



STRATA MANAGEMENT GUIDE : 4

**Proceedings of a
General Meeting**



Preamble

This series of Strata Management Guides published by the Building and Construction Authority (BCA) is intended to help councils of the management corporations (MCs), subsidiary proprietors (SPs), council members and managing agents (MAs) better manage their estates.

The guide will include recommended procedures and good practices to address common issues (e.g. how to conduct a general meeting and how to requisition a motion).

The guide is aimed at providing a consistent approach and standard for the strata community to facilitate better self-regulation.

Disclaimer

This guide has been prepared to provide practical information on the BMSMA and Regulations made under the BMSMA (Regulations).

This guide :

- Does not provide a legal interpretation of provisions in the Act or Regulations; and
- Is not a substitute for independent legal advice.

Readers should seek professional legal advice if they need to determine specific legal rights and duties applicable to them. The Commissioner of Buildings, BCA or any agency stated in this guide shall not be liable for any reliance on or misinterpretation of any information contained in this guide by any person.

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Important Notice: Readers must not rely on this guide for legal advice.

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Abbreviations

| | |
|---------------------------------|---|
| AGM | Annual General Meeting |
| BMSMA | Building Maintenance and Strata Management Act |
| BM(SM) REGULATIONS | Building Maintenance (Strata Management) Regulations 2005 |
| MA | Managing Agent |
| MCST | Management Corporation Strata Title |
| MC | Management Corporation |
| SP | Subsidiary Proprietor |

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Good Practice



Example

01 Introduction



- 1.1 As mentioned in Strata Management Guide 3, the general meeting is a platform for the **subsidiary proprietors (SPs) of a management corporation (MC)** to decide on matters relating to the management, operation and administration of their estate.
- 1.2 To ensure that the proceedings of a general meeting are proper, the MC may wish to refer to the First Schedule to the BMSMA¹ to take note of the requirements including quorum, counting of votes, and passing of resolution.



¹ Section 27(3) of the BMSMA: Generally, the First Schedule shall apply to and in respect of any meeting of a MCST, and voting at that meeting.

02 Convening General Meetings



Annual General Meeting and Extraordinary General Meeting Convened by Council of Management Corporation

- 2.1 A sufficient quorum, as provided for below, must be met before a general meeting can be convened. A quorum is first deemed to be met if either Condition A(1) or Condition A(2) is met. If Condition A(1) and Condition A(2) cannot be met, a quorum can still be met if Condition B is met.

CONDITION A

CONDITION A(1)

(Paragraph 3 of the First Schedule to the BMSMA)

SPs who together own **at least 30% of the total share value** of the lots in the MC are present at the meeting either in person or by proxy.

CONDITION A(2)

(Paragraph 11 of the First Schedule to the BMSMA)

If **at least 30% of the total share value** of the lots in the MC is owned by the Chairperson of the MC who is present at the meeting **in person**. This Condition A(2) is considered to have been satisfied even if the Chairperson is the only person present at the meeting.

CONDITION B – “Half-Hour Rule”

(Paragraph 3 of the First Schedule to the BMSMA)

In cases where the MC is unable to meet either Condition A(1) or Condition A(2) at the appointed time of the meeting, this Condition B may kick in where 30 minutes after the appointed time of the meeting, **two or more SPs are present at the meeting in person (not by proxy)**.

[Exception: The “Half-Hour Rule” does not apply to an extraordinary general meeting (**EOGM**) convened on requisition made by SPs.]

Extraordinary General Meeting Convened Due to Requisition by Subsidiary Proprietors (Paragraph 3 of the First Schedule to the BMSMA)

2.2 A quorum is deemed to be met if either Condition A(1) or Condition A(2) is met.

CONDITION A

CONDITION A(1)

(Paragraph 3 of the First Schedule to the BMSMA)

SPs who together own **at least 30% of the total share value** of the lots in the MC are present at the meeting either in person or by proxy.

CONDITION A(2)

(Paragraph 11 of the First Schedule to the BMSMA)

If **at least 30% of the total share value** of the lots in the MC is owned by the Chairperson of the MC who is present at the meeting in person, this Condition A(2) is considered to have been satisfied even if the Chairperson is the only person present at the meeting.

03 Eligibility to Vote at a General Meeting

(Paragraph 12 of First Schedule to the BMSMA)

- 3.1 If an SP is in arrears of contributions due to the MC **3 days** before a general meeting, he cannot cast a vote at that general meeting except for motions that are to be passed by unanimous resolution or resolution by consensus.
- 3.2 If **two or more persons** representing the same lot attend a general meeting, the vote of the senior will be accepted as the rightful vote and the seniority of the person will be determined by the order in which the names are reflected in the strata roll.



Example: SPs who are in Arrears will not be allowed to vote at a general meeting

The SPs have received the annual general meeting (AGM) agenda notice that the AGM will be held on a specific date. Some SPs would like to attend and cast their votes in the AGM but are not sure if they are in arrears.

- ✓ SPs should check with the MC or MA whether there are any arrears in payment of contributions or interest due to the MC.
- ✓ If there is any amount due to the MC, SPs should pay off the amount immediately or, at the latest, by 72 hours before the AGM so that they will be able to vote in the AGM.
- ✓ As good practice, the MC may include in the AGM notice a reminder for the SPs to ensure that their payments to the management funds are up to date.

04 Proxy

(Paragraph 19 of First Schedule to the BMSMA)



4.1 A proxy is a person who has been given permission by an SP to represent him at a general meeting.

A proxy:

- a) Does not have to be an SP;
- b) Can participate in the discussion and vote in the general meeting on behalf of the SP who appointed him as proxy;
- c) Is still entitled to vote with respect to his own lot if he is an SP;
- d) Can be appointed as proxy by more than one SP; and
- e) Cannot vote on behalf of the SP who appointed him as proxy if that SP becomes present at the general meeting and is exercising his right to vote.

4.2 The number of SPs that a proxy can represent is capped at **2% of the total number of lots in the development or two lots, whichever is higher**. It will be calculated based on the total number of lots and be rounded down to the nearest whole number.

4.3 The proxy holder is responsible to ensure that he does not exceed the threshold. The proxy holder should also inform the SPs attempting to appoint him as a proxy that he has hit the cap set out under the BMSMA. He can seek the MA's or MC's assistance in determining the number of SPs he can be proxy for.

- 4.4 As good practice, the MC or MA can assist SPs by ensuring that all SPs are made aware of the cap on the number of proxies that any individual SP can hold. Ideally, this cap should be reflected in the explanatory note in every agenda notice that is provided by the MC prior to the holding of a general meeting.

Examples on the Proxy Cap

| Total number of lots in the MC | Cap on the number of proxy (whichever is higher) | | | Number of SPs that a proxy can represent (excluding the vote he is holding as a SP) |
|--------------------------------|---|----|--------|---|
| | 2% of the total number of lots in the development | or | 2 lots | |
| a) 80 lots | *1.6 | | 2 | 2 |
| b) 400 lots | 8 | | 2 | 8 |

* where the figure is not a whole number, it will be rounded down accordingly

Proxy Form

(Paragraphs 17 and 18 of First Schedule to the BMSMA)

- 4.5 Every SP who appoints a proxy should use a proxy form to appoint a proxy. The proxy form must be:
- Prepared every time there is a general meeting;
 - Signed by the SP and the proxy;
 - Deposited in the registered address of the MC or in any other address specified in the notice of the meeting, **not less than 48 hours before the appointed time of the general meeting;**
 - Issued under the company seal or signed by a duly authorised officer or attorney if the SP appointing the proxy is a company; and
 - Each proxy form must list all the motions to be decided at the general meeting.

Proxy exercises his discretion when there is no indication of voting preference in the proxy form.

- 4.6 If the SP does not indicate his voting preference (i.e. for, against, or abstain) for a particular motion in the proxy form, the proxy holder may vote or abstain from voting at his discretion in relation to any matter which is put before the meeting (including ancillary motions) based on what the proxy holder knows of the intentions of the proxy giver.

Vote in Accordance to Indicated Voting Preference

- 4.7 However, if the SP has indicated his decision for a particular motion, the proxy holder must vote in accordance with what the proxy holder has indicated on the form. If there are changes to the motion or if there are ancillary motions raised in the general meeting that were not previously represented on the form, the proxy holder should not vote on this motion. It is compulsory on the proxy holder to ensure that he votes in accordance to what is provided in the proxy form but MAs who wish to be prudent may also decide to complete the voting slips on their own accord based on what is indicated in the proxy forms.



<Prescribed Proxy Form>

*I/We, of being *a member/members of the abovenamed management corporation, hereby appoint, of as *my/our proxy to attend the (annual or extraordinary, as the case may be) general meeting of the management corporation or subsidiary management corporation, to be held on the day of 20, and at any adjournment of the meeting and to vote for *me/us on *my/our behalf in the following manner.

Table with 4 columns: Resolution, For, Against, Abstain

Notes:

- 1. A subsidiary proprietor may direct his or her proxy to vote on the resolution by ticking the desired box (in favour of/against the resolution or abstain from voting) in the above table. An abstain vote will not be counted in the calculation of votes.
2. If the subsidiary proprietor does not indicate his or her voting preference in the above table, the proxy may vote or abstain from voting at the proxy's discretion, in relation to any matter which is put before the meeting (including any resolution to adjourn the meeting or to amend any resolution proposed at the meeting).
3. This instrument appointing a proxy is void if I/we am/are present at the meeting.

Signed this day of 20

.....

Signature(s) of the subsidiary proprietor(s)

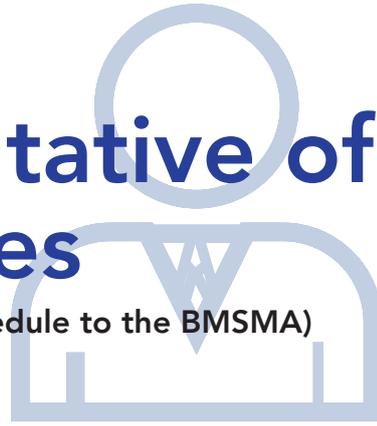
.....

Signature(s) of proxy

* delete whichever is inapplicable

05 Representative of Companies

(Paragraph 16 of First Schedule to the BMSMA)

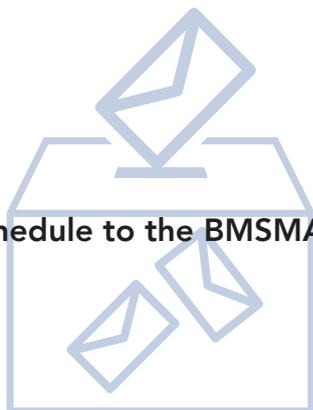


- 5.1 Any company that is an SP can appoint an individual as its representative to attend a particular meeting or all meetings of the MC.
- 5.2 Whilst it is possible for several companies (who are also SPs) in a MC to appoint the same person as their authorised representative, it is not prudent to do so. Instead, it is advisable for a company to ensure that the representative is from the company itself. This will ensure that the Company's interests are adequately represented at the general meeting. In addition, the authorised representative should be a person with sufficient authority so that he will be able to represent the Company's interests adequately during the general meeting. The appointment letter (known as the letter of authorisation) must be in writing and issued under the company seal or signed by the company's director or the company's duly authorised lawyer.



06 Voting

(Paragraph 9 of the First Schedule to the BMSMA)



- 6.1 The BMSMA and its Regulations specify the types of resolution required for the passing of different motions.
- 6.2 A motion must be decided according to the **number of votes cast** for and against the motion. However, a motion may also be decided by **polling** in the following cases:
- If the Act specifies that a resolution is to be passed only after a poll is taken; or
 - In the case of an ordinary resolution, if a person demands a poll².

When a poll is called, the voting will be based on share value of the lot as opposed to each lot carrying one vote.

- 6.3 All voting (whether or not a poll will be taken) are to be conducted using voting slips prepared by the MC. The voting slips should subsequently be collected by the MC and retained for record purposes. The MC may wish to appoint persons to scrutinise the counting of votes for transparency.

Sample Voting Slip

MCST PLAN NO. 9999
9th ANNUAL GENERAL MEETING

| | |
|-------------------------------------|--|
| RESOLUTION NO. / TYPE OF RESOLUTION | |
|-------------------------------------|--|

| | |
|----------|--------|
| UNIT NO. | #09-99 |
|----------|--------|

| | |
|-------------|----|
| SHARE VALUE | 99 |
|-------------|----|

| | | |
|-----|---------|-----------|
| FOR | AGAINST | ABSTAINED |
|-----|---------|-----------|

CAPACITY OF VOTER*: OWNER / FIRST MORTGAGEE / COMPANY NOMINEE / PROXY

*delete whichever is inapplicable

² A poll may be demanded by any person entitled to vote at a general meeting and the demand must be made by that person personally at the meeting.

| | | Method and process of passing the resolution | | |
|----------------------------|---|---|--|--|
| Types of Resolutions | | Casting of Votes > Based on <u>one vote per lot</u> | Polling of Votes > Based on <u>share value</u> of the lot relating to which the vote is cast | Supporting of Writing > 12 weeks after a general meeting |
| 14 Days of notice required | Ordinary Section 2(2) of the BMSMA A simple majority (>50%) of SPs are present at the meeting | <input checked="" type="checkbox"/> Conducted at the general meeting | <input checked="" type="checkbox"/> Conducted at the general meeting [Upon demand by a person] | |
| | Special Section 2(3) of the BMSMA At least 75% of the share value of all the valid votes cast at the meeting are in favour of the motion | | <input checked="" type="checkbox"/> Conducted at the general meeting | |
| 21 Days of notice required | 90% Section 2(5) of the BMSMA At least 90% of the share value of all the valid votes cast at the meeting are in favour of the motion | | <input checked="" type="checkbox"/> Conducted at the general meeting | |
| | Unanimous Section 2(4) of the BMSMA All SPs vote in favour of the motion at the meeting | <input checked="" type="checkbox"/> Conducted at the general meeting | | |
| | Comprehensive Section 2(6) of the BMSMA At least 90% of total share value in the development are in favour of the motion | | <input checked="" type="checkbox"/> Calculated 12 weeks after a general meeting | |
| | By Consensus Section 2(3) of the BMSMA All SPs are in favour of the motion and support the motion in writing | | | <input checked="" type="checkbox"/> Calculated 12 weeks after a general meeting |

07

Chairperson to Preside Over General Meeting



At the First Annual General Meeting (Sections 26(2) and 26(6) of the BMSMA)

- 7.1 The owner developer must be the Chairperson of the general meeting. In the event the developer does not hold the first AGM as required³, any SP or mortgagee of any lot in the development may apply to the Commissioner to appoint a person to convene the first AGM of the MC for that development.
- 7.2 The developer must appoint a suitable employee (or **responsible officer**, as defined in the BMSMA) from its organisation to attend and chair the first AGM. In addition, the developer can also appoint a MA to help in the proceedings of the meeting but the MA is not treated as the developer's representative.

Definition of 'responsible officer' in the BMSMA

- (a) For an owner developer that is a corporation or limited liability partnership, means
- i. Any director, partner, chief executive officer or employee of the corporation; or
 - ii. For a corporation whose affairs are managed by its members, it means any of those members as if the member were a director of the corporation, or any employee of the corporation;
- (b) For an owner developer that is a partnership, it means any partner in the partnership, or any employee of the partnership; or

³ See Guide 3 on 'Preparation of a General Meeting', Section 2 on 'Calling for the General Meeting'.

- (c) For an owner developer that is an unincorporated association (other than a partnership), it means:
- i. The president, the secretary, or any member of the committee of the unincorporated association;
 - ii. Any person holding a position analogous to that of president, secretary or member of a committee of the unincorporated association; or
 - iii. Any employee of the unincorporated association.

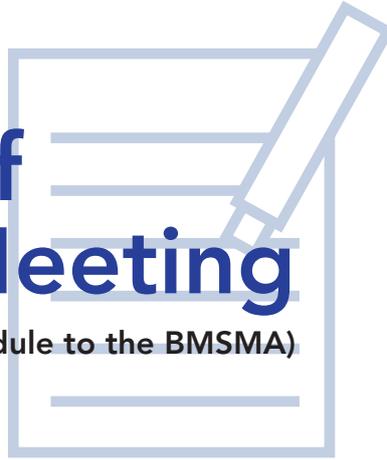
Subsequent Annual General Meeting (Paragraph 6 of the First Schedule to the BMSMA)

7.3 The Chairperson of the MC must be the Chairperson of the general meeting. If he is not present at the general meeting, the persons entitled to vote at that general meeting must nominate a Chairperson from amongst themselves.



08 Minutes of General Meeting

(Paragraph 3 of Second Schedule to the BMSMA)



- 8.1 The MC must display a copy of the minutes of the general meeting on the common notice board, within 45 days after the meeting and for a period of at least 14 days. A copy of the minutes may also be distributed to every SP by post or through electronic means.
- 8.2 The information recorded in the minutes of a general meeting must contain
- a) Date, time and place of the meeting;
 - b) Names of SPs present;
 - c) Names of SPs who have appointed proxies;
 - d) Names of proxies present;
 - e) Results of the votes on every motion submitted at the meeting; and
 - f) Text of every resolution of the MC made at the general meeting.
- 8.3 The minutes of the general meeting should be adopted and confirmed at the next general meeting.



Good Practice: Minutes of meeting to capture important decisions made at the meeting

The last AGM had authorised the MC to raise a special levy to carry out re-roofing of the development. Some SPs who were not present in the AGM were unsure what the special levy was all about.

What can MCs do

- ✔ While the BMSMA does not stipulate the format and details on how the minutes of meeting should be recorded, the MC can adopt the following good practice:
 - a) Ensure the minutes of AGM records the number of votes cast for and against the motion, as well as the chairman's declaration of the voting result. The minutes should also record the actions agreed to be taken pursuant to the motion, assuming it is passed.
 - b) Include a brief explanation of the rationale for the decision. If there is extensive deliberation before passing the motion, the secretary should summarise and record the key points discussed.
 - c) The secretary should also circulate the draft minutes of meeting to all the council members who were present at the AGM for comments before the minutes are put up for approval in the next general meeting.



09

Adjournment of General Meeting

- 9.1 A general meeting may be adjourned for any reason if a motion to adjourn the meeting is passed at the meeting.
- 9.2 If any meeting is to be adjourned, the person presiding at the general meeting must fix the time and place of the next meeting. Where there is no place fixed, he may indicate a tentative venue for the next meeting.
- 9.3 The notice to be served for the adjourned meeting should comply with the requirements for notices as prescribed in the BMSMA⁴. For example, the notice should include the venue and time.

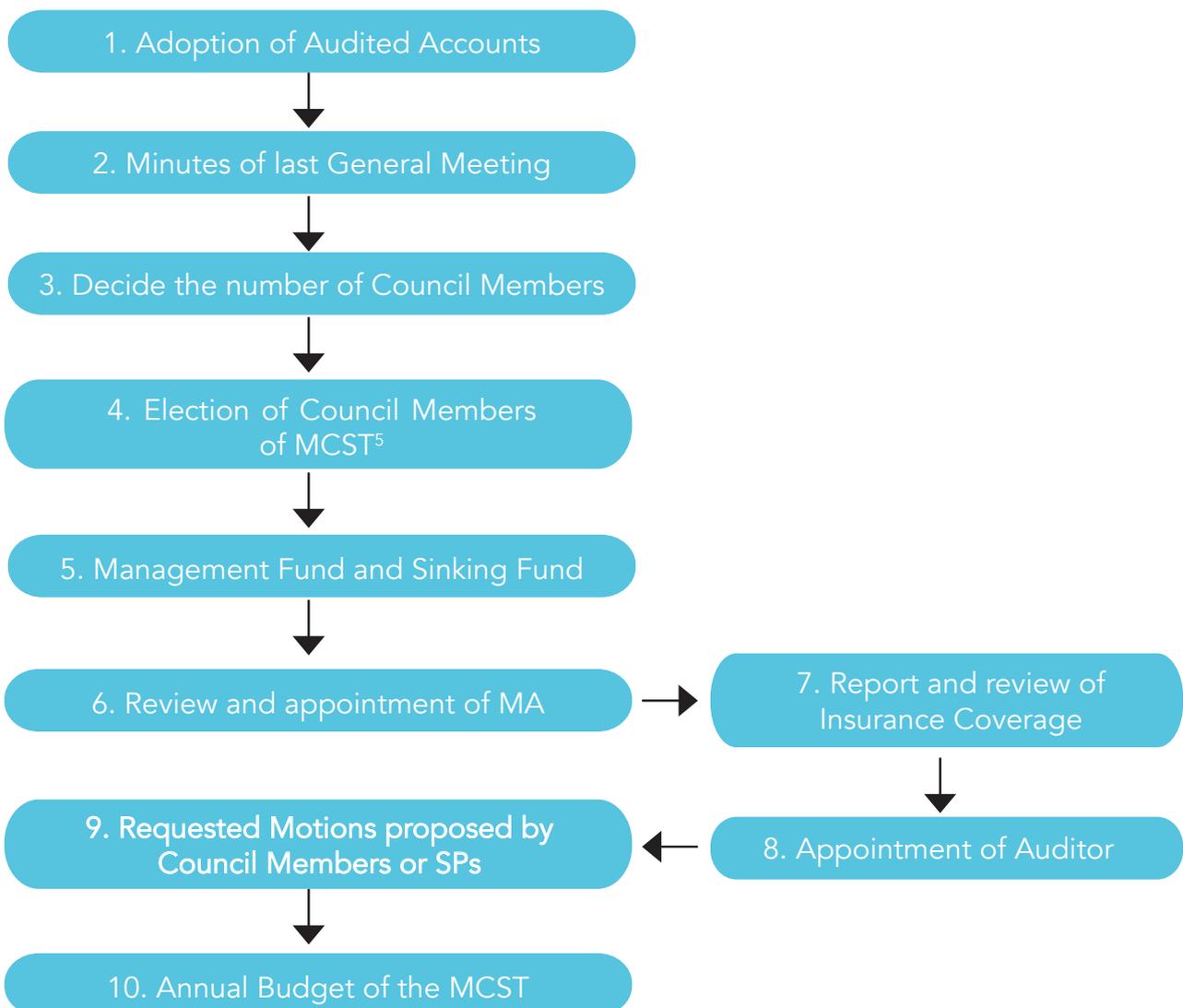


⁴ Please see Guide 3 on 'Preparation for a General Meeting', Section 5 on 'Notice Period'.

10 Sequence of an Annual General Meeting

10.1 It is recommended that the sequence of an AGM follows the agenda as listed in the agenda notice. The following is a suggested sequence that is typically adopted by MCs when setting out an agenda:

Suggested Sequence of Agenda for an Annual General Meeting



⁵ See **Annex A** on workflow on Election of council member of MC.

10.2 The agenda of an AGM must include the following motions to:

- ✓ Adopt of the statement of accounts (commonly known as 'audit report');
- ✓ Confirm the minutes of the last AGM;
- ✓ Decide the number of members to be elected into the council;
- ✓ Elect members of the council;
- ✓ Determine the amount to be raised for the management fund and the sinking fund;
- ✓ Approve the proposed annual budget of the MC for the new financial year;
- ✓ Decide if any matter or type of matter is to be determined only by the MC in general meeting;
- ✓ Appoint an auditor;
- ✓ Report on the insurance coverage and review the adequacy of the insurance of the MC; and
- ✓ Decide on the termination of any MA or continuation of the MA for the next ensuing financial year.

References:

BMSMA – Sections 2, 26, 27
First Schedule to the BMSMA
Second Schedule to the BMSMA

Annex A

Election of Council Members of MC.

The Chairperson should first check the number of nominees against the number of determined council seats (i.e. reserved seats for all the user groups, as well as open seats).

Scenario 1: If number of nominees equals to or is less than number of determined council seats:

No balloting is required, and all nominees will be elected as council members automatically.

Scenario 2: If number of nominees is more than number of determined council seats:

Step 1 - Allocation of the reserved seat for each user group should be carried out first.

- (a) If there is only one nominee from that user group, that nominee will take up the one reserved seat for that user group automatically.
- (b) If there is more than one nominee for that user group, then the nominee from that user group who garnered the highest number of votes will take up the one reserved seat for that user group automatically.
- (c) If there is a tie in the number of votes between two nominees for that user group, the Chairperson of the meeting may decide by drawing lots in such manner as he determines.

Step 2 - Allocation of open seats for the remaining nominees (any user group)

- (a) The remaining nominees that were not allocated a reserved seat will fill the remaining open seats. The seats will be filled in the following order of priority – where the candidate with the highest votes would be placed first and the other candidates will be placed in order according to votes received by them.
- (b) If there is a tie in the number of votes between any two candidates, the Chairperson of the meeting may decide by drawing lots in such manner as he determines.

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