

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

In this, the thirty-fifth set of notes for your STSMA Reference Guide, Prescribed Management Rule 14 is discussed.

<u>PRESCRIBED MANAGEMENT RULE 14 – TRUSTEE MEETINGS AND DECISIONS – VOTING AT TRUSTEE MEETINGS</u>	<u>REFERENCES & SEARCH WORDS</u>	
PMR 14(1)	<p>This rule deals with the requirements of validly voting on an agenda point at trustee meetings. It is inextricably linked to PMR 13 which prescribes the quorum requirements for trustee meetings. Remember, there must be a quorum before a valid resolution can be passed; the one cannot happen without the other being in place first!</p>	Majority vote of those present and voting
<p>The default position is that a resolution is passed when a simple majority vote in favour thereof – passed by trustees (i) “voting” and (ii) present.</p>		
<p>This means that if a trustee abstains from voting, it is not taken into account – whether as a vote in favour of or against.</p>		
<p>A motion need not be seconded.</p>		
PMR 14(2)	<p>Each trustee has one vote.</p>	One trustee, one vote
<p>Should an impasse however arise (i.e. there are equal votes for or against a motion, including the vote of the chairperson), then the chairperson has a casting vote.</p>	When chairperson has casting vote	
<p>This does not apply where there are only two trustees, in which event they must both vote in favour in order to validly pass a resolution – or approach the Ombud if there is an impasse.</p>	Exception where two trustees only	

PMR 14(3)

In line with good governance principles, PMR 14(3) dictates that a trustee may not vote on a matter if it relates to: (i) a proposed or current contract or dispute with the body corporate to which the trustee is a party; or (ii) a matter in which the trustee has any direct or indirect personal interest.

Trustee disqualified from voting

PMR 14(4)

PMR 14(4) relates to WHERE the voting must take place for trustee meetings. It allows that the required (majority) vote may be taken either at: (i) a meeting of trustees; or (ii) by sending a notice to each trustee with details of the resolution to be voted on, and the trustees and then vote in respect thereof by appending their signature thereon.

WHERE/HOW trustee meeting votes can take place

Importantly:

- 1) the notice must contain the text of the proposed resolution; and
- 2) must instruct the trustees to indicate their agreement to the resolution by their signature; and
- 3) the signed resolutions must be received by the body corporate before expiry of the closing date specified in the notice. A failure by a trustee to return the signed resolution in time will have the effect that he or she abstained from voting.

Requirements if voting by notice instead of at meeting

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