

DIRECTION FOR STRATA MANAGEMENT

Issued in accordance with Strata Management Act (Act 757) and Regulations Concerning Ownership of Stratified Properties in Malaysia

Part 1 Definitions and General Provisions

1. In this Act –

- (a) the terms and expressions defined in Part 1 of the Strata Management Act 2013 of shall have the same meanings in this Act as those assigned to them in that Part; and
- (b) unless the context otherwise dictates, the following words and expressions shall have the following meanings in this Act–

Law means SMA 2013 Concerning Stratified Properties Malaysia;

Charges means a charge imposed on a Purchaser and Developer in accordance with Clause 12 of this Act and charges received is to be deposited into the maintenance accounts within 3 days;

Sinking fund account means an account required to be opened and maintained by the developer, joint management body, management corporation or a subsidiary management corporation under section 11,24,51,61 or 67, as the case may be and is basically set aside for actual or expected capital expenditure such as repainting, acquisition of any movable property for use in relation to the common property, renewal or replacement of fixture and fitting comprised in any common property, upgrading and refurbishment of common property or any other capital expenditure approved at the general meeting. It is normally 10% of the Charges and can be in additional to the charges or part of the approved charges as to how the resolution to collect is approved at the General Meeting;

Maintenance Account means an account required to be opened and maintained by a developer, joint management body, management corporation or subsidiary management corporation under section 10,23,50,60, or 66 as the case may be and is basically to be used solely for the purpose of meeting the actual or expected general or regular expenditure necessary in respect to maintaining the common property in good condition on a day-to-day basis, paying for expenses incurred for cleaning, security, staffing, insurance, minor repair works etc;

Assets means movable or immovable property, other than real property which is owned by the Joint Management Body or Management Corporation formed under this Act;

Strata Roll means the roll to be prepared and maintained under subsection 72(1) of the Act and basically contains the information relating to the units and its owner;

Managing Agent means the person appointed by the Commissioner under Section 86, in accordance with Part 6 of this Act;

Joint Management Body means the body established under section 17 of this Act;

Management Corporation means the management corporation which comes into existence under the Strata Titles Act 1985;

Subsidiary Management Corporation means the subsidiary management corporation which is created under the Strata Titles Act 1985’;

Joint Management Committee in relation to a Joint Management Body, means the committee of the Joint Management Body elected under section 22 of the Act;

Management Committee in relation to a Management Corporation means the committee of the Management Corporation elected under section 56 of the Act;

Subsidiary Management Committee in relation to a Subsidiary Management Corporation means the committee of the Subsidiary Management Corporation elected under section 63 of the Act;

Building, for insurance purposes, includes any building that:

(a) entirely comprises Common Areas; or (b)

comprises a Unit and Common Areas, but

does not include, in the case of (b):

(c) temporary wall, floor and ceiling;

(d) fixtures removable by a lessee at the end of a lease;

(e) mobile or fixed air conditioning units servicing a particular Unit;

(f) curtains, blinds or other external window coverings; or

(g) mobile dishwashers, clothes dryers or other electrical or gas appliances not wired or plumbed in;

By Laws means the by-laws which are in operation in respect of the building or land intended for subdivision into parcels, or the subdivided building or land and the common property as:

a. Prescribed by the Regulation made under section 150 for regulating the control, management, administration, use and enjoyment of the building or land intended for subdivision into parcels or the subdivided building or land, and the common property; or

b. Provided for in any additional by laws made under section 32, 70 or 71 of the Act;

Share Units in respect of a parcel, means the share units determined for that parcel as shown in the schedule of share units;

Aggregate share units means-

(a) In relation to a building or land intended for subdivision into parcels, the sum of the allocated share units of the parcels or proposed parcels, including a provisional block, in a development area; or

- (b) In relation to a subdivided building or land, the sum of the share units of the parcels, including a provisional block, as shown the strata register prepared and maintained by the Registrar under the Strata Titles Act 1985;

Provisional Share Units means the share value allotted to a provisional block shown in an approved strata plan;

Allocated Share Units means, the share units assigned to each parcel intended for subdivision by the developer's licensed land surveyor or in case where the share units have not been so assigned, means the share units assigned under section 8 of this Act'

General Meeting means a meeting of the Owners of Units convened and held in accordance with this Act and the Regulations as per the section 10 and 11 of the 2nd Schedule of this Act;

Interested Person means – (a) an

Owner or Occupier of a Unit;

- (b) a person holding a registered mortgage over a Unit;
- (c) a person who is in an advanced stage of negotiations for purchase of a Unit;
- (d) a person who has entered into an agreement to purchase a Unit and that agreement is still current;
- (e) if the Unit is in a development that was part of a master development, the master developer of that master development;

Parcel Owner means –

The purchaser or the developer in respect of those parcels in the development area which have not been sold by the developer;

Purchaser means –

The purchaser of a parcel and includes any person or body who has acquired an interest as a purchaser in the parcel or any person or body for the time being registered as a parcel owner in the register of parcel under subsection 30(1) of the SMA 2013;

Proprietor means –

A parcel proprietor, that is to say, a person or body for the time being registered as the proprietor of a parcel, as well as to the proprietor of a provisional block, unless expressly provided otherwise that is to say, person or body for the time being registered as the proprietor of a provisional block;

Original Proprietor means-

The proprietor of the lot immediately before the subdivision of building;

Occupier means –

The person in actual occupation or control of the parcel or land parcel, but in the case of premises for lodging purposes, does not include the lodger;

Developer means-

- (a) In relation to a development area, means any person or body of persons, by whatever name described, who develops any land for the purpose of residential, commercial or industrial use, or a combination of such uses; and
- (b) In relation to a subdivided building or land, includes the original proprietor of the lot before subdivision,

And includes the executors, administrators and successors in title and permitted assigns of such person or body of persons, and in a case where the person or body of persons is under liquidation, includes such person or body appointed by a court of competent jurisdiction to be the provisional liquidator or liquidator’;

Strata Register means the register of strata titles maintained by the Registrar under the provision of section 15 of the Land Titles Strata Act 1985 and basically contains information of the parcel owner and the parcel;

Registrar means –

- (a) In relation to strata titles which are dependent on Registry titles, the Registrar of Titles or Deputy Registrar of Titles for the State; and
- (b) In relation to strata titles which are dependent on Land Office Titles, the Land Administrator for the district;

Regulations mean regulations, by-laws, decisions or directions issued in accordance with the Law;

Ordinary Resolution means a resolution which is passed at a duly convened general meeting of which at least 14 days’ notice specifying the proposed resolution has been given, and carried by a simple majority consisting not less than 50% of the valid votes cast at the general meeting by a show of hands, or if a poll is demanded and taken, by a majority consisting of not less than 50% of the number of valid votes cast on such poll;

Special Resolution means a resolution which is passed at a duly convened general meeting of which at least 21 days’ notice specifying the proposed resolution has been given, and carried by a majority consisting not less than 75% of the valid votes cast at the general meeting by a show of hands, or if a poll is demanded and taken, by a majority consisting of not less than 75% of the number of valid votes cast on such poll. It is used where additional by-laws need to be approved, to amend additional by-laws, to take up insurances other than damage policy;

Unanimous Resolution means a resolution which is passed at a duly convened general meeting of which at least 21 days’ notice specifying the proposed resolution has been given, and carried by every valid vote cast at the general meeting by a show of hands, or if a poll is demanded and taken, by every valid vote cast on such poll; It is used to seek approval to acquire land, to grant an easement and to accept an easement;

Exclusive Benefit in relation to a limited common property, includes but is not limited to the exclusive use or enjoyment of, and right to contributions and earnings in respect of, the limited common property but excludes any proprietary interest;

Comprehensive Resolution means a resolution which-

- (a) Is considered at a duly convened general meeting of the management corporation of which at least 30 days’ notice specifying the resolution has been given; and

- (b) At the end of the period of sixty days after the general meeting in paragraph (a) is convened, on a poll, the total of the share units of the parcels for which valid votes are counted for the resolution is at least two-thirds of the aggregate share units of the parcels of all the proprietors who constitute the management corporation at the end of such period;
- (c) Used in situation to incorporate a sub-mc and to identify limited common property.

Utility Charge means a fee or charge for the supply of a Utility Service; **Utility Service** means any of the following services:

- (a) water reticulation or supply, including potable, treated, heated and chilled water;
- (b) gas reticulation or supply;
- (c) electricity supply;
- (d) air conditioning;
- (e) telephone;
- (f) computer, data or television;
- (g) a sewer system;
- (h) drainage;
- (i) a system for the removal or disposal of waste;
- (j) a system for the delivery of mail, parcels or goods; and
- (k) any other system or service designed to enhance the utilities of Units or Common Areas.

Provisional Block means-

- (a) in relation to a proposed strata plan, a block in respect of a building proposed to be, or in the course of being, erected, on building or land for which a separate provisional strata title is applied for;
- (b) in relation to an approved strata plan, such a block shown therein, for which a provisional strata title is to be registered; and
- (c) in relation to a book of strata register, such a block shown therein, for which a provisional strata title has been registered;

Development Area means –

- (a) in relation to a building or land intended for subdivision into parcels, means any land on which the building or land intended for subdivision into parcels is developed or is in the course of development or intended to be developed; and
- (b) in relation to a subdivided building land, means any alienated land held as one lot under final title(whether Registry or Land Office title) on which the subdivided building or land is developed;

Parcel -

- (a) in relation to a building intended for subdivision, means one of the individual units comprised therein, which (except in the case of an accessory parcel) is to be held under a separate strata title;

- (b) in relation to a land intended for subdivision, means one of the individual units of land parcels which is to be held under a separate strata title;
- (c) in relation to a subdivided building, means one of the individual units comprised therein, which (except in the case of an accessory parcel) is held under a separate strata title; and
- (d) in relation to a subdivided land, means one of the individual units of land parcels which is held under a separate strata title;

Accessory Parcel means-

Any parcel shown in the strata title plan as an accessory parcel which is used or intended to be used in conjunction with a parcel;

Land Parcel means-

A unit which is comprised therein a subdivided land on which there is a completed building of not more than four storeys which is held under strata title;

Common Property means-

- (a) in relation to a building or land intended for subdivision into parcels, means so much of the development area-
 1. as is not comprised in any parcel or proposed parcel; and
 2. used or capable of being used or enjoyed by occupiers of two or more parcels or proposed parcels; or
- (b) in relation to a subdivided building or land, means so much of the lot-
 1. as is not comprised in any parcel, including any accessory parcel, or any provisional block as shown in a certified strata plan; and
 2. used or capable of being used or enjoyed by occupiers of two or more parcels;

Initial Period –

In relation to a Management Corporation means the period commencing on the day on which the management corporation is formed and ending on the day on which there are proprietors, excluding the proprietor of the lot who is registered as the proprietor of a parcel or parcels or a provisional block or blocks , the sum of those share units is at least one-quarter of the aggregate share units;

Developers Management Period means the period commencing from the date of delivery of vacant possession of a parcel to a purchaser by the developer until one month after the first annual general meeting of the Joint Management Body;

Preliminary Management Period means the period commencing from the date of delivery of vacant possession of a parcel to a purchaser by the developer until one month after the first annual general meeting of the Management Corporation;

Tribunal means the Strata Management Tribunal established under Part IX of the Act and basically hears disputes and has the jurisdiction to hear and determine any claims specified in Part 1 of the 4th Schedule and where the total amount of which an award of the Tribunal is sought does not exceed two hundred and fifty thousand

ringgit or such other amount as may be prescribed to substitute the total amount.

The following persons can file a claim:

- a. a developer
- b. a purchaser
- c. a proprietor, including an original proprietor
- d. a joint management body
- e. a management corporation
- f. a subsidiary management corporation
- g. a managing agent
- h. any other interested person with the leave of the Tribunal;

Damage to Party Wall means any evidence of dampness, moisture or water penetration on the wall and/or any furnishing material attached to the wall that form parts of the interior of a parcel, Common Property, Limited Common Property, as the case may be;

Interfloor Leakage means any evidence of dampness, moisture or water penetration on the ceiling and/or any furnishing material attached to the ceiling that form parts of the interior of a parcel, Common Property or Limited Common Property, as the case may be.

2. **This SMA 2013 (Act 757):**

- (a) applies to all Joint Management Body, Management Corporation and Limited Management Corporation in Malaysia;
- (b) shall not be capable of amendment by an (a) above; and
- (c) shall bind the all Joint Management Body, Management Corporation and Limited Management Corporation and Owners, as well as Occupiers and persons having an interest in a Unit (to the extent that this Act applies to such Occupiers and persons), as if all those persons had entered into mutual covenants to perform its terms.

Part 2

Functions and Powers of the Joint Management Body, Management Corporation and the Subsidiary Management Corporation,

3. The functions are –

- (a) To properly maintain and manage the subdivided building or land and the common property and keep it in a state of good and serviceable repair;
- (b) To determine and impose the Charges to be deposited into the maintenance account for the purposes of proper maintenance and management of the subdivided buildings or lands and the common property;

- (c) To determine and impose the contribution to the sinking fund to be deposited into the sinking fund account for the purposes of meeting the actual or expected expenditure specified under section 51(2);
- (d) To effect insurance according to this Act or to insure against such other risks as the proprietors may be special resolution direct:
- (e) To comply with any notice or order given or made by the local authority or any competent public authority requiring the abatement of any nuisance on the common property, or ordering repairs or other work to be done in respect of the common property or other improvements on the common property;
- (f) To prepare and maintain a strata roll for the subdivided buildings or lands;
- (g) To ensure that the accounts required to be maintained by the management corporation under this Act are audited and to provide audited financial statement for the information to its members;
- (h) To enforce by-laws; and
- (i) To do such other things as may be expedient or necessary for the proper maintenance and management of the subdivided buildings or lands the common property.

4. The powers shall be as follows:

- (a) To collect the Charges from the proprietors in proportion to the share units or provisional share units of their respective parcels or provisional blocks;
- (b) To collect the contribution to the sinking fund from the proprietors of an amount equivalent to 1% of the Charges;
- (c) To authorize expenditure for the carrying out of the maintenance and management of the subdivided buildings or lands and the common property;
- (d) To recover from any proprietor any sum expended by the management in respect of that proprietors' parcel in complying with any such notices or order as referred to in paragraph (3)(e) above
- (e) To purchase, hire or otherwise acquire movable property for use by the proprietors in connection with their use and enjoyment of the common property;
- (f) To employ or arrange and secure the services of any person or agent to undertake the maintenance and management of the subdivided building or lands and the common property;
- (g) Subject to subsection 70(2), to make additional by-laws for the proper maintenance and management of the subdivided building or lands and the common property;
- (h) To borrow monies required by the management in the exercise of its powers or the performance of its duties;
- (i) To secure the repayment of moneys borrowed by it and the payment of interest thereon by negotiable instrument or by a charge of unpaid Charges to the maintenance account (whether already imposed or not), or by a

charge of any property vested in it or by a combination of any of those means; and

- (j) To do all things reasonably necessary for the performance of its duties under this Act and for the enforcement of the by-laws.

Part 3

The Management Committee of a Joint Management Body, Management Corporation and Subsidiary Management Corporation (referred to as “management” herein) (2nd Schedule of the SMA 2013(Act 757))

5. Subject to the provisions of this paragraph and to any regulations or by-laws made under this Act, every management shall have a management committee which shall consist of such number of persons as the management may determine in a general meeting, but in any case not less than three and not more than fourteen natural persons (inclusive of any members of the subsidiary management committee of a subsidiary management corporation in subsection 63(4) ~at least one member of the subsidiary management committee of a subsidiary management corporation shall be a member of the management committee of the management corporation). For a Joint Management Committee one seat shall be designated for the developers appointed representative.
6. Notwithstanding subparagraph (1), where a management has not more than three proprietors, the management committee of the management shall consist of all the proprietors who are natural persons or in the case of a proprietor which is a company, society, statutory body or any other body, its nominee.
7. Where a management has only one proprietor, the sole proprietor may make any decision that a duly convened management committee may make under this Act, any such decision shall be deemed to be a decision of the management committee of the management.
8. All the members of the management committee shall be elected at each annual general meeting of the management.
9. There shall be a Chairman, Secretary and a Treasurer, all of whom shall be natural persons, to be elected by the management committee from among its members immediately after the conclusion of the general meeting but no Chairman Secretary or Treasurer shall hold office for more than two consecutive years.
10. All members of the management committee of a management shall retire from office at the conclusion of the next annual general meeting. A retiring member of the management committee shall be eligible for re-election but no members of the management committee shall hold office for more than 3 consecutive terms.
11. A person shall not be eligible for election as a member of the management committee of the management unless he is an individual of at least twenty-one years of age and who-
 - (a) Is a proprietor or co-proprietor of a parcel;

- (b) Is nominated for election by a proprietor of a parcel which is a company, society, statutory body or any other body; or
 - (c) Is not a proprietor of a parcel but is a member of the immediate family of a proprietor who owns two or more parcels and is nominated for election by that proprietor.
12. A proxy appointed by a proprietor shall not be eligible for election.
13. Notwithstanding subparagraph (13), an individual referred to that subparagraph shall not be eligible for election as a member of the management committee of a management if, on the seventh day before the date of election-
- (a) Where he is a proprietor or co-proprietor of a parcel all or any part of the Charges, or contribution to the sinking fund, in respect of that parcel are in arrears;
 - (b) Where he is nominated for election by a proprietor of a parcel which is a company, society, statutory body or any other body, all or any part of the Charges, or contribution to the sinking fund, in respect of that parcel are in arrears; or
 - (c) Where he is a member of the immediate family of a proprietor who owns two or more parcels and is nominated for election by that proprietor, all or any part of the Charges, or contribution to the sinking fund, in respect of any parcel are in arrears.
14. Notwithstanding subparagraph (13) and without prejudice to subparagraph (15), the following persons shall also not be eligible for election as a member of the management committee:
- (a) An individual who is a co-proprietor of a parcel with another one or more co-proprietors, if any other co-proprietor of that parcel is also a candidate at that election; and
 - (b) An individual who is nominated for election by a proprietor who owns two or more parcels if-
 - i That proprietor together with any his nominees –
 - 1 Nominated at the same election; or
 - 2 Elected to the management committee at the same or other election; or
 - ii That proprietor's nominees, exceeds the threshold number for that proprietor determined in accordance with subparagraph (17)
15. For the purposes of determining the eligibility of any individual who is nominated for election as a member of the management committee under subparagraph (16)(b), the threshold number for that proprietor shall be –
- (a) The number of management committee members that is proportional to that proprietor's share units, ignoring any fraction; or
 - (b) Forty nine percent of the number of management committee members determined under subparagraph (7), ignoring any fractions,

Whichever number is lower.

16. For the purpose of subparagraph (17), the word “proprietor” shall include the original proprietor who owns two or more parcels but the original proprietor’s number of parcels shall exclude any parcel that has been sold to any person who has yet to be registered as a proprietor.
17. An absent proprietor shall not be nominated for election as a member the management committee unless he has appointed a proxy and has given the written consent to be elected as a member of the management committee.

Part 3A

The Management Committee of a Joint Management Body, Management Corporation and Subsidiary Management Corporation (referred to as “management” herein) (2nd Schedule of the SMA 2013(Act 757))

Vacation of office of members of management committee

18. (1) A person who is the Chairman, Secretary or Treasurer or a member of a management committee shall vacate or shall be deemed to have vacated office as such member –
 - (a) If he resigns
 - (b) To If he dies
 - (c) If he becomes a bankrupt
 - (d) If he is no longer a proprietor
 - (e) If he has been convicted on a charge in respect of –
 - i An offence involving fraud, dishonesty or moral turpitude;
 - ii An offence under any law relating to corruption;
 - iii An offence under this Act; or
 - iv Any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years;
 - (f) If his conduct, whether in connection with his duties as a member of the management committee or otherwise, has been such as to bring discredit to the management committee;
 - (g) If he is of unsound mind or otherwise incapable of discharging his duties;
 - (h) In the case of the Chairman, if he absents himself from three consecutive scheduled meetings of the management committee without the leave of the management committee;
 - (i) In the case of a member of the management committee other than the Chairman, if he absents himself from three consecutive meetings of the management committee without the leave in writing of the Chairman;
 - (j) In the case where the proprietor of a parcel is a company, society, statutory body or any other body as the case may be, if he by resolution removed as the representative of the company, society, statutory body or any other body;

- (k) If he is in default of payment of the Charges, or contribution to the sinking fund, (including interest) for a continuous period of three months; or
 - (l) In the case of a member the management committee, if he commits a serious breach of the by-laws and has failed to remedy the breach, if the breach is capable of being remedied within 14 days of the date of receipt of notice from the management committee.
- (2) Within 14 days of the occurrence of any breach any of the events in subparagraph (1) except for the event under subparagraph (1)(k), the company, society, statutory body or any other body may appoint another representative to replace the member of the management committee and to hold the office vacated.
- (3) Except where the management committee consists of all the proprietors, the management may, at any time, by resolution in an extraordinary general meeting remove any member of the management committee from office and subject to subparagraph 14 herein appoint another proprietor in his place to hold office until the next Annual General Meeting.
- (4) A member of the management committee may resign from his office at any time in writing under his hand addressed to the management corporation.
- (5) Where a vacancy in the membership of the management committee occurs otherwise than by operation of subparagraph (1) or (3), the remaining members may, subject to subparagraph 14 herein appoint another member until the next Annual General Meeting.

Part 4

Quorum and Meetings and Proceedings of the Management Committee and its other Roles

19. Quorum

Except where there is only one proprietor, a quorum and meetings of the management committee shall be-

- (a) two, where there are not more than four members;
- (b) three, where there are five or six members;
- (c) four, where there are seven or eight members;
- (d) five, where there are nine or ten members;
- (e) six, where there are eleven or twelve members; and
- (f) seven, where there are thirteen or fourteen members.

20. Meetings and proceedings of the management committee.

(1) The management committee shall meet at such times and places and at such intervals as the chairman may decide, but the chairman shall not allow more than two months to lapse between meetings.

(2) The chairman shall call for a meeting if requested to do so by the Commissioner or by at least two members of the management committee, failing which the

Commissioner may appoint any member of the management committee to convene the meeting.

(3) Notice of every meeting shall be given to all members of the management committee not less than seven days before the date appointed for the meeting and such notice shall be displayed on the notice board of the management corporation.

(4) Every meeting of the management committee shall be presided over by the chairman of the management committee, and in the absence of the chairman, the members of the management committee who are present may elect one of them to chair such meeting.

(5) Questions arising at meetings shall be decided by a simple majority vote, and if on any question to be determined by the management committee there is equality of votes, the chairman shall have a casting vote.

(6) Subject to subparagraph (4), the management committee may regulate its own procedure and meetings.

21. Power to employ agents and servants.

The management committee may employ, for and on behalf of the management, such agents and servants as it thinks fit on a yearly basis, in connection with or to facilitate the exercise of the powers and the performance of the duties of the management corporation.

22. Keeping of records and accounts of management corporation.

(1) The management committee shall keep minutes of all its proceedings and minutes of general meetings.

(2) The management committee shall-

(a) cause a copy of the minutes of a meeting of the management committee, which is signed by the chairman of the meeting or the secretary, to be displayed on the notice board within twenty-one days after the meeting;

and

(b) cause a copy of a minute of any resolution of the management committee, or of the management corporation passed in accordance with this Act to be displayed on the notice board within twenty-one days after it is passed.

(3) A copy of any minutes referred to in subparagraph (2) shall be kept displayed on the notice board until it is replaced by a copy of the minutes of the subsequent meeting.

(4) The Commissioner may require the management committee to give each proprietor a copy of the minutes referred to in subparagraph (2) (a) or (b) within the period specified in that subparagraph

(5) The minutes of the meeting signed by the chairman of the meeting or the secretary shall be admissible in any legal proceedings as prima facie evidence of the facts stated in them without further proof.

(6) The management committee shall-

(a) cause to be prepared such accounts and records of accounts as will sufficiently explain the transaction of the accounts and enable true and fair balance sheet, income and expenditure statement and profit and loss statement to be prepared; and

- (b) on the application of a proprietor or chargee of a parcel or a proprietor of a provisional block (or any person authorized in writing by him), make the books of accounts available for inspection during office hours of the management corporation, and a fee not exceeding fifty ringgit for each inspection.
- (7) The management committee shall prepare for each annual general meeting, proper accounts relating to all money of the management and the management's income and expenditure.
- (8) The management committee shall, within twenty-eight days of a general meeting, file with the Commissioner certified true copies of-
 - (a) the audited accounts of the management corporation together with the auditor's report which has been presented to the general meeting;
 - (b) the resolutions passed at the general meeting; and
 - (c) the minutes of the general meeting.
- (9) The management committee shall within twenty-eight days of a general meeting extend copies of the minutes of the meeting to all proprietors or display the minutes of the meeting on the notice board of the management corporation.
- (10) The accounts of the management corporation shall be audited annually by an approved company auditor appointed by the management committee.
- (11) The management committee shall permit the Commissioner at all reasonable times, full and free access to accounting and other records of the management corporation, and permit the Commissioner to make copies or make extracts from any such accounting or other records.

23. Acts of management committee valid notwithstanding vacancy, etc.

Any act or proceeding of a management committee done in good faith shall, notwithstanding that at the time when the act or proceeding was done, taken or commenced there was

- (a) a vacancy in the office of a member of the management committee; or
- (b) any defect in the appointment, or any disqualification of any such member,

be as valid as if the vacancy, defect or disqualification did not exist and the management committee were fully and properly constituted.

24. Resolutions of the management committee in writing.

A resolution is taken to have been passed at a meeting of a management committee if the resolution in writing is signed by every member of the management committee indicating agreement with the resolution, and the absence of such agreement by each member of the management committee, a meeting has to be held.

PART 5

General Meetings of the Management

25. Annual General Meeting

- (1) The management shall hold an annual general meeting for the consideration of accounts, election of the management committee and the transaction of such other matters as may arise.
- (2) The first annual general meeting shall be held within one month after the expiry of the initial period and the subsequent annual general meetings shall be held once in each year, provided that not more than fifteen months shall lapse between the date of one annual general meeting and the next.
- (3) The holding of any annual general meeting out of time in breach of this paragraph shall not affect the validity of the annual general meeting.

26. Extraordinary General Meeting

- (1) A general meeting of the management corporation other annual general meeting shall be known as the extraordinary general meeting
- (2) The management committee
 - (a) shall convene an extraordinary general meeting upon a requisition in writing made by the proprietors who are together entitled to at least one-quarter of the aggregate share units;
 - (b) shall convene an extraordinary general meeting upon receiving a direction in writing from the Commissioner for the transaction of such business as the Commissioner may direct; and
 - (c) may convene an extraordinary general meeting on such other occasion as it thinks fit.
- (3) The requisition shall state the of the meeting and shall be signed by the requisitionist and deposited at the registered office of the management, and may consist of several documents in like form each signed by one or more requisitionists.
- (4) The extraordinary general meeting shall be held as soon as practicable but in any case, not later than six weeks after
 - (a) the requisition has been deposited at the registered office of the management corporation; or
 - (b) receiving a direction in writing from the Commissioner under subparagraph (2) (b).
- (5) If-
 - (a) the Commissioner is satisfied that the management committee has not been properly constituted; or
 - (b) the management committee fails to convene the extraordinary general meeting within the time period stipulated in subparagraph (4),the Commissioner may authorize in writing any person to convene an extraordinary general meeting for such purposes as may be approved by the Commissioner
- (6) In the case of a meeting convened pursuant to subparagraph (5) (b), all costs incurred by the person in convening the meeting shall first be paid by the management to that person and such costs shall be recoverable as a debt due from all the members of the management committee personally to the management.

27. Notice of general meeting.

- (1) At least fourteen days' notice of any general meeting shall be given to every proprietor.
- (2) Every notice for a general meeting shall include but not be limited to the following:
 - (a) the place, date and time for the meeting;
 - (b) each proposed resolution to be considered at the meeting; and
 - (c) a notification to each proprietor of his voting rights and that he may vote in person or by proxy at the meeting
- (3) In the case of an annual general meeting, the notice in subparagraph (2) shall also-
 - (a) be accompanied by a copy of the minutes of the last annual general meeting;
 - (b) be accompanied by a copy of the audited accounts together with the auditor's report on the accounts of the management corporation; and
 - (c) specified any other matters to be considered at the meeting.
- (4) No motion shall be submitted at a general meeting unless
 - (a) notice of the motion has been given in accordance with this paragraph; or
 - (b) the motion is a motion to amend a motion of which notice has been so given.

28. Requisition for motions to be included on agenda for general meeting.

- (1) Any proprietor may, by notice in writing deposited at the registered office of the management corporation not less than seven days before the time for holding the meeting, requiring inclusion of a motion as set out in such notice in the agenda of the next general meeting of the management corporation.
- (2) Upon receipt of the notice under subparagraph (1), the management committee shall include the motion in the agenda of next general meeting, and the notice of the motion shall be displayed on the notice board of the management corporation.

29. List of names of persons entitled to vote.

The management committee of the management shall put up a list of the names of the persons who are entitled to vote at a general meeting on the notice board at least forty-eight hours before the general meeting.

30. Quorum and general meeting.

- (1) One half of the proprietors entitled to vote present, either in person or by proxy, shall constitute a quorum at a general meeting.
- (2) If within half an hour after the time appointed for a general meeting, a quorum is not present, those proprietors entitled to vote who are present shall constitute a quorum.

31. Chairman of general meeting.

Every general meeting shall be presided over by a chairman who shall be elected by those proprietors present who are entitled to vote from among the proprietors, and the chairman shall preside over such meeting until its conclusion.

32. Manner of deciding matters at general meeting.

- (1) Any matter that requires a decision at a general meeting shall be decided on a show of hands unless a poll is demanded by a proprietor or his proxy.

- (2) Unless a poll is demanded, a declaration by the chairman that a resolution has been carried on a show of hands shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favor of or against the resolution.
- (3) A proxy shall be entitled to vote on a show of hands or by poll
- (4) The proprietor or his proxy demanding the poll may withdraw such demand.
- (5) Where a poll is taken, it shall be taken in such manner as the chairman thinks fit, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (6) In the case of an equality of votes, whether on a show of hands or a poll, the chairman shall be entitled to a casting vote.

33. Proxy.

- (1) An instrument appointing a proxy, who need not be a proprietor shall be in writing
 - (a) under the hand of the proprietor making the appointment or his attorney, and may be either general or for a particular meeting; or
 - (b) if the proprietor appointing the proxy is a company, society, statutory body or any other body, either under seal or under the hand of an officer or its attorney duly authorized
- (2) An instrument appointing a proxy if made under the hand of an attorney shall be accompanied with a copy of the power of attorney
- (3) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll
- (4) A person may act as proxy for only one proprietor at any one general meeting.
- (5) The instrument appointing proxy shall be deposited at the registered address of the management not less than forty-eight hours before the time for holding the meeting or any adjournment of the meeting which the person named in the instrument proposes to vote, failing which the proxy shall not be entitled to attend or vote.

34. Powers of proxies

- (1) Subject to subparagraph (2), a person duly appointed as a proxy if entitled to vote otherwise as a proxy, may also vote in his own right.
- (2) For the avoidance of any doubt, a proxy cannot exercise a vote in relation to a matter if the person who appoints the proxy is exercising personally a power to vote on the matter.

35. Authority not to be revoked by death of principal etc.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind or liquidation of the principal, or revocation of the instrument or the authority under which the instrument was executed, if no notice in writing of such death, unsoundness of mind, liquidation or revocation has been received by the management corporation at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

36. Voting rights of proprietor.

- (1) Each proprietor who is not a co-proprietor shall have one vote in respect of each parcel on a show of hands, and on a poll, shall have such number of votes as that

corresponding with the number of share units or provisional share units attached to his parcel or provisional block.

(2) A proprietor shall not be entitled to vote if, on the seventh day before the date of the meeting, all or any part of the Charges, or contribution to the sinking fund, or any other money due and payable to the management in respect of his parcel are in arrears

37. Voting rights of co-proprietors.

(1) Co-proprietors may vote by means of a jointly appointed proxy or by appointing anyone of them or any other person.

(2) In the absence of a proxy, co-proprietors shall not be entitled to vote on a show of hands, except where unanimous resolution is required, provided that any one co-proprietor may demand a poll.

(3) On a poll, each co-proprietor shall be entitled to such number of the votes attaching to his parcel or provisional block as is proportionate to his interest in the parcel or provisional block.

38. Proprietor's representative.

A proprietor who is not a natural person may be represented in any meeting as follows:

(a) if the proprietor is a company, by its representative duly authorized under its seal or the hand of its director, or by any duly authorized attorney or by its appointed proxy;

(b) if the proprietor is a company where a receiver or a receiver and manager is appointed, by the receiver or the receiver and manager or a person duly authorized by the receiver or the receiver and manager or by its appointed proxy;

(c) if the proprietor is a company which is under liquidation, by the liquidator or any person duly authorized by the liquidator or by its appointed proxy;

(d) if the proprietor is a society, by any one of its office bearers or any person duly authorized by the society or by its appointed proxy, or

(e) if the proprietor is a statutory body or any other body, by one of its members or such other duly authorized person or by its appointed proxy.

39. Common seal.

(1) The common seal of the management shall not be used except on the authority of the management committee previously given and in the presence of at least two members of the management committee, who shall sign the instrument to which the seal is affixed.

(2) Notwithstanding subparagraph (1), where there is only one member of the management his presence and signature shall be sufficient.

Part 6

Managing Agent

40. The Management Committee shall appoint an Managing Agent, who may be –

- (a) a company licensed and registered with The Board of Valuers, Appraisers and Estate Agents Malaysia and engaged professionally on a contract; or
- (b) a company duly registered with Suruhanjaya Syarikat Malaysia (SSM) and engaged professionally on a contract.

41. Independence of Managing Agent

- (1) A person shall not be appointed as a Managing Agent if he has a professional or pecuniary interest in any building or land intended for subdivision into parcels or any subdivided building or land.
- (2) A person is regarded as having a professional or pecuniary interest in any building or land intended for subdivision into parcels or any subdivided building or land if-
 - (a) he has been responsible for the design construction of the building;
 - (b) he or any of his nominees, officers or employees any material interest in the building or land intended for subdivision into parcels or any part of the building or land;
 - (c) he is a partner or is in the employment of a person who has any material interest in the building or land intended for subdivision into parcels or any part of the building or land; or
 - (d) he or his family holds any interest in the building or land intended for subdivision into parcels or any part of the building or land whether directly as a trustee or otherwise.

42. Signing of Management Agreement

If the developer, joint management body, management corporation or subsidiary management corporation, as the case may be, does not sign the agreement in Form 23, the Commissioner may appoint any purchaser, parcel owner or proprietor, as the case maybe, to sign the management agreement on behalf of the developer, joint management body, management corporation, or subsidiary management corporation, as the case may be.

43. Managing Agent to lodge Bond

A person shall not act as Managing Agent unless he has lodged with the Commissioner a bond in the form approved by the Commissioner and for the specified amount given by a bank, finance company or insurer and which binds the bank, finance company or insurer to make good any loss caused by the managing Agent as a result of his failure to account for monies received or held by him.

44. Powers and duties of Managing Agent.

The Managing Agent shall be responsible for:

- (a) working with the management committee to develop strategies for management of the Common Areas, including the creation of a sense of community within the building or community;
- (b) implementing strategies, programmes and plans set by the Management Committee;
- (c) negotiating, supervising and recommending the entry into contracts, including Service Agreements such as but not limited to (security, cleaning, maintenance of Common Areas, and landscaping) on behalf of the Management, and presenting recommendations to the Management Committee;
- (d) supervising the performance of contractors and suppliers to the Management;
- (e) supervising defect repairs and warranty claims in relation to the Common Areas;
- (f) preparing annual budgets (based on information provided by contractors and suppliers to the management);
- (g) issuing service charge notices and collecting service charge payments for the management in the account specified for that purpose;
- (h) for every and all technical and management matter and financial report related to common area services. To submit reports on a regular basis to the management committee and at General Meetings related to the previously mentioned issues.
- (i) communicating and considering the complaints and requests of Owners in relation to Common Areas and dealing with the same;
- (j) coordinating insurances and dealing with insurance claims in relation to Common Areas;
- (k) coordinating and attending management committee meetings, and general meetings;
- (l) preparing minutes of meetings of the management committees and the General Meetings;
- (m) responsibility for management's correspondence and electronic communications;
- (n) keeping the books and records required to be kept by law;
- (o) Attending to day to day operational matters on behalf of the management committee;
- (p) Follow up on behalf of the management committee for all the legal matters related to any dealings, transactions and contracting.
- (q) Implementing the decisions of the General Meeting.
- (r) Representing the management committee in meetings with the governmental and semi-governmental entities.

45. The Managing Agent shall be responsible before the Management in the event of any errors or negligence by him, and the Management Committee may claim indemnity for the damages resulting therefrom.

46. The Managing Agent shall be appointed pursuant to a Simple Resolution at the duly convened Management Committee Meeting and delegated by written instrument or contract.

47. The appointment and delegation of an Managing Agent may only be terminated or varied by a Simple Resolution of the Management Committee.
48. The Managing Agents appointment shall be for a term to be decided by the management Committee and may be reappointed at the end of that term or any renewed term.
49. The Managing Agent must observe the terms as set out by the Management Committee.

Part 7

Service and Supply Agreements

50. The management must enter into a Service and Supply Agreement with supply companies and entities which are licensed in Malaysia.
51. A Service and Supply Agreement must be in writing and authorized by a Simple Resolution of the Management Committee.
52. A Service and Supply Agreement is normally for a term of one year but nothing prohibits the Management from entering into a two or three years contract to get good contract price bargains so that the Maintenance Budget could be better controlled.
53. Agreements must be made in the name of the Management, and they shall be executed directly with the Chairman and another member of the Management Committee.
54. Normally the Managing Agent would source for three quotation for any given Service and Supply Contract and would make recommendations for the Management Committee to enter into a contract with the service provider giving the best deal not necessarily the lowest quotation.
55. It must be noted that the Developer shall not enter into any contract relating to the maintenance and management of a building or land intended for subdivision into parcels and the common property in the development area for any period after the expiration of the developer's management period.

Part 8

Finances of the Joint Management Body, Management Corporation and the Subsidiary Management Corporation. (referred to as "management" herein)

56. As soon as practical after its constitution the Management must establish two funds –
 - (a) a maintenance fund; and
 - (b) a sinking fund.
57. Income into the maintenance shall comprise –
 - (a) Service Charges imposed on Owners for that fund;
 - (b) Utility Charges imposed on Owners for a Utility Service consumed inside their Units normally water charges;

- (c) interest for non-payment of those Service Charges or Utility Charges;
- (d) investment income related to that fund, including without limitation (proceeds from utilization of Common Areas for commercial advertising or leasing);
- (e) donations to that fund;
- (f) proceeds of insurance claims;
- (g) any other income that is generated for the use of common facilities such as admin income from use of function room, bbq pits;
- (h) Fixed deposit interest; and
- (i) Sundry income

58. Income into the sinking fund shall comprise –

- (a) Service Charges levied on owners for that fund;
- (b) interest for non-payment of those Service Charges;
- (c) Fixed deposit interest; and
- (d) donations to that fund.

59. Expenditure from the maintenance fund shall comprise –

- a. costs of maintaining the Common Areas and Assets;
- b. Utility Charges (including Utility Charges that are to be re-charged to Unit Owners);
- c. Contract fee for Service Provides and Suppliers;
- d. insurance premiums;
- e. costs (including capital costs) of reinstating the Building or Common Areas following receipt of the proceeds of an insurance claim;
- f. costs (including capital costs) of repairing or replacing an Asset following receipt of the proceeds of an insurance claim; and (h) other expenditure of a recurrent nature.

60. Expenditure from the sinking fund shall comprise expenditure of a capital or nonrecurrent nature and other expenditure that should reasonably be met from capital.

61. Moneys in the sinking fund must not be used to pay for expenses that are intended to be met from the maintenance fund and moneys in the maintenance fund must not be used to pay for expenses that are intended to be met from the sinking fund.

62. Moneys in the maintenance fund and sinking fund must be kept in a bank account in the name of the management with a bank or other financial institution approved by Bank Negara, and the management committee shall decide the conditions and requirements for the operation of the account by way of a simple majority approval at a management committee meeting.

63. The maintenance fund and the sinking fund must be accounted for and reported on separately, although the moneys to the credit of each fund may be kept in the same bank account.

64. The financial year of the Management shall be the year commencing on the date of its establishment and ends at the end of a twelve months period or at the date decided by the Management Committee whichever is earlier taking into consideration the first

AGM of the Management for the first year and thereafter at the end of a twelve-month period from the first audit date.

65. Each Owner shall pay his contribution to the Service Charge. Such contribution shall be determined according to the Owner's share of the Common Areas.
66. The Managing Agent must prepare and the Management Committee must approve a budget for each financial year and submit that budget, including full details of the proposed Annual Service Charge, for the approval of the Annual General Meeting. The budget for the maintenance fund must be for a one-year period, while the budget for the sinking fund must be based on a study of the costs of renewing and replacing the Common Areas and Assets over a minimum 5 to 10-year period. Such study must be carried out in accordance with any directions issued by the Management.
67. The Annual Service Charge is payable every three months, unless the Management so decides on other payment terms normally monthly at a duly convened General Meeting;
68. Once the budgets and Annual Service Charge have been approved by the Annual General Meeting (with or without amendment) the Managing Agent must raise the Annual Service Charge by serving written notice in the name of the Management on each Owner showing:
 - a. the name of the Owner;
 - b. the Unit to which the charge relates;
 - c. details of the total Annual Service Charge approved by the General Meeting to each of the maintenance fund and sinking fund;
 - d. the proportion of the total Annual Service Charge payable by the Owner in respect of each of the maintenance fund and sinking fund;
 - e. if the Annual Service Charge is payable by instalments, particulars of each instalment;
 - f. the amount of any arrears, including interest applied in respect of those arrears;
 - g. the date by which the Annual Service Charge, or instalments, are payable; and
 - h. the amount of any discount that will be allowed if the Annual Service Charge, or instalments, are paid by the due date.
69. Utility Charges, including without limitation (water, air conditioning, gas, electricity, telecommunications and sewerage) shall be determined as follows:
 - a. if the Utility Charge relates solely to Common Areas, it must be budgeted for payment from the Maintenance Fund and paid from that fund;
 - b. if the Utility Charge relates solely to Units, it must be re-charged against the Owners of the Units to which it relates in the proportions calculated in accordance with the Management's Directions.
 - c. The Utilities Board (for water) may enforce the Management to install separate meters for all Units and Common Areas for all Utility Service providers.
 - d. if the Utility Charge relates partly to Common Areas and partly to Units –
 - (i) the Management must, acting reasonably, determine the amount that should be apportioned against usage occasioned by the Common Areas ("**Common Area Proportion**");
 - (ii) the Common Area Proportion must be budgeted for payment from the Maintenance Fund and paid from that fund; and

- (iii) the balance of the Utility Charge, after deduction of the Common Area Proportion, must be charged to the Owners of the Units to which it relates in the proportions calculated in accordance with the Management's Directions.
70. If an invoice for a Utility Charge payable by a Unit Owner is included on the written notice raising the Annual Service Charge, or an instalment of an Annual Service Charge, then the amount of the Utility Charge must be shown separately on the notice.
 71. If an Owners fails to pay a Service Charge or a Utility Charge when it becomes due and payable, then the Management may give such Owner a notice of no more than one month to pay, and may impose a penalty for non-payment calculated on a daily basis at the rate of 10% per annum or such rate as approved at the General Meeting.
 72. The Management may also claim from an Owner any costs incurred by it to recover outstanding Service Charges, Sinking Fund Charges, Utility Charges or any other Charges.
 73. The Management may, if circumstances require between two Annual General Meetings, impose a Special Levy on Owners to cover any expenditure not included in the budget and not reasonably anticipated at the time the budget was approved. The Special Levy shall be collected in the same way an Annual Service Charge is collected.
 74. If any moneys are owing to the Management in relation to Service Charges, Sinking Fund, Water Charges or any other Charges at the time the Owner disposes of his Unit, whether by sale or other disposals transferring or restricting ownership, such Owner shall be liable for those moneys up to the date of such disposal, and the new Owner shall be liable for those Service Charges as of the date on which such disposal is registered in his name with the Registrar of Land Office, unless the parties agree otherwise, provided that the management had made such notification of amounts due to the current owner.
 75. An Owner cannot avoid liability for payment of a validly made Service Charge, or any item covered by a validly made Service Charge, for any reason, including without limitation:
 - a. the non-use of the Common Areas;
 - b. the non-use of their Unit; or
 - c. any failure or delay on the part of the Management to repair or maintain the Common Areas.

Part 9

Insurances

76. The Management must insure in its own name –
 - a. the Building, under a comprehensive insurance policy against damage or destruction by explosion, fire, lightning, storm, tempest and water for:
 - i. its full replacement value (as ascertained at least once every 5 years by a professional valuer, the cost of which can be paid out from the maintenance fund account); and

- ii. the costs incidental to its replacement or reinstatement, including the cost of removal of debris and professional fees on re-building, so that the Building is reinstated to the condition it was in when new;
 - b. its Assets that are capable of being insured;
 - c. against liability for damage to property or bodily injury to any person however arising in relation to the Common Areas;
 - d. against any risk specified in a direction of the Management; and
 - e. against any other risk that it considers should be covered by insurance.
77. The cost of insurances shall be apportioned among the Owners of the Units by means of the Annual Service Charge or by separate reimbursement according to share units on an annual basis.
78. An Owner shall be entitled to the benefit of any insurance cover on the Building in respect of any part of his Unit included in that cover, less any excess payable under the policy, and the Management must do everything necessary to deliver that benefit.
79. The proceeds of any insurance claim, whether made for the benefit of the Management or an individual owner, must be applied towards the reinstatement of the damage that resulted in the claim.
80. An Owner or Occupier shall be responsible for insuring their own property or interests to the extent that they are not covered by any insurance affected by Management.
81. The Management may take up any other policy deemed necessary subject to first seeking an approval by a special resolution at a duly convened General Meeting.

Part 10 Records

82. The Management must keep the following records:
- (a) a minute book for meetings of the Board; (b) a minute book for the General Meeting;
 - (c) a file for official Government communications; (d) a file containing current copies of –
 - (i) this Act;
 - (ii) the Deed of Mutual Covenants;
 - (iii) the By-Laws/House-Rules;
 - (iv) insurance policies;
 - (v) the last annual report of the Management Committee;
 - (vi) the last annual report of the Managing Agent; and
 - (vii) the last annual financial statements;
 - (e) a file for copies of documents relating to Management Committee meetings and General Meeting, other than documents required to be kept elsewhere;

- (f) a file for other communications;
 - (g) a register of Owners and Occupiers;
 - (h) a register of contracts and agreements;
 - (i) a register of the annual budget;
 - (j) a register of Assets;
 - (k) books of financial account; and
 - (l) other records specified by the Act.
83. The Management records may be kept in paper or electronic form in any way specified by the Management.
84. The Management records, whether in paper or electronic form, are the property of the Management and must be surrendered to it by the Managing Agent or other officer upon request.
85. Minutes, registers and copies of registered documents must be kept indefinitely. All other records must be kept for at least 7 years.
86. Upon sale of a Unit the Owner selling must give written note of change of ownership, countersigned by the purchaser or the purchaser's agent, to the Management stating:
- a. Unit number and address;
 - b. name of the Owner selling;
 - c. new contact address for the Owner selling;
 - d. name of the purchaser;
 - e. registered address of the purchaser;
 - f. a mobile telephone contact number for the purchaser; and
 - g. registered facsimile number or registered e-mail address of the purchaser.
87. Upon lease, sub-lease, or grant of further usufruct rights, in relation to a Unit, the Owner of the Unit must give written notice of the dealing to the Management, countersigned by the other party to the dealing or their agent, stating:
- a. the Unit number and address;
 - b. name of the Owner;
 - c. nature of the dealing;
 - d. new registered address of the Owner (if it changes);
 - e. name of the other party to the dealing;
 - f. registered address of the other party to the dealing;
 - g. a mobile telephone contact number of the other party to the dealing;
 - h. registered facsimile number or registered e-mail address of the other party to the dealing; and
 - i. details (including registered facsimile number or registered e-mail address) of any registered broker who will be managing the Unit for the Owner.
88. A Unit Owner may, upon payment of the specified fee, apply to the Management to inspect its records. Non-Owners may also inspect the records of the Management after showing evidences as being an interested person and paying the prescribed fees.

Part 11

By-Laws/House Rules

89. The By-Laws applying to the Management are those in the Deed of Mutual Covenants as amended in accordance with this Act and the law.
90. The By-Laws may be amended by a Special Resolution of the General Meeting, provided such amendment is registered in the Commissioner of Buildings. An amendment to the By-Law must not be in conflict with the Law, any other law, this Constitution or any direction of the Commissioner.
91. The By-Laws must be observed by all Owners and Occupiers, who must also ensure that their guests and visitors observe them.
92. The Management Committee may also pass House-Rules for the management of the common areas at a duly convened Management Committee Meeting and duly inform all owners accordingly and such House Rules must later be properly passed and endorsed as a By Law at a duly convened General Meeting.

Part 12

Disputes

93. If a dispute arises the parties must endeavour to resolve the dispute by referring it to mediation or conciliation. This may be conducted by the Management, if it is not a party to the dispute, or any other person agreed by the parties to the dispute. Each party to the dispute shall bear their own costs of the mediation or conciliation but the costs of the mediator or conciliator shall be borne by the parties equally.
94. If a dispute is not resolved by mediation or conciliation the parties to the dispute may agree to refer the dispute to private arbitration. The terms of such referral must be agreed by the parties or, in the absence of agreement, any terms specified by Commissioner will apply.
95. If the parties cannot agree on referring the dispute to private arbitration, then either party to the dispute may make application for resolution of the dispute under the dispute resolution process established under the Tribunal to resolve disputes relating to Strata Properties.

Part 13

General Rules

96. The Management shall have a official seal which it must use to validate all formal written documents. The seal must be kept securely by the Honorary Secretary of the Management and can only be applied with the approval of the Management Committee. The affixing of the seal must be witnessed by the Managing Agent and by at least two members of the Management Committee.
97. Any notice required by this Act to be given by the Management or any other person may be given in paper or electronic form to a registered address or registered facsimile

number or registered e-mail address. If given in paper from it must be posted by pre-paid mail or delivered to a registered address. If given by facsimile it is deemed to have been given upon production of a successful transmission report. If given by e-mail it is deemed to have been given 24 hours after the time recorded as the sent time, unless notification of non-delivery was received within those 24 hours. *However the Act stipulates via section 144 that any notice or order required to be served on any person under this Act may be served and shall be deemed to have been served on that person by serving a copy of such notice or order –*

a. Personally;

b. By Registered Post addressed to the last known address of business, parcel or residence of the person to be served;

c. By attaching the notice or order at a prominent part of the last known address of business, parcel or residence of the person to be served.

98. Records must be kept by the Management of when notices were given, as well as facsimile transmission reports and e-mail non-delivery notifications.

99. A notice can be served on the Management in paper or electronic form. If given in paper from it must be posted by pre-paid mail or delivered to its official address as recorded in the Register. If given by facsimile it must be sent to its official facsimile number as recorded in the Register and is deemed to have been given upon production of a successful transmission report. If given by e-mail it must be sent to its official e-mail address as recorded in the Register and is deemed to have been given 24 hours after the time recorded as the sent time, unless notification of non-delivery was received within those 24 hours.

100. The onus is on the person giving the notice to the Management to prove that it was received.

101. An Owner must not lodge, or allow another person to lodge, with the Registrar of Land a transfer of their Unit without first obtaining from the Management a certificate confirming that there are no service charges or other moneys owing to the Management in respect of the Unit the subject of the transfer.

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Part 14

Recommended Code of Conduct for Committee Members

102. A Committee Members must be committed to understanding the role of the Management and the rules by which it operates.

103. A Committee Member must act honestly and fairly in performing their duties and must not unfairly or unreasonably disclose information held by the Management, including information about the Owner or Occupier of a Unit, unless authorized or required by law to do so. The PDPA requirement must be strictly adhered to.

104. A Committee Member must act in the best interests of all Owners. All Committee Members should not approve contracts with any entity providing goods and services to the property which the Committee member owns, partly owns or is employed by.

105.A Committee member must not –

- a. cause a nuisance on the Common Areas; or
- b. otherwise behave in any way that unreasonably affects a person’s lawful use and enjoyment of a Unit or the Common Areas.

106.If a conflict of interest or potential conflict of interest arises at any time, then a Committee member must before any debate or vote is taken on the matter to which the conflict relates:

- a. disclose that conflict to the Management Committee; and
- b. abide by the decision of the Management Committee as to whether they are to be permitted to participate in any debate or vote in respect of the matter.

Part 15

Recommended Code of Conduct for Managing Agent

107.A Managing Agent must have a sound working knowledge of and must comply with the Law, this Constitution and the Regulations, Directions and instructions under the Law.

108.A Managing Agent must –

- a. act honestly, fairly and professionally; and
- b. exercise reasonable skill, care and diligence, in performing their functions.

109.A Managing Agent must not unfairly or unreasonably disclose information held by the Management, including information about the Owner or Occupier of a Unit, unless authorized or required by law to do so.

110.Unless it is unlawful to do so, A Managing Agent must at all times act in the best interests of the Management and, without limitation, must not favour the interests of a developer or contractor over the interests of the Management.

111.A Managing Agent must not engage in:

- a. fraudulent or misleading conduct; or
- b. unconscionable conduct, In performing their functions.

112.A Managing Agent must not do anything that would have the effect of placing their interests in conflict with the interests of the Management.

113.A Managing Agent must disclose all relationships in writing to the Management regarding any actual, potential or perceived conflict of interest between the Managing

Agent and any other supplier of goods or services to the Management. The Managing Agent shall take all necessary steps to avoid any favoritism or impropriety during the selection process and negotiation of any contracts with suppliers.

114.A Managing Agent must not disclose any confidential information (such as Owners' details, Property's details, matters regarding the Management) to a third party, without the consent and written approval from the Management, with exception of any requirement by Law.

115.A Managing Agent must take reasonable steps to ensure that goods and services procured by the Management are procured at the most competitive prices reasonably obtainable.

116.A Managing Agent must take reasonable steps to ensure that his employees observe this Code of Conduct.

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