

# Why it's a good idea to simplify sectional title meetings

While the new Sectional Title Schemes Management Act (STSMA) repealed several provisions of the Sectional Titles Act of 1986 (STA), the one does not replace the other entirely, explains Mandi Hanekom, operations manager of sectional title finance company Propell.



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The STSMA primarily deals with the management of sectional title schemes whereas the STA deals with the registration procedures of sectional title schemes. There are new prescribed management and conduct rules which are applicable to all schemes, but any non-standard rules made previously by a scheme under the STA are still enforceable (as long as it is not in conflict with the new prescribed rules).

## Proper planning

In recent training workshops organised by Propell and run by sectional title specialist attorney Judith van der Walt, the onerous and time-consuming requirements for arranging and attending meetings were discussed. With proper planning, however, bodies corporate can deal with all relevant decisions at their annual general meeting (AGM) and would not have to call various meetings throughout the year, said Hanekom.

The management rules prescribes the order of business at general meetings. [Download model agendas](#) for AGMs and special general meetings that comply with these requirements.

## Establishing a quorum

Bodies corporate should pay attention to some changes in the management rules in respect of establishing a quorum for a meeting, proxies and voting rights. Hanekom says it is important to distinguish between the concept of votes calculated in number (where each member present and voting has one vote) and votes calculated in value (where the value of each member's vote is equal to the participation quota of all sections registered in that member's name).

For schemes with less than four primary sections or less than four members, a quorum is present when at least two-thirds of the value of members' votes is present, and for all other schemes the requirement is one third. Votes of the developer and body corporate itself is not taken into account.

The changes with regards to voting are that there is no need to second ordinary resolutions and that all ordinary resolutions are now approved by a majority, calculated in value. In the past, each owner had one vote per section owned, but this no longer applies. For special resolutions, at least 75% of votes of members, calculated both in value and in number, are required.

## **Proxies limited**

It must be remembered, too, that proxies are now limited to two per person. The proxy form should be handed in 48 hours before the meeting is to be held, or handed to the chairperson before the start of the meeting, so that everyone is aware of who is holding proxies and for whom.

"If trustees remember what needs to be done in terms of administration before each meeting as well as at the meeting, and if the attendees stick to the agenda, bodies corporate should be able to be deal with matters on the agenda efficiently, which will make attendance less onerous. It is vital for owners of sectional title units to at least attend their AGM so that they know what is happening in their scheme. No one can complain about the way their scheme is run unless they have made an effort to understand and know what the trustees are dealing with," said Hanekom.

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