



## RERA BULLETIN 5

### CALLING AN EXTRAORDINARY GENERAL ASSEMBLY

#### Introduction

Article 49 of Resolution 7 of 2018 permits members of the owners association to request the conduct of a General Assembly.

#### **Article 49 - Extraordinary general assembly meetings**

*An extraordinary general assembly must be convened in the following circumstances:*

- i. if required by the Owners of not less than 25% of the units in the Joint Property;*
- ii. if required by any two board members or the chairman;*
- iii. if required by the Authority.*

Calling an extraordinary general assembly is useful where the owners consider that the level of management of the owners association is deviating from the agreed standards of service, values and principles initially approved by the owners in general assembly, where the board is not adequately performing or where recent decisions are inconsistent with previously agreed guidelines. It is also a useful tool where an urgent issue has arisen that requires a decision of the general assembly and delaying until the next annual general assembly is not an option.

#### Clarification of procedures for calling an Extraordinary General Assembly

Recent applications to RERA to support or force the calling of extraordinary general assemblies have required RERA to clarify procedures. The following are noted:

- **Petition by 25% of owners** – the Resolution provides power to 25% of owners to call the extraordinary assembly without requiring any intervention from RERA. This should take the form of a petition to the existing board, signed by 25% of owners, requesting the calling of a meeting. It is valuable for the petition to set out the motivating factors and draft agenda items for the meeting. This will ensure that the extraordinary meeting adequately addresses areas of uncertainty or in dispute.
- **Validation of the request by the board** – the board should validate the petition by contacting petitioners to clarify the reasons for the petition and to ensure that the agenda adequately addresses items of concern to petitioners. If the board has not yet been established and the developer still manages the building, the request can be directed to the developer or to the Owners Association Manager for referral to the developer.
- **The board sends a notice of meeting for the extraordinary general assembly** – working through the existing board will ensure that factions do not lead to two different competing management structures. The meeting has budget implications that can be managed by the board. The board



will have received from the developer/ owners association manager an up-to-date list of all owners and contact details, enabling notices to be properly issued.

- **The notice of meeting will provide details of the subject matter of the meeting** – all agenda items will be listed in the Notice of Meeting in the form of draft resolutions. Supporting documents and a range of quotations will be provided, to permit owners to decide whether to attend in person, appoint a proxy to attend or to sign a voting paper. Voting papers are effective if the draft resolutions are adequately described. *Please see Bulletin 4 on the RERA website in relation to the use, signature and witnessing of proxy forms and voting papers.*
- **The notice of meeting will indicate that an Independent Observer will attend the meeting** – although not present to answer legal and procedural questions, the Independent Observer will ensure that meeting procedures are undertaken as provided in Resolution 7, the Guide to Owners Associations and Joint Properties and Bulletins published by RERA. The intention is that the Observer will conform to RERA and the owners association that the meeting has been properly called and conducted and that resolutions are properly passed by the meeting and are therefore binding on all owners. The aim is that any owners disagreeing with the meeting outcomes cannot call another extraordinary meeting to dispute the same issues.
- **Owners should participate in extraordinary general assemblies** – it is not appropriate for owners to refrain from attending the meeting and then later dispute or contest the meeting outcomes. RERA considers that decisions made by the majority, voting at a duly convened meeting, are valid and binding on all owners, regardless of whether they participated. Owners should protect themselves by:
  - ensuring the board has the owner’s current contact details;
  - attending the meeting, appointing a proxy or sending a vote by signing a voting paper - the correct processes need to be followed or the vote may not count;
  - paying service charges. If an owner has not paid service charges, the owner cannot vote at the general assembly.

**Please see the RERA Guide to Owners Associations and Joint Properties published on the RERA website for sample forms and explanatory material in relation to the calling and conduct of meetings.**

*For any enquiries relating to this Bulletin or owners association issues, please contact [oa@rera.gov.bh](mailto:oa@rera.gov.bh)*

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Date