves and other retentions in respect of the Property for the Accounting Year within [four] weeks after its expiry, and cooperating with the Client's auditors accordingly.

3.2 Rendering [certified] service charge [accounts] [statements] within a period of four months after the Service Charge Period just ended to be given to Tenants in accordance with the relevant RICS Code, and for balancing payments, refund or credit, by or to Tenants to be made or allowed, as the case may be.

3.3 Rendering interim Quarterly statements to the Client within one month after the end of each Service Charge Quarter, each with balances and such supporting documentation as the Client requires, of monies received and expended, or retained for actual or contingent expenditure.

3.4 Accounting immediately with cleared funds representing rent and other such income received with such interest as has accrued while retained in the account of the Agent and not required for retention or reserve.

3.5 Complying with service charge provisions and with the obligations of the Client under Tenancies.

3.6 Producing for inspection and audit of all such records and accounts.

3.7 Producing for inspection to Tenants of service charge records and vouchers as Tenants may properly require.

4 Collection of rent etc

4.1 Collection of rents and other income from Tenancies, and making demands not less than [three] weeks before the due dates for payment.

4.2 Recovery of service charge [and charges for utilities' services] from Tenants, and making such refunds to them as may be required.

4.3 [Collection of insurance premiums and contributions payable by Tenants.]

4.4 Calculating, estimating and apportioning service costs and insurance premiums (producing any required apportionment matrix), and applying to Tenants for payments on an interim basis, and on a final basis after the end of a Service Charge Period.

4.5 Demanding arrears of rent, service charge, insurance contributions and other payments from Tenants, assisting solicitors and counsel and issuing instructions to solicitors or other collecting agencies for the recovery of arrears as appropriate.

4.6 Reporting to the Client Tenants' arrears of more than 14 days after they occur.

5 Outgoings

5.1 Paying demands for rates, water charges, supply and service accounts and other periodical outgoings in respect of those parts of the Property which are the responsibility of the Client.

5.2 [Liaising with Tenants over rating assessments in order to coordinate representation and appeals against them as may be appropriate, where instructed to do so [(subject to agreeing additional fee for doing so)]]].

6 Repairs and statutory compliance

6.1 Regularly monitoring the state and condition of the Property and the need for repair, renewal, maintenance, decoration, cleansing and upkeep of the Property.

6.2 Arranging for regular testing of mechanical and electrical installations on the Property and security and fire prevention equipment.

6.3 Arranging for works of maintenance, repair, renewal, decoration, cleansing and upkeep of buildings, structures, services, conducting media and open areas at the Property, subject to prior authorisation of the Client if the cost would exceed the general limits of expenditure under this Agreement.

6.4 Arranging for such works and other action to be taken in order to comply with statutory requirements, and the requirements of competent authorities and insurers.

6.5 Instructing contractors and professional advisers in connection with such work, subject to prior authorisation of the Client if the cost would be beyond the agreed general limits of expenditure for those items of work under this Agreement.

6.6 Arranging for works required in case of emergency to the extent necessary to prevent danger to tenants, occupiers or members of the public, or further loss or damage.

7 Supervising Tenants' duties and rights etc

7.1 Monitoring the premises of Tenants for compliance with repairing and decorating obligations where instructed to do so [(subject to negotiation of an additional fee where the Client requires the preparation of schedules of dilapidations)].

7.2 Inspecting, supervising and enforcing compliance with obligations of Tenants.

7.3 Handling enquiries, complaints from Tenants, members of the public and public authorities, and arranging or attending meetings relating to these matters.

7.4 Dealing with applications for licences to assign, to sublet, to mortgage and for change of use and alterations, obtaining and considering references, considering proposed alterations and instructing solicitors, surveyors and other relevant professionals, if appropriate, where the right of recovery from the Tenant has been reserved for fees and costs so incurred.

8 Rent reviews, lease renewals and new lettings

8.1 Advising generally and providing information for rent reviews, termination and renewal of Tenancies under relevant legislation.

8.2 If instructed specifically by the Client to do so [, and subject to agreement for additional fees], for the provision of the following services:

8.2.1 preparing and serving of rent review notices, quoting for and negotiating the review of rents subject to prior authorisation of the Client, supervising and liaising with the Client's solicitors for the service of notices to be given to Tenants;

8.2.2 dealing with the letting of vacant accommodation and instructing estate agents, subject to prior authorisation of the Client;

- 8.2.3 advising generally on valuation aspects of break clauses, options, rights of pre-emption;
- 8.2.4 advising generally on negotiations of renewals and surrenders of Tenancies;
- 8.2.5 advising on the statutory rights and notices received or to be given under housing legislation and landlord and tenant legislation relating to residential tenancies; and
- 8.2.6 assisting generally in court hearings to determine terms of new Tenancies, including attending at conferences with solicitors and counsel, and giving evidence in Court [subject to agreement for additional fees].

9 General supervisory duties

- 9.1 The general supervision and administration of services and of the performance of staff employed or engaged for the purpose.
- 9.2 Ordering supplies and replacement of items required in connection with the running of the Property.
- 9.3 Supervising and procuring performance of agreements by contractors, suppliers and others.
- 9.4 Arranging for fire alarm systems, sprinkler and emergency escape facilities to be regularly tested, and to be kept in working order, and for regular fire practices to be carried out.
- 9.5 Arranging for security systems and alarms to be regularly tested and to be kept in working order.
- 9.6 Arranging for regular inspections and regular periodic maintenance and repair of boilers, lifts, air conditioning and ventilation and other equipment in or on the Property.
- 9.7 Arranging tests on tools and utensils and annual change-overs on sprinkler systems and air-conditioning, ventilation and water supplies.
- 9.8 Arranging for compliance with statutory requirements in relation to health, safety and welfare of Tenants and members of the public at the Property.
- 9.9 Maintaining an accident book, assessments and statutory reports, fire alarm logbooks and other such matters.
- 9.10 Reviewing and arranging for insurance and renewals of cover of the Property and for adjustments of cover on a change of circumstances in conjunction with the Client's insurance brokers [and, subject to agreement of an additional fee for doing so, periodically to obtain a revaluation for insurance purposes].
- 9.11 Arranging for planting, replanting, maintenance and upkeep of garden, landscaping and open areas of the Property.

10 [Employees

- 10.1 Advertising for and engaging employees and supervising staff specifically required in connection with the proper management of the Property, subject to prior authorisation of the Client.

10.2 Administering contracts of employment or engagement and the termination of the employment or engagement of employees.

10.3 Administering remuneration, PAYE and national insurance and pension contributions in respect of employed staff and keeping records of staff.]

11 Advisory and reporting duties

[Subject to the negotiation of an additional fee for doing so:]

11.1 Advising the Client on management policy.

11.2 Reporting to the Client [Quarterly] on all matters relating to management and with material information, and reporting whenever necessary in case of matters of urgency.

11.3 Answering enquiries of estate agents and solicitors on management matters on the disposal of, or grant of an interest in, the Property.

11.4 Advising the Client on insurance cover issues.

11.5 Providing copies of documents, policies, leases and other such documentation relating to the Property.

11.6 Formulating, preparing, and (subject to the approval of the Client and agreement of an additional fee) implementing a management strategy to enhance the performance and total returns of the [portfolio of] Property.

12 Other duties

12.1 To do such acts, matters and things reasonably incidental to the specified duties of the Agent.

12.2 To do such acts, matters and things that may reasonably be regarded as being within the day-to-day management of the Property.

Schedule 3

Transfers of contracts of employment

1 Definitions

In this Schedule 3, the following words and expressions have the meanings given below:

- 1.1. References to “**Effective Date**” are to the time at which the Former Employer ceases to carry out the activities under this Agreement, which are to be carried out instead by the Successor Employer on or after a Relevant Transfer commences to operate under TUPE Regulation 3;
- 1.2. references to “**Former Employer**” and “**Successor Employer**” are to the Client, Agent or successor agent (whichever of them in the circumstances of a Service Provision Change becomes the relevant party) by or to whom the contracts of employment of employees are respectively transferred under the TUPE Regulations;
- 1.3. references to “**Relevant Transfer**” and “**Service Provision Change**” have the meanings respectively given to them in TUPE Regulation 3;
- 1.4. references to “**TUPE Regulations**” are to the relevant regulations made under The Transfer of Undertakings (Protection of Employees) Regulations 2006 as amended; references to a numbered TUPE Regulation are to be construed accordingly.

2. Transfer of contracts of employment

The provisions of this Schedule are to apply when:

- 2.1. there is a Service Provision Change by a transfer of an undertaking or activities at or following the appointment of the Agent, or the termination of this Agreement (whenever the Service Provision Change occurs), and
- 2.2. the duties of the Former Employer are then to be carried out instead either by the Client or a Successor Employer,

so that the contracts of employment of any persons formerly employed then operate as from the date of the Relevant Transfer as if made between them and Successor Employer under TUPE Regulations 3 and 4.

3. Employee liability information

- 3.1 The Former Employer is under a duty as soon as may reasonably be practicable (whether before or after the date of the Relevant Transfer) to notify to the Successor Employer such employee-liability information as is required under TUPE Regulation 11.
- 3.2 Long enough before the Relevant Transfer, both the Former Employer and the Successor Employer are under a duty to comply with the requirements to inform employees affected by the Service Provision Change, and any representatives for them, as required under TUPE Regulation 13.

3.3 A list of any employees, affected by the Service Provision Change at the commencement of this Agreement or before the Effective Date, [is annexed to this Agreement][is to be provided by the [Effective Date and] [upon the termination of this Agreement]]

4. Indemnity

4.1 The Former Employer shall indemnify and keep indemnified the Successor Employer against liability arising out of or in connection with claims by employees whose contracts of employment are affected by a Relevant Transfer. For those purposes, "**liability**" includes claims, actions, costs, expenses, damages, awards, compensation, fines, court or tribunal awards and any other liability pursuant to the TUPE Regulations and Employment Rights Act 1996.

4.2 For the purposes of this paragraph 4, the Successor Employer shall;

4.2.1 as soon as reasonably practicable, give notice to the Former Employer of a claim made under paragraph 4.1 against it, specifying the nature of the claim in reasonable detail;

4.2.2 not make any admission of liability, agreement or compromise in relation to the claim without the consent of the Former Employer;

4.2.3 give to the Former Employer and its professional advisers all information as to matters and things relevant to the claim either in its possession or of which it is aware.

4.3 The Successor Employer shall take such action as the Former Employer may reasonably request, but at the cost of the Former Employer, to avoid, dispute, compromise or defend a claim, as the case may be.

Schedule 4

Data Regulations

1 Definitions

In this Schedule 4, the following words and expressions have the following meanings:

"Applicable Data Protection Law" means all worldwide data protection and privacy laws and regulations applicable to the personal data in question, including, where applicable, EU Data Protection Law;

"controller", **"processor"**, **"data subject"**, **"personal data"**, **"processing"** (and **"process"**) and **"special categories of personal data"** have the meanings given to them in EU Data Protection Law;

"Data" means the data processed and controlled for the purposes described in this Agreement.

"EU Data Protection Law" means (i) Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data (General Data Protection Regulation); (ii) the EU e-Privacy Directive (Directive 2002/58/EC); and (iii) any and all applicable national data protection laws made under or pursuant to (i) or (ii), in each case as may be amended or superseded from time to time; and

"Personal Data Breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, or unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

2 Joint controllers

2.1 The Client and the Agent acknowledge that they are joint controllers for the purposes described in this Agreement.

2.2 As between the Client and the Agent:

2.2.1 the Agent is to have the responsibility on behalf of the Client and itself for processing Data in the course of carrying out its management duties in accordance with this Agreement; but

2.2.2 the Client retains responsibility for the control of Data that it handles independently,

and in matters, other than of a routine nature, requiring the lawful exercise of discretion with respect to the processing of Data, issues of policy involving the processing of Data or contacting the supervising regulator with respect to Personal Data Breach, following consultation with the Agent, the decision of the Client is to prevail.

2.3 The Client and the Agent shall comply with Applicable Data Protection Law with respect to Data processed under this Agreement during its course and individually after it terminates.

3 Responsibilities of the Agent

3.1 The Agent shall be responsible for complying with the following obligations in relation to Data:

3.1.1 providing data subjects with all necessary information in respect of the processing of their Data and obtaining consent from data subjects where required, and any that the Client processes of which the Client notifies the Agent;

3.1.2 responding promptly to requests or complaints from the data subjects concerning the exercise of their rights under Applicable Data Protection Law;

3.1.3 implementing appropriate technical and organisational measures to ensure, and having the capacity to be able to ensure, a level of security appropriate to the risk presented by the processing of Data, from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Data processed, or from other means;

3.1.4 ensuring that any individuals, acting under its authority who have access to Data, have undergone appropriate training in the care, protection and handling of personal data, and authorising the processing of Data by them only as instructed by the Agent;

3.1.5 maintaining a record of the processing activities under its responsibility and providing a copy to the Client on request;

3.1.6 promptly complying with any restrictions and adducing appropriate safeguards on transfers of personal data to other countries in accordance with EU Data Protection Law and Applicable Data Protection Law;

3.1.7 consulting with the Client on notification of, and interaction with, the competent supervisory authority and, if applicable, the data subject without delay in case of Personal Data Breach; and

3.1.8 subject to paragraph 2.2 above, co-operating with the competent supervisory authority as and when it is to be consulted; where the competent supervisory authority contacts the Agent, immediately informing and consulting with the Client.

3.2 The Agent may appoint third party processors to:

3.2.1 process Data in accordance with the Agent's written instructions;

3.2.2 implement appropriate technical and organisational security measures to protect Data against Personal Data Breach, including measures to the same effect as are set out in paragraph 3.1.4 above to apply to those having access to Data; and

3.2.3 ensure that Data as so processed complies with Applicable Data Protection Law.

SIGNED by _____)

[a director duly authorised on

behalf of] the Client

SIGNED by _____)

[a director duly authorised on

behalf of] the Agent)

SIGNED by _____)

[a director duly authorised on

behalf of] the Owner