

**STBB's REFERENCE GUIDE TO THE SECTIONAL TITLES SCHEMES MANAGEMENT ACT
For Managing Agents, Trustees, Owners and Property Practitioners**

In this, the twenty-eighth set of notes for your STSMA Reference Guide, Prescribed Management Rule 7 is discussed.

	<u>PRESCRIBED MANAGEMENT RULE 7 – NOMINATION, ELECTION AND REPLACEMENT OF TRUSTEES</u>	<u>REFERENCES & SEARCH WORDS</u>
PMR 7(1)	A body corporate member can nominate one person for the office of trustee. Remember in this regard that PMR 6 mentions that certain persons may not act as trustees and owners should take note thereof before making nominations.	Owners can make nomination for trustee office
PMR 7(2)	To nominate someone for election as trustee, it is necessary that: <ul style="list-style-type: none"> (i) the nomination is in writing; (ii) there is written consent thereto of the person nominated; and (iii) the nomination is delivered to the body corporate service address 48 hours before the annual general meeting. 	Requirements to nominate
PMR 7(3)	If an insufficient number of nominations are received, then further nominations may be called for at the annual general meeting. (How many nominations there must be will depend on the requirement in the scheme's rules. In this regard see PMR 5.)	Insufficient number of nominations: process to address

<p>PMR 7(4)</p>	<p>Trustees must be elected at the first general meeting of the body corporate and then at each subsequent annual general meeting.</p> <p>(See PMR 7(5) below for the position for election of a trustee at other times, i.e. where a trustee ceases to hold office (for the reasons mentioned in Rule 6)</p>	<p>Meetings at which trustees are elected</p>
<p>PMR 7(5)</p>	<p>Apart from the provision for the election of trustees as provided for in subrule 4 above, if a trustee “ceases to hold office” during his or her term, then either the remaining trustees or the owners in general meeting may appoint a trustee.</p> <p>“Ceases to hold office” carries a specific meaning and the phrase refers to the scenarios explained in PMR 6 and must be distinguished from a trustee’s absence or inability for other reasons to fulfill his duties. In the latter instances, PMR 7(7) below applies.</p>	<p>Trustee <i>ceases to hold office</i>; election of replacement</p>
<p>PMR 7(6)</p>	<p>An elected or replacement trustee holds office until the end of the next annual general meeting and is eligible for re-election, if properly nominated.</p>	<p>Duration of trustee appointment</p>
<p>PMR 7(7)</p>	<p>Where a trustee is absent or unable to perform his duties, the trustees may appoint a suitable alternative person to fulfill such trustees’ duties for a specified period.</p> <p>This is an interim solution procedure and must be distinguished from the provisions that apply when someone “ceases to hold office”. In the latter instance, Rule 6 applies and refers to instances of a more permanent disability to hold office as trustee.</p>	<p>Temporary substitute for trustee <i>absent or unable to fulfill obligations</i></p>

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