

## **FAQ shareholders**

### What is company title?

Company title pre-dates strata title which was introduced in New South Wales in 1961. Under company title, the company owns the building and land. Shares are held in groups corresponding to the comparative value of the units as perceived by the original developers based on the size and location of the units in the building.

The owner of a group of shares has the right to exclusive occupancy of his or her unit (subject to the Constitution of the Company--previously called the Memorandum and Articles of Association of the Company). The owner does not have a title deed but rather a Share Certificate.

Groups of shares (and hence units) may be bought and sold in a manner that may appear similar way to when strata title units are bought and sold, but there are important differences. The major differences from strata title units are that (i) under company title what is transferred is a group of shares and (ii) prospective owners must be approved by the Board of Directors of the company to enable settlement of the unit purchase and sale to be completed and the share transfer registered.

Mont Clair is a company title building and its Articles of Association are a contract between the company and the shareholders regulating the relationship between the company and its shareholders (subject to the Corporations Act 2001). The rights given by the Articles of Association to shareholders and approved tenants to occupy units are subject to their observing the House Rules.

### What is role of the Board of Directors?

Mont Clair has a board consisting of seven (7) directors (one for each floor of the building) which is elected by shareholders at the Annual General Meeting. The board is supported by a company secretary and managing agent who is not a director. The directors work in a voluntary capacity and are not paid directors fees. The management and the governance of the company is vested in the directors by the shareholders under the Constitution. The board of directors makes all decisions and formulates House Rules for the management, conduct and good order of the company. However, the directors require the consent of an annual general or extraordinary general meeting to make or permit any structural alterations to the building or to borrow money for the company. The board forms sub-committees of directors to co-ordinate major projects and to interview and approve all prospective shareholders and tenants before a unit may be occupied.

### How often does the Board of Directors meet?

The board is scheduled to meet on site on the first Monday of each month. However, board meetings are rescheduled if the majority of Directors are not available, if a Public Holiday occurs or there is no business requiring the attention of the board. The Board usually meets 8 times a year.

### How do I contact the Board of Directors?

The board may be contacted through the Company Secretary, Fay McDonald and Associates. A list of current directors is also available on the notice board in Mont Clair's foyer

### When is the AGM? Should I attend?

The AGM may be held annually (March) or within 15 months of the previous AGM. Extraordinary General Meeting's (EGM) may also be called to deal with significant issues which may occur outside the AGM planning cycle. Shareholders are always encouraged to attend AGMs and EGMs to ensure that there is a good representation of views to inform decisions. Decisions to increase levies (fees) or to raise additional funds are approved at AGMs and EGMs.

### How should I pay my levies?

Levies should be paid by direct debit to the company's bank account using a reference number provided for the relevant unit. The Company Secretary provides the account details. Alternatively payments may

be paid using a deposit book provided by the Company Secretary.

What does the building insurance cover? Do I need to take additional insurance for my unit?

The Company's insurance policy covers the structure of the building including permanent fixtures such as baths, toilets, and kitchen cupboards. It does not cover the personal belongings of the occupant including carpet and paintwork. You will need to take out individual insurance to cover the contents of your unit. The Company policy does not cover public risk inside the unit, only on the common area. The Company also does not accept liability for damage to another unit caused by the negligent action of the occupant such as allowing baths, washing machines or dishwashers to overflow.

I want to renovate. Who do I need to contact? What permissions do I need?

Owners are encouraged to keep their units maintained in excellent condition. As set out in the House Rules, the Board's approval is required for renovations such as installing new kitchens and bathrooms which involve changes to electrical or plumbing installations. More major renovations which involve changes to walls, doors and windows require approval by the Sydney City Council and a general meeting of shareholders. Mont Clair is a heritage listed building and alterations to the exterior appearance of units is subject to stringent requirements. Shareholders intending to carry out renovations should contact the Company Secretary for more details of Mont Clair's requirements.

What do I have to do if I want to sell or rent out my unit?

Shareholders who wish to sell or rent out their unit should promptly contact the Company Secretary to inform the board and put necessary arrangements in place. For the sale of units, the board will need to interview the prospective buyer as soon as possible after the exchange of contracts and well before the proposed settlement date. The board's approval is required for the transfer of shares (settlement of the sale) to be completed. For renting out units, the board will also need to interview and approve the prospective tenant before he or she can move in. The board requires at least 5 working days notice that an interview for a prospective purchaser or tenant is required. The directors do not charge a fee for shareholder interviews. However, a charge of \$100 applies for tenant interviews. Please note that a premium fee is charged where less than 5 working days notice is provided and where more than two tenant interviews are required for a unit in a twelve months period