

# **Building Management Ordinance (Cap.344)**

## **Code of Practice on Procurement of Supplies, Goods & Services and Code of Practice on Building Management & Safety (Revised Version)**

### **Best Practices on Building Management Checklist on Procedural Propriety on Building Management**



**Code of Practice on  
Procurement of Supplies, Goods and  
Services**

**and**

**Code of Practice on  
Building Management and Safety**

**under the  
Building Management Ordinance  
(Cap. 344)**

**(Revised Version)**  
**Effective from 1 September, 2018**



## **Code of Practice on Procurement of Supplies, Goods and Services**

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## **1.0 INTRODUCTION**

- 1.1 This Code of Practice on Procurement of Supplies, Goods & Services (Code of Practice) is issued by the Secretary for Home Affairs, as the Authority under the Building Management Ordinance (Cap. 344) (BMO), under section 44(1)(a) of the Ordinance. This Code of Practice shall be read in conjunction with the relevant provisions in the BMO.
- 1.2 All owners' corporations (OCs) shall comply with this Code of Practice.
- 1.3 For buildings without an OC, pursuant to section 34E of the BMO, the provisions in Schedule 7 shall be impliedly incorporated into every Deed of Mutual Covenant (DMC) made before, on or after the material date as provided under section 34D of the BMO. The DMC manager or any other person who for the time being is, for the purposes of the DMC, managing the building, shall comply with Schedule 7 to the BMO and this Code of Practice in relation to the procurement of supplies, goods and services.
- 1.4 All OCs shall comply with section 20A of the BMO in relation to the procurement of supplies, goods and services. For the avoidance of doubt, all OCs shall comply with the requirements related to tendering in this Code of Practice if invitation to tender is required for the procurement of the supplies, goods or services under section 20A of and paragraph 5 of Schedule 7 to the BMO.

## **2.0 CODE OF CONDUCT**

- 2.1 A Management Committee (MC) shall conduct a tender exercise in an open and fair manner.
- 2.2 In the exercise of his powers and the performance of his duties under the BMO, a member of the MC shall not solicit or accept any advantage from any supplier or contractor in

relation to the tender.

- 2.3 An agent<sup>1</sup> (including its employees) or employee of an OC is prohibited from soliciting or accepting any advantage arising from the performance of his duties. An agent or employee of an OC shall declare in writing any actual or potential conflict of interest arising from the performance of his duties in accordance with the guidelines issued by the Independent Commission Against Corruption (ICAC)<sup>2</sup>.
- 2.4 An agent (including its employees) or employee of an OC should declare in writing whether he has any actual, potential or perceived conflict of interest at the start of preparation or deliberation of tender documents or as soon as he becomes aware of a potential conflict.
- 2.5 An agent (including its employees) or employee of an OC should take steps to avoid any conflict of interest with any prospective tenderer or tenderer by not putting himself in a position of obligation towards any of them, for example, by not accepting any favour or lavish or excessive entertainment, and not over-socialising with any of them.
- 2.6 A member of the MC shall disclose in writing to the MC any personal, business or pecuniary interest or any other relationship that he may have with the DMC Manager, Property Management Company, consultants or professional service providers for the OC, or in any of the tenders to be considered by the MC or the OC. An MC member who has indicated a personal, business or pecuniary interest in the tender shall withdraw from the meeting during the discussion concerned and abstain from voting on the selection of such

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<sup>1</sup> For the purposes of this section, a manager or other professional trade or business firm or person retained and remunerated by the corporation and to carry out any of the duties or powers of the corporation under the BMO or the DMC (if any) pursuant to section 18(2)(c) of the BMO would be regarded as an agent.

<sup>2</sup> The guidelines in the Building Management Toolkit issued by the ICAC are accessible via the following link:  
[http://www.bm.icac.hk/en/education\\_and\\_publicity\\_materials/education\\_and\\_publicity\\_materials.aspx](http://www.bm.icac.hk/en/education_and_publicity_materials/education_and_publicity_materials.aspx)

tender at an MC meeting.

- 2.7 The DMC Manager or the Property Management Company (if any) and its employees shall be required to disclose in writing to the MC any personal, business or pecuniary interest that he may have with any MC member, consultants or professional service providers for the OC, or in any of the tenders to be considered by the MC or the OC. The DMC Manager or the Property Management Company (if any) and its employees who have indicated a personal, business or pecuniary interest in the tender shall refrain from participating in any tender assessment or negotiation.
- 2.8 Any declaration by a member of an MC/an agent (including its employees) or employee of an OC should be recorded in the minutes of relevant MC meetings or as part of the tender documents and should be kept for at least six years.

### **3.0 PREPARATION OF INVITATION TO TENDER**

- 3.1 The MC shall prepare an invitation to tender setting out the types of supplies, goods or services required, the respective estimated costs, the period open for tender and other terms and conditions of the relevant contract. A copy of the invitation to tender shall be displayed in a prominent place in the building.
- 3.2 MCs are advised to as far as practicable, having regard to the nature of the procurement, adopt open tendering, such as putting advertisements on newspapers, to enhance tender competition and minimise the risks of tender collusion.
- 3.3 An MC shall not split a contract of procurement from a contract which should have been made for the procurement of greater value for the sole purpose of avoiding the compliance of requirements in section 20A of the BMO.
- 3.4 The closing date and time for acceptance of tenders shall be

clearly stated in the invitation to tender. Late submissions shall not be accepted.

3.5 MCs are advised to build in probity and anti-collusion clauses in the related tender documents. MCs may refer to the Building Management Toolkit<sup>3</sup> issued by the ICAC for the sample probity and anti-collusion clauses.

3.6 If the tendering exercises involve mandatory works as stipulated in relevant statutory notice(s), order(s) or direction(s) issued by relevant government department(s) or authority(ies) (collectively referred to as government repair orders), such information should be made available to the owners –

(a) before the invitation to tender is prepared (e.g. posting the government repair orders in a conspicuous place of the building when received; making available a copy of the government repair orders at the management office for inspection by the owners); and

(b) before the resolution concerned is put to vote (e.g. attaching a copy of the government repair orders to the notice of meeting at which the tender is to be approved),

so as to facilitate the MC members/owners in understanding and making a well informed decision on the scope of the procurement.

#### **4.0 NUMBER OF TENDERS TO BE INVITED**

4.1 Where tender is required pursuant to section 20A of or paragraph 5 of Schedule 7 to the BMO, the minimum number of tenders to be invited shall be as follows –

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<sup>3</sup> The Building Management Toolkit can be accessed via the following link:  
[http://www.bm.icac.hk/en/education\\_and\\_publicity\\_materials/education\\_and\\_publicity\\_materials.aspx](http://www.bm.icac.hk/en/education_and_publicity_materials/education_and_publicity_materials.aspx)



- (a) three in the case of a contract for the procurement of supplies, goods or services the value of which exceeds \$10,000 but does not exceed \$200,000; or
  - (b) five in the case of a contract for the procurement of supplies, goods or services the value of which exceeds \$200,000.
- 4.2 Where the number of valid tenders obtained is fewer than the number of tenders stipulated above, the MC shall pass a resolution to accept or reject the tender exercise.

## **5.0 COLLECTION AND OPENING OF TENDERS**

- 5.1 A tender shall be in writing and be sealed and deposited in a strong double locked box marked “Tender-Box (投標箱)” provided for that purpose only and such box shall be securely located in a prominent place in the building. The two keys of the tender-box are to be separately kept by the chairman, secretary or treasurer.
- 5.2 Where it is impracticable or difficult to comply with the requirement under paragraph 5.1 above, the OC may, by a resolution passed at a general meeting of the OC, accept tenders handed in or sent by post to the registered office of the OC or to a specific venue as resolved at a general meeting. The tenders shall be properly acknowledged and kept safely.
- 5.3 All tenders shall be opened at the same time in the presence of at least three members of the MC who shall countersign and date each of the tenders.
- 5.4 Notwithstanding the requirements set out in this section, where any procurement of supplies, goods and services by an OC is conducted under any Rehabilitation Schemes operated by the Urban Renewal Authority (URA)<sup>4</sup> the OC should

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<sup>4</sup> The Rehabilitation Schemes operated by the URA may be referred to via the following link: <https://www.ura.org.hk/>

comply with all relevant rules, guidelines and/or requirements relating to the conduct of the tender exercise adopted in such service/scheme instead.

## **6.0 CONSIDERATION AND DECISION ON ACCEPTANCE OF TENDERS<sup>5</sup>**

- 6.1 For procurement of supplies, goods and services whose value does not exceed the sum stipulated in section 20A(2)(b) of the BMO, all tenders received shall be submitted to the MC for decision on acceptance at a meeting of the MC.
- 6.2 A tender which requires approval from a general meeting of the OC must be passed by majority votes. Where there are more than two alternatives and no option receives majority votes in the first round of voting, the general meeting of the OC will have to conduct a second round of voting in order to comply with the majority requirement. Some plausible methods of voting are –
- (a) Progressive elimination – After the first round of voting, the general meeting of the OC may eliminate the option with the least number of votes and then carry out the second round of voting. If there is no option which receives majority votes, another round of voting will be carried out, with one more option being eliminated. If this goes on, only two options will be left in the final round of voting. Either one of the options will receive majority votes;
  - (b) Short-listing – After the first round of voting, the general meeting of the OC may short-list the two options which gain the greatest number of votes for a second round of voting. This also means that the ultimate choice fulfils the majority requirement;
  - (c) Confirmation – A second round of voting could be

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<sup>5</sup> Please also refer to section 20A of and paragraph 5 of Schedule 7 to the BMO.

carried out to confirm the option which has attained the greatest number of votes in the first round. This also ensures that majority votes are achieved.

- 6.3 After approving the award of consultancy agreement/works contract, MCs are advised to notify all tenderers, property owners and occupants in writing of the tender result.

## **7.0 KEEPING AND INSPECTION OF DOCUMENTS RELATING TO THE TENDER PROCESS<sup>6</sup>**

- 7.1 The MC shall permit the Authority, the tenants' representative, an owner, a registered mortgagee or any other person authorised in writing by an owner or a registered mortgagee to inspect all tender documents, copies of contracts, accounts and invoices and any other documents in the possession of the OC and relating to the procurement of supplies, goods and services at any reasonable time. The MC shall on the payment of a reasonable charge, supply copies of the relevant documents.
- 7.2 The documents referred to in paragraph 7.1 shall contain sufficient information to enable the person doing inspection to calculate the financial liability (including any future financial liability) of the OC at the time of inspection.

## **8.0 TIMING OF SIGNING CONTRACTS**

- 8.1 To reduce possible disputes arising from the signing of contracts between OCs and suppliers/contractors within a very short period of time after the passing of resolutions on certain major projects, for tenders whose value exceeds 20% of the annual budget of the OC, the OC concerned should consider, having regard to the circumstances of the case, signing the contract with suppliers/contractors at least one month after the passing of the relevant resolution at a general meeting of the OC.

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<sup>6</sup> Please also refer to section 20A of the BMO.

## **Code of Practice on Building Management and Safety**

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## **1.0 INTRODUCTION**

- 1.1** This Code of Practice on Building Management and Safety (Code of Practice) is issued by the Secretary for Home Affairs, as the Authority under the Building Management Ordinance (Cap. 344) (BMO), under section 44(1)(b) of the BMO.
- 1.2** The purpose of this Code of Practice is to give guidance and direction as to the standards and practices of building management and safety that are to be observed and followed by an owners' corporation<sup>1</sup> (OC) including standards and practices relating to building management, building safety, fire safety, slope safety, lifts and escalators, tree safety and utilities and other installations in the common parts of a building. This Code of Practice shall be read in conjunction with the relevant provisions in the BMO. An OC shall also ensure compliance with all requirements under ordinances related to building safety and other matters or areas covered in this Code of Practice.
- 1.3** Any other persons/bodies (including owners' committees, managers, building management agents, property management companies (PMCs), etc. (if applicable)) with lawful authority or are lawfully authorised by the owners to maintain and manage the common parts of a building may also use this Code of Practice as guidance to achieve effective building management and safety.

## **2.0 BUILDING MANAGEMENT**

### **2.1 Deed of Mutual Covenant (DMC)**

- 2.1.1** A DMC is a document registered in the Land Registry which defines the rights, interests and obligations of owners among themselves.

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<sup>1</sup> Section 2 of the BMO defines "corporation" as a corporation registered under section 8 of the BMO.



- 2.1.2 Owners shall be aware of the terms and conditions of the DMC of their building and shall perform the duties and exercise the rights as stipulated in the DMC.
- 2.1.3 It is advisable to make available a copy of the DMC for inspection by the owners of the building at the management office (if any) and for the making of copies by owners at their expense. If a Chinese/English translation of the original DMC is available, it is advisable to make available a copy of the translation of the original DMC for inspection by the owners of the building at the management office (if any) and for making of copies by owners at their expense. In case of doubt on the contents of the translation of the original DMC, the original DMC shall prevail.
- 2.2 Management Committee (MC) and OC**
- 2.2.1 Subject to the compliance of the statutory requirements under the BMO, owners of a building may appoint an MC under Part II of the BMO and the appointed MC may apply for registration of the owners as a corporation under section 7 of the BMO. The duties and powers of an OC are set out in section 18 of the BMO.
- 2.2.2 An OC may employ a manager/DMC manager, building management agent or PMC to carry out the day-to-day management, control and administration of the common parts of the building.
- 2.3 Insurance**
- 2.3.1 An OC shall have a valid insurance policy in force as required by the Employees' Compensation Ordinance (Cap. 282) in relation to any employee in any employment with the OC.
- 2.3.2 OCs should procure third party risks insurance in

accordance with Section 28 of the BMO<sup>2</sup>.

## **2.4 Financial management<sup>3</sup>**

2.4.1 An OC shall be prudent in its financial affairs.

2.4.2 The auditor's report should be posted in a conspicuous place of the building as and when such information is ready.

## **2.5 Communications amongst owners**

2.5.1 The MC shall hold regular meetings with the manager, building management agent or PMC whom the OC has employed to carry out the day-to-day management, control and administration of the common parts of the building.

## **3.0 MANAGEMENT AND MAINTENANCE OF COMMON PARTS**

**3.1** All common parts of a building shall be maintained in a state of good and serviceable repair and clean condition, and any works ordered or required in respect of the common parts by any public officer or public body under any Ordinance shall be carried out.

**3.2** An OC shall do all things reasonably necessary for the enforcement of the obligations contained in the DMC (if any) for the control, management and administration of the building.

**3.3** Regular inspection and maintenance shall be carried out to the building service systems and other utilities installations in the common parts of a building to ensure that they are in

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<sup>2</sup> Please also refer to section 28 of the BMO and the Building Management (Third Party Risks Insurance) Regulation (Cap. 344B).

<sup>3</sup> Please also refer to section 27 of and Schedule 6 to the BMO.

good order and serviceable condition. Any emergency repair work as may be required shall be attended to promptly.

- 3.4** All common facilities and amenities including recreational and sports facilities shall be maintained in good and serviceable condition and in compliance with the Public Health and Municipal Services Ordinance (Cap. 132)<sup>4</sup>.
- 3.5** Any landscaping area shall be maintained in a good, safe and clean condition.
- 3.6** Any lighting installations in the common parts shall be maintained in a state of good and serviceable condition.

#### **4.0 ENVIRONMENTAL HYGIENE**

- 4.1** Refuse, garbage, junk and/or abandoned building materials (if any) in the common parts shall be collected on a daily basis and transported to a refuse collection point designated for disposal.
- 4.2** All staircases, corridors, lift lobbies, entrance lobbies/halls, passageways, lightwells and any refuse room/chamber including refuse chute and associated facilities shall be cleansed at least once every week.
- 4.3** Any water seepage or pipe leakage found in the common parts shall be investigated by a licensed plumber to identify the cause of seepage or leakage and be rectified as soon as possible.

#### **5.0 SECURITY**

- 5.1** Any provision of security and guarding services including

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<sup>4</sup> The Public Health and Municipal Services Ordinance (Cap. 132) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap132>

the employment of security personnel shall comply with the Security and Guarding Services Ordinance (Cap. 460)<sup>5</sup>.

## **6.0 WATER UTILITIES AND SUPPLY**

- 6.1** Water pumps, tanks and associated pipeworks shall be maintained in a good and serviceable condition.
- 6.2** Fresh water storage tanks shall be cleansed at least once every three months or more frequently as and when necessary, whilst fresh water plumbing systems shall be inspected at least once every three months or more frequently as and when necessary.
- 6.3** Flushing water storage tanks shall be cleansed at least once every six months or more frequently as and when necessary, whilst flushing water plumbing systems shall be inspected at least once every three months or more frequently as and when necessary.

## **7.0 FIRE SAFETY<sup>6</sup>**

- 7.1** For the purpose of this Code of Practice –

<sup>5</sup> The Security and Guarding Services Ordinance (Cap. 460) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap460>

<sup>6</sup> (a) The Director of Fire Services may, pursuant to sections 3, 14(1) and 15(1) of the Fire Services (Fire Hazard Abatement) Regulation (Cap. 95F) and Regulation 8 of the Fire Service (Installations and Equipment) Regulations (Cap. 95B), institute fire hazard abatement action or direct prosecution as appropriate against the owner, tenant, occupier or person in charge of the building who fails to comply with any of the requirements as mentioned above.

(b) Pursuant to sections 10(1), 10(2), 11 and 16(1) of the Fire Services (Fire Hazard Abatement) Regulation (Cap. 95F), the Director of Fire Services may further apply to a magistrate to make respectively –

- (i) a fire hazard order requiring a person to comply with the requirements specified in a Fire Hazard Abatement Notice;
- (ii) a prohibition order prohibiting the use of premises for specified purposes; and
- (iii) a removal order requiring the removal of an obstruction to the means of escape or the removal of an unsuitable locking device.

(c) Pursuant to the Fire Service (Installations and Equipment) Regulations (Cap. 95B), no person other than a registered fire service installation contractor shall maintain, inspect or repair any fire service installation or equipment which is installed in any premises.

7.1.1 A fire hazard has the same meaning as that defined under section 2 of the Fire Services Ordinance (Cap. 95)<sup>7</sup>, which means –

- (a) any removal from any building of any fire service installation or equipment which was provided in such building in accordance with plans certified by the Director of Fire Services for the purposes of section 16 of the Buildings Ordinance (Cap. 123)<sup>8</sup>;
- (b) the presence in any building of any fire service installation or equipment which, from lack of proper maintenance or any other reason, is not in efficient working order;
- (c) inadequate means of egress from any premises in a building to street level outside the building or using such means of egress for a purpose which gives rise to any circumstance described in (d) below;
- (d) any other matter or circumstance which materially increases the likelihood of fire or other calamity or the danger to life or property that would result from the outbreak of fire or the occurrence of any other calamity, or which would materially hamper the Fire Services Department in the discharge of its duties in the event of fire or other calamity.

7.1.2 Fire service installation or equipment means any installation or equipment manufactured, used or designed to be used for the purposes of –

- (a) extinguishing, attacking, preventing or limiting a fire;

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<sup>7</sup> The Fire Services Ordinance (Cap. 95) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap95>

<sup>8</sup> The Buildings Ordinance (Cap. 123) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap123>



- (b) giving warning of a fire;
- (c) providing access to any premises or place for the purpose of extinguishing, attacking, preventing or limiting a fire;
- (d) facilitating the evacuation from any premises in case of fire;
- (e) providing a stand-by power supply to an installation or equipment the purposes of which are mentioned in (a) to (d) above in the event of the loss of normal power supply.

## **7.2 Abatement of fire hazards**

- 7.2.1 All means of escape shall be free from obstruction at all times.
- 7.2.2 All gates/doors at the building entrance and the rooftop shall be readily opened from within the premises without the use of a key.
- 7.2.3 No metal gate or roller shutter shall be installed across any means of escape.
- 7.2.4 Smoke stop doors shall be in good working condition and properly closed at all times.
- 7.2.5 Emergency vehicular access shall be free from obstruction at all times.
- 7.2.6 Fire service installations or equipment provided in buildings shall not be removed or obstructed.
- 7.2.7 Fire service installations or equipment provided in buildings shall be maintained in efficient working order at all times.

- 7.2.8 Fire service installations or equipment shall be inspected by a registered fire service installation contractor at least once every 12 months.
- 7.2.9 All ventilating systems provided in buildings shall be kept in safe and efficient working order at all times.
- 7.2.10 Fire shutters and dampers shall be maintained in good working order.
- 7.2.11 Every damper, filter and precipitator in a ventilating system shall be inspected by a registered specialist contractor in the appropriate category at intervals not exceeding 12 months.

### **7.3 Storage of dangerous goods**

- 7.3.1 “Dangerous goods” means any of the goods or substances, to which the Dangerous Goods Ordinance (Cap. 295)<sup>9</sup> applies and are classified into the following categories –

- Category 1: Explosives and blasting agents
- Category 2: Compressed gases
- Category 3: Corrosive substances
- Category 4: Poisonous substances
- Category 5: Substances giving off inflammable vapours
- Category 6: Substances which become dangerous by interaction with water
- Category 7: Strong supporters of combustion
- Category 8: Readily combustible substances
- Category 9: Substances liable to spontaneous combustion
- Category 9A: Combustible goods exempted from section 6 to 11 of the Dangerous Goods Ordinance (Cap. 295)
- Category 10: Other dangerous substances

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<sup>9</sup> The Dangerous Goods Ordinance (Cap. 295) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap295>

- 7.3.2 Except under and in accordance with a licence granted under the Dangerous Goods Ordinance (Cap. 295), no person shall manufacture, store, convey or use any dangerous goods pursuant to section 6 of the Dangerous Goods Ordinance (Cap. 295).
- 7.3.3 Regulations 74, 84, 92, 99, 139, 153, 159, 170 and 176 of the Dangerous Goods (General) Regulations (Cap. 295B)<sup>10</sup> set out the exempt quantity (not applicable to manufacture) of Category 2 to Category 10 of dangerous goods respectively in which section 6 of the Dangerous Goods Ordinance (Cap. 295) shall not apply.

#### **7.4 Regular inspection of fire safety provisions**

- 7.4.1 The OC shall carry out routine inspections on fire safety provisions of the building in accordance with the Fire Safety Checklist<sup>11</sup> for buildings and irregularities identified shall be rectified as soon as possible. Pursuant to regulation 8(b) of the Fire Service (Installations and Equipment) Regulations (Cap. 95B)<sup>12</sup>, the owner of any fire service installation or equipment (FSI) which is installed in any premises shall have such FSI inspected by a registered fire service installation contractor at least once in every 12 months.

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<sup>10</sup> The Dangerous Goods (General) Regulations (Cap. 295B) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap295B>

<sup>11</sup> The Fire Safety Checklist can be accessed via the following link: <https://www.hkfsd.gov.hk/eng/source/safety/efschlst.pdf>

<sup>12</sup> The Fire Service (Installations and Equipment) Regulations (Cap. 95B) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap95B>

## 8.0 BUILDING SAFETY<sup>13</sup>

**8.1** Regular building inspections enable timely maintenance and repairs to common building defects. It is advisable for the OC to enlist the service of qualified building professionals (e.g. architect, engineer or surveyor) to assist them in planning and implementing a planned building maintenance programme. Structural repairs shall be carried out under the supervision of an Authorised Person and/or Registered Structural Engineer registered under the Buildings Ordinance (Cap. 123)<sup>14</sup>.

### 8.2 Structural elements

8.2.1 If there is cracking, spalling, bulging or deformation of structural elements (columns, beams, floor slabs, structural walls and cantilevered balconies/canopies) or exposing of reinforcement bars, the OC shall appoint an Authorised Person and/or Registered Structural Engineer registered under the Buildings Ordinance (Cap. 123) to check the condition and, if necessary, submit remedial proposals to the Building Authority for consideration.

<sup>13</sup> (a) The guidelines set out in this part are provided for building management purposes. Please ensure full compliance with all other relevant legislation applicable to building and fire safety. In case of doubt, the OC shall seek professional advice on the technical standards and relevant legislation.

(b) In establishing the need for basic building maintenance and repair works, the extent and location of defects have to be taken into account. Under the Buildings Ordinance (Cap. 123), repair works may be carried out through the simplified requirements under the Minor Works Control System. Minor works should be carried out by a prescribed registered contractor. A prescribed building professional should also be appointed to prepare design and coordinate the works if the works are relatively more complex.

(c) Where a building is left in a state of disrepair or has been altered to such an extent as to generate concerns on public safety, the Building Authority may initiate enforcement action under the Buildings Ordinance (Cap. 123) and order the OC to carry out investigation, repair or reinstatement works as necessary.

(d) For technical standards relating to means of escape, means of access for firefighting and rescue and fire resisting construction, please refer to the codes of practices published by the Buildings Department.

(e) For standards on reinstatement of buildings or parts thereof affected by unauthorised building works, please refer to the plans approved by the Building Authority and/or the Buildings Ordinance (Cap. 123).

<sup>14</sup> The Buildings Ordinance (Cap. 123) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap123>

### **8.3 External walls**

- 8.3.1 Minor cracking, damage, spalling or bulging of cement rendering, concrete surface, wall tiles or other finishes and delaminated mosaic tiles shall be repaired, including the removal of the defective and loose parts.
- 8.3.2 Minor cracking, damage or spalling in window hoods, sills, fins, architectural features, air-conditioning platform or rusty racks shall be repaired, including the removal of the defective and loose parts.
- 8.3.3 Any dampness or water staining marks shall be traced for eliminating the source of dampness. The affected wall finishes shall be repaired, including the making good or replacement of the damaged wall finishes.
- 8.3.4 Defective protective barriers or railings shall be repaired or replaced.

### **8.4 Canopies and balconies**

- 8.4.1 Canopies and balconies shall not be overloaded and misused. They shall be free of all attachments and shall not be used for stockpiling. They shall be kept in dry condition and properly drained.

### **8.5 Internal walls**

- 8.5.1 Minor cracking, spalling or bulging of concrete surface, loose plaster or other finishes shall be repaired including the removal of the defective and loose parts.
- 8.5.2 Water seepage, staining marks or mould growth on wall surface shall be rectified. The source of dampness shall be traced and eliminated and the affected wall finishes shall be made good, repaired or replaced.

### **8.6 Floors and ceilings**

- 8.6.1 Any minor cracking, spalling or bulging of concrete



ceiling slabs and loose plaster shall be repaired, including the removal of the defective and loose parts.

8.6.2 Any water seepage shall be rectified including the tracing and elimination of the source of dampness and making good, repairing or replacement of the affected finishes.

8.6.3 Any defective finishes of flooring including hollowness or lifting shall be repaired and made good, including the removal of the defective parts.

### **8.7 Roofs/flat roofs**

8.7.1 Water ponding on the roof/flat roof shall be rectified including the repairing of the damaged roof/flat roof slab and laying finishes to ensure good drainage.

8.7.2 In respect of defective water proofing materials and/or movement joints, a specialist roofing contractor shall be appointed to rectify the defects, including the repairing or replacement of the defective materials.

8.7.3 Defective roof/flat roof railings, barriers or parapets shall be repaired or replaced.

8.7.4 Roofs/flat roofs shall not be overloaded and misused. They shall be free of significant attachments which adversely affect the structure of the building and shall not be used for stockpiling. They shall be kept in dry condition and properly drained.

### **8.8 Windows and doors**

8.8.1 Distorted, rusty or defective windows and door frames shall be repaired or replaced.

8.8.2 Any water seepage around window and door openings shall be identified and rectified, including the resealing of gaps between the frame and wall opening if necessary.

- 8.8.3 Any defective glazing and louvres, including putty failure, broken/missing of glazing beads and broken glazing, shall be repaired or replaced.
- 8.8.4 Defective ironmongery including hinges, stays, fasteners, door closers and locks shall be repaired or replaced.

## **8.9 Drainage**

- 8.9.1 The following defects of above-ground drains shall be repaired or rectified -
- (a) Defective pipe fixing;
  - (b) Rusty pipes;
  - (c) Choking and unsanitary condition; and
  - (d) Vegetation growth.
- 8.9.2 Any choking or unsanitary condition of underground drains shall be cleared or rectified.
- 8.9.3 Defective manhole covers shall be repaired or replaced.
- 8.9.4 The cause of any water seepage of pipe ducts shall be established and rectified, including the making good of loose plaster.

If extensive or major defects are found in the building elements mentioned in 8.3 to 8.9 above, an OC shall appoint an Authorised Person and/or Registered Structural Engineer registered under the Buildings Ordinance (Cap. 123) to check the condition and, if necessary, submit remedial proposals to the Building Authority for consideration.

## **8.10 Unauthorised building works**

- 8.10.1 Except for building works exempted under section 41 of the Buildings Ordinance (Cap. 123), or works falling within the designated minor works items and implemented through the simplified requirements under the Minor Works Control System (MWCS), no building

works shall be carried out without first obtaining approval and consent from the Buildings Department. If alteration and addition (A&A) works do not comply with the provisions of Buildings Ordinance (Cap. 123), or if A&A works which are not exempted works or minor works have been carried out without prior approval and consent from the Buildings Department, such works will become unauthorised building works and will be subject to enforcement actions under the Buildings Ordinance (Cap. 123). Owners and occupants are strongly advised to consult building professionals, registered contractors and, when necessary, authorised persons on the feasibility of the proposal for compliance with the Buildings Ordinance (Cap. 123) before the carrying out of A&A works, and to make submission in accordance with the simplified requirements under the MWCS or formal application for approval and consent from the Buildings Department as appropriate.

### **8.11 Management of smoke stop and fire doors**

- 8.11.1 The doors of the protected lobby, fireman's lift lobby, staircase, switch room and rooms containing air-conditioning plant or similar hazardous installations shall be kept in good repair condition including the door hinges, glazed panels and door closers.
- 8.11.2 These doors shall be kept in a closed position.
- 8.11.3 These doors shall not be removed or replaced with doors having a lower fire resistance such as ordinary glass doors.

### **8.12 Management of means of escape**

- 8.12.1 Doors or gates shall not swing out onto exit routes such as the common corridor, staircase and rear lane causing obstruction to the exit routes.
- 8.12.2 Doors or gates at common parts shall be readily opened from inside without the use of a key.

- 8.12.3 Doors giving access to the roof of a building shall be readily opened from inside without the use of a key.
- 8.12.4 Exhaust fans, air-conditioning units or similar installations shall not be installed in the protected lobby or staircase. No opening shall be formed in the protected lobby or staircase walls for such installations or for doors or windows.
- 8.12.5 Exit routes shall be free of any obstruction caused by unauthorised structures such as racks, shelves, cabinets and store rooms.
- 8.12.6 Adequate lighting shall be provided for the exit routes and shall be kept in good condition.

### **8.13 Management of fire resisting construction**

- 8.13.1 The walls of switch rooms and rooms containing air-conditioning plant or similar hazardous installations shall be kept in good condition and free of unprotected openings.
- 8.13.2 All required staircases and their protected lobbies should not accommodate any services other than emergency services unless such services are enclosed by walls or fire barriers of adequate fire resistance rating. Such walls and fire barriers shall be kept in good condition. Any access panels thereto shall be kept in a closed position.

### **8.14 Management of access for firefighting and rescue**

- 8.14.1 The walls of fireman's lift lobby shall be kept in good condition and free of unprotected openings.

### **8.15 Public telecommunications and broadcasting services installations**

- 8.15.1 Cabling facilities (which include risers, ducts, conduits, cable trays, junction boxes, equipment rooms, etc.)

located in common parts of the building used for the installation of cables and equipment of public telecommunications and broadcasting services shall be maintained in good and serviceable condition and protected against any risk of fire, flooding and vandalism.

8.15.2 For the provision of access to, and use of the cabling facilities for telecommunications and broadcasting services, the developers and/or building management offices as well as OCs are strongly encouraged to follow the Code of Practice for the Provision of Access Facilities in Buildings for the Supply of Telecommunications and Broadcasting Services issued by the Communications Authority<sup>15</sup> as far as practicable.

8.15.3 To facilitate the provision of competitive telecommunications and broadcasting services to the residents in a building, the OC as well as the manager, building management agent or PMC shall be aware of their duty in rendering assistance to service providers in the installation and maintenance of their in-building networks. Details can be found in the document entitled *“Information Note for Incorporated Owners and Building Management Office of Building Regarding Access to Buildings by Network Operators with section 14 Authorisation Granted by the Communications Authority under the Telecommunications Ordinance”* issued by the Office of the Communications Authority<sup>16</sup>.

## 9.0 SLOPE SAFETY

### 9.1 Any slope or retaining wall for which owners of the building

<sup>15</sup> The Code of Practice for the Provision of Access Facilities in Buildings for the Supply of Telecommunications and Broadcasting Services can be accessed via the following link: <https://www.coms-auth.hk/filemanager/statement/en/upload/104/cop201201e.pdf>

<sup>16</sup> The Information Note for Incorporated Owners and Building Management Office of Building Regarding Access to Buildings by Network Operators with section 14 Authorisation Granted by the Communications Authority under the Telecommunications Ordinance can be accessed via the following link: [https://www.ofca.gov.hk/filemanager/ofca/common/Industry/telecom/inote0004\\_12e.pdf](https://www.ofca.gov.hk/filemanager/ofca/common/Industry/telecom/inote0004_12e.pdf)

are responsible shall be maintained in a state of good condition in accordance with “*Geoguide 5 – Guide to Slope Maintenance*” published by the Geotechnical Engineering Office of the Civil Engineering and Development Department<sup>17</sup>.

## 10.0 ELECTRICAL, GAS, LIFT AND ESCALATOR INSTALLATIONS<sup>18</sup>

**10.1** Any electrical installations, gas installations, lifts and escalators in the common parts of a building shall be maintained in accordance with the relevant statutory requirements and Codes of Practice published or approved by the Director of Electrical and Mechanical Services.

### 10.1.1 Electrical installations

An electrical installation shall comply with the relevant requirements of the Electricity Ordinance (Cap. 406)<sup>19</sup> and its subsidiary Electricity (Wiring) Regulations (Cap. 406E )<sup>20</sup>, and the Code of Practice for the Electricity (Wiring) Regulations<sup>21</sup>. These include, but are not limited to, the following –

- (a) All electrical work including inspection, maintenance and repair on electrical installation shall only be carried out by an electrical contractor and electrical worker registered under the Electricity (Registration) Regulations (Cap. 406D)<sup>22</sup>.

<sup>17</sup> The Geoguide 5 - Guide to Slope Maintenance can be accessed via the following link: <http://www.cedd.gov.hk/eng/publications/geo/doc/eg5.pdf>

<sup>18</sup> The technical requirements set out in this part are mainly general guidelines for building management purposes, the compliance of which may not necessarily constitute full compliance with the Electricity Ordinance (Cap. 406) and other legislation applicable to electrical safety. The OC shall seek professional advice on the applicable technical standards and relevant legislation.

<sup>19</sup> The Electricity Ordinance (Cap. 406) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap406>

<sup>20</sup> The Electricity (Wiring) Regulations (Cap. 406E) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap406E>

<sup>21</sup> The Code of Practice for the Electricity (Wiring) Regulations can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_443/COP\\_E\\_2015.pdf](https://www.emsd.gov.hk/filemanager/en/content_443/COP_E_2015.pdf)

<sup>22</sup> The Electricity (Registration) Regulations (Cap. 406D) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap406D>



- (b) The OC shall request the registered electrical worker/registered electrical contractor to confirm and certify the compliance with the requirements of the Electricity Ordinance (Cap. 406) after inspection and testing of completed electrical work. The certificate (EMSD Form WR1)<sup>23</sup> issued by the registered electrical worker shall be properly kept by the OC.
- (c) The OC, being the owner of the building electrical installation, shall not allow connection of power supply to any electrical installation that is likely to cause an electrical accident. If the electrical installation is likely to cause an electrical accident, the OC shall immediately arrange for necessary repair.
- (d) The OC shall maintain the installed standby generator, if any, in safe working order.
- (e) Pursuant to Regulation 20 of the Electricity (Wiring) Regulations (Cap. 406E), a fixed electrical installation in a building with an approved loading exceeding 100 Amperes shall be inspected, tested and certified at least once every five years. This is commonly known as the periodic inspection, testing and certification (PITC) of electrical installations. The OC shall submit the PITC certificate (EMSD Form WR2)<sup>24</sup> issued by the registered electrical worker/registered electrical contractor to the Electrical and Mechanical Services Department (EMSD) for endorsement within two weeks after the date of the certificate. After endorsement, the PITC certificate shall be properly kept by the OC and be

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<sup>23</sup> The certificate (EMSD Form WR1) can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_484/wr1.pdf?formref=EMS-F014](https://www.emsd.gov.hk/filemanager/en/content_484/wr1.pdf?formref=EMS-F014)

<sup>24</sup> The PITC certificate (EMSD Form WR2) can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_485/wr2.pdf](https://www.emsd.gov.hk/filemanager/en/content_485/wr2.pdf)

made available for inspection by EMSD if requested.

- (f) The OC shall arrange another PITC work for the building's fixed electrical installation before the current PITC certificate expires (i.e. within five years from the date of the certificate).

### 10.1.2 Gas installations

The gas service pipes which include gas meter control valves and service valves shall comply with the following Ordinance and Regulations and should comply with the following Code of Practice where applicable –

- (a) Gas Safety Ordinance (Cap. 51)<sup>25</sup>;
- (b) Gas Safety (Gas Supply) Regulations (Cap. 51B)<sup>26</sup>;
- (c) Gas Safety (Installation and Use) Regulations (Cap. 51C)<sup>27</sup>;
- (d) Gas Safety (Registration of Gas Installers and Gas Contractors) Regulations (Cap. 51D)<sup>28</sup>;
- (e) Gas Safety (Miscellaneous) Regulations (Cap. 51F)<sup>29</sup>;
- (f) Code of Practice GU06: LPG Installation for Catering Purposes in Commercial Premises<sup>30</sup>;

<sup>25</sup> The Gas Safety Ordinance (Cap. 51) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap51>

<sup>26</sup> The Gas Safety (Gas Supply) Regulations (Cap. 51B) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap51B>

<sup>27</sup> The Gas Safety (Installation and Use) Regulations (Cap. 51C) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap51C>

<sup>28</sup> The Gas Safety (Registration of Gas Installers and Gas Contractors) Regulations (Cap. 51D) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap51D>

<sup>29</sup> The Gas Safety (Miscellaneous) Regulations (Cap. 51F) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap51F>

<sup>30</sup> The Code of Practice GU06: LPG Installation for Catering Purposes in Commercial Premises can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_286/gu06e.pdf](https://www.emsd.gov.hk/filemanager/en/content_286/gu06e.pdf)

- (g) Code of Practice - Avoiding Danger from Gas Pipes<sup>31</sup>; and
- (h) Code of Practice GU21 - Requirements for Town Gas Installations for Catering Purposes in Restaurants and Food Preparation Establishments<sup>32</sup>.

In particular, all gas installation work including fabrication, connection, disconnection, testing, commissioning, decommissioning, maintenance, repair or replacement of gas fittings shall only be carried out by registered gas installers employed by registered gas contractors.

An OC should arrange/facilitate regular safety inspection of indoor and outdoor gas service pipes, including gas meter control valves and service valves, at intervals not exceeding 18 months by a registered gas supply company/registered gas contractor to ensure that such installations are in order. An OC should also keep records of inspection and maintenance for a period of not less than two years after the gas installation work concerned has been carried out.

Pursuant to Regulation 27 of the Gas Safety (Installation and Use) Regulations (Cap. 51C), where suitable provision (wall aperture/flue opening) has been made for the installation of a room-sealed gas water heater to serve a bathroom in any part of the premises, the room-sealed gas water heater serving that bathroom must be installed by using that suitable provision.

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<sup>31</sup> The Code of Practice - Avoiding Danger from Gas Pipes can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_286/cop\\_gas\\_pipes\(english\).pdf](https://www.emsd.gov.hk/filemanager/en/content_286/cop_gas_pipes(english).pdf)

<sup>32</sup> The Code of Practice GU 21 - Requirements for Town Gas Installations for Catering Purposes in Restaurants and Food Preparation Establishments can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_286/GU21%20\(English\)%20rev.3.pdf](https://www.emsd.gov.hk/filemanager/en/content_286/GU21%20(English)%20rev.3.pdf)

### 10.1.3 Lifts and escalators<sup>33</sup>

The maintenance of lifts and escalators shall comply with the following Ordinance, Regulation and Code of Practice –

- (a) Lifts and Escalators Ordinance (Cap. 618)<sup>34</sup>;
- (b) Lifts and Escalators (General) Regulation (Cap. 618A)<sup>35</sup>;
- (c) Code of Practice on the Design and Construction of Lifts and Escalators<sup>36</sup>; and
- (d) Code of Practice for Lift Works and Escalator Works<sup>37</sup>.

According to the Lifts and Escalators Ordinance (Cap. 618) (the Ordinance), the responsible person for a lift/escalator is defined as the owner of the lift/escalator (such as the owners of a building or the OC); or any other person who has the management or control of the lift/escalator (such as the PMC).

Under the Ordinance, the duties of the responsible person for a lift/escalator include, but not limited to, the following –

- (1) To ensure that the lift/escalator and all its associated

<sup>33</sup> An OC is recommended to obtain comprehensive and updated information concerning the day-to-day management of lifts/escalators from the Responsible Persons' Corner under Lifts and Escalators Safety at EMSD's website.

<sup>34</sup> The Lifts and Escalators Ordinance (Cap. 618) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap618>

<sup>35</sup> The Lifts and Escalators (General) Regulation (Cap. 618A) can be accessed via the following link: <https://www.elegislation.gov.hk/hk/cap618A>

<sup>36</sup> The Code of Practice on the Design and Construction of Lifts and Escalators can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_805/Design%20Code%20Addendum%20No%20DC02%20-%20Eng%20-%20Dec%202015%20\(Final\).pdf](https://www.emsd.gov.hk/filemanager/en/content_805/Design%20Code%20Addendum%20No%20DC02%20-%20Eng%20-%20Dec%202015%20(Final).pdf)

<sup>37</sup> The Code of Practice for Lift Works and Escalator Works can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_805/CoP\\_le\\_Works\\_with\\_appendices.pdf](https://www.emsd.gov.hk/filemanager/en/content_805/CoP_le_Works_with_appendices.pdf)

equipment or machinery are kept in a proper state of repair and in safe working order.

- (2) To take all reasonable steps to ensure that the lift/escalator is not used where: –
  - (a) works concerning the installation, major alteration or demolition of the lift/escalator, or works that are likely to affect the safe operation of the lift/escalator are being carried out;
  - (b) the lift/escalator does not have a valid use permit; and
  - (c) no resumption permit has been issued for the lift/escalator after a major alteration has been carried out.
- (3) To ensure that works concerning the installation, major alteration and demolition of the lift/escalator, and works that are likely to affect the safe operation of the lift/escalator are undertaken by a registered lift/escalator contractor.
- (4) To ensure that the lift/escalator maintenance works are undertaken by a registered lift/escalator contractor, and that periodic maintenance works are carried out for the lift/escalator at intervals not exceeding one month.
- (5) To engage a registered lift/escalator engineer to conduct the following periodic examinations of the lift/escalator in accordance with the Ordinance to –
  - (a) thoroughly examine the lift and all its associated equipment or machinery (periodic examination) at intervals not exceeding 12 months;

- (b) thoroughly examine the lift with load and all its associated equipment or machinery (examination with load) at intervals not exceeding five years; and
  - (c) thoroughly examine the escalator and all its associated equipment or machinery (periodic examination) at intervals not exceeding six months.
- (6) To ensure that a valid use permit is displayed at all times in a conspicuous position inside the lift car, or adjacent to a landing of the escalator.
- (7) To notify EMSD in writing by using the specified form and the registered lift/escalator contractor currently undertaking the lift/escalator works of any serious lift/escalator incident within 24 hours of coming into knowledge of the incident. Serious incidents refer to any incident specified in Schedule 7 to the Ordinance, including, but not limited to, the death or injury of a person, failure of the main drive system of the lift/escalator, and failure of any brake, safety component or safety equipment of the lift/escalator.
- (8) To update the log-book for the lift/escalator and keep the relevant records for at least the past three years.

The OC shall also observe the guidelines set out in the Guidebook for Responsible Persons for Lifts<sup>38</sup> and the Guidebook for Responsible Persons for Escalators<sup>39</sup> published by EMSD on the day-to-day management of lifts/escalators.

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<sup>38</sup> The Guidebook for Responsible Persons for Lifts can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_826/RP\\_Guidebook\\_Lift\\_Instltn.pdf](https://www.emsd.gov.hk/filemanager/en/content_826/RP_Guidebook_Lift_Instltn.pdf)

<sup>39</sup> The Guidebook for Responsible Persons for Escalators can be accessed via the following link: [https://www.emsd.gov.hk/filemanager/en/content\\_826/RP\\_Guidebook\\_Esc1\\_Instltn.pdf](https://www.emsd.gov.hk/filemanager/en/content_826/RP_Guidebook_Esc1_Instltn.pdf)



## 11.0 TREE SAFETY

- 11.1** OCs, managers, building management agents or PMCs shall properly maintain the trees within the boundary of the building in accordance with the “*Handbook on Tree Management*” issued and updated from time to time by the Greening, Landscape and Tree Management Section of the Development Bureau<sup>40</sup>.

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<sup>40</sup> The Handbook on Tree Management can be accessed via the following link:  
[https://www.greening.gov.hk/en/tree\\_care/Handbook\\_on\\_Tree\\_Management.html](https://www.greening.gov.hk/en/tree_care/Handbook_on_Tree_Management.html)



# **Best Practices on Building Management**

**(2019 Edition)**



## Best Practices on Building Management (2019 Edition)

### Important Notes and Disclaimer

This booklet contains **best practices** related to building management recommended to be followed by owners, owners' corporations (OCs), owners' committees (OComms), managers (including the Deed of Mutual Covenant (DMC) managers or the property management companies (PMCs)) and proxies appointed by owners under the Building Management Ordinance (Cap. 344) (BMO) (hereafter referred to as "relevant parties").

2. These best practices were in general compiled based on the proposals in the public consultation exercise on the review of the BMO conducted in 2014-15 and those presented to the Legislative Council Panel on Home Affairs in November 2017<sup>1</sup>. Failure to comply with the best practices contained in this booklet **would not be treated as non-compliance** with the BMO or the Codes of Practice (CoP) issued under section 44(1) of the BMO. Relevant parties **are required to** comply with the BMO and the CoP and are encouraged to use their best endeavour to follow these best practices.

3. Users of this booklet are advised to seek independent legal advice and assistance from lawyers should there be doubts on the application of the BMO and the CoP in individual circumstances. The Government shall not be responsible for any errors, omissions or misstatements or misrepresentations (whether expressed or implied) in any part of this booklet and shall not be held liable or accept any liability, obligation and responsibility whatsoever (including, without limitation, consequential loss or damage) arising from or in respect of any use, inability to use or misuse or reliance on this booklet.

4. The Government reserves the right to revise, omit, suspend or edit this booklet at any time in its absolute discretion without giving any reason or prior notice.

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<sup>1</sup> Relevant parties should note that, as the proposals are intended to be introduced to the Legislative Council as the Government's proposed amendments to the BMO, the proposals may be adopted or modified during the legislative exercise. For the avoidance of doubt, statutory requirements under the BMO, including any amendments to it, shall be met.

**Contents**

- 1.0      FORMATION OF AN OC
- 2.0      PROCUREMENT PROCESS
- 3.0      GENERAL MEETING AND USE OF PROXY INSTRUMENTS
- 4.0      FINANCIAL ARRANGEMENT



| <b><u>BEST PRACTICES</u></b> |  | <b><u>Key Action Party(ies)</u></b> |
|------------------------------|--|-------------------------------------|
| <b>1.0</b>                   | <b>FORMATION OF AN OC</b>  |                                     |
| 1.1                          | The number of members of a management committee (MC) of an OC for a building containing more than 500 flats should not be less than 11.  | Owners                              |
| 1.2                          | In the course of the appointment of the MC members, a candidate running to be a member of the MC should declare at his/her nomination form / the owners' meeting, annual general meeting or general meeting before voting his/her associations (if any) with other candidates and the existing MC members (a sample form for declaration of associates is at <b><i>Annex A</i></b> ). <sup>2</sup> The declaration should be recorded in the minutes of the meeting. | Candidates Running For the MC       |
| <b>2.0</b>                   | <b>PROCUREMENT PROCESS</b>   |                                     |
| <b>2.1</b>                   | <b>Preparation of Invitation to Tender</b>   |                                     |
| 2.1.1                        | Procurement of any supplies, goods or services the value of which exceeds or is likely to exceed 20% of the average "audited expenditure" <sup>3</sup> of the past three years (if available) should be conducted by invitation to tender, even if the value does not reach the levels stipulated in section 20A(2) of the BMO.  | OCs / OComms / DMC Managers / PMCs  |
| <b>2.2</b>                   | <b>Consideration and Decision on Acceptance of Tenders</b>   |                                     |
| 2.2.1                        | Relevant parties (if applicable) should categorise a procurement as a "large-scale procurement" if the value of the supplies, goods or services to be procured exceeds or is likely to exceed the corresponding "absolute amount" or "percentage of the average audited expenditure of the building for the past three years",   | OCs / OComms / DMC Managers / PMCs  |

<sup>2</sup> Associates (相聯者) of a candidate may include –

(a) where the candidate is an individual –

- (i) a relative;
- (ii) the co-owner of the flat;
- (iii) a body corporate of which (A) the composition of the board of directors; (B) more than half of its voting rights; or (C) more than half of its issued share capital, is controlled by the candidate, or which the candidate is a director;
- (iv) a corporation of which the candidate is an employee or an agent; or
- (v) a partner (whether an individual or a body corporate) in a partnership with the candidate;

(b) where the candidate is a body corporate –

- (i) an individual who is an employee/agent of the candidate;
- (ii) an associated company as defined under the Companies Ordinance (Cap. 622)
- (iii) the co-owner of the flat;
- (iv) a director of the body corporate; or
- (v) a partner (whether an individual or a body corporate) in a partnership with the candidate.

<sup>3</sup> For reference, the "audited expenditure" should refer to the expenditure in the "income and expenditure account" under section 27(1AA)(a) audited by the accountant retained by the OC under section 27(1A) of the BMO. OComms may refer to the "audited expenditure" of similar nature as may be arranged.

| <b><u>BEST PRACTICES</u></b>  |                            |  | <u>Key<br/>Action Party(ies)</u>                  |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
|---|----------------------------|--|---|----------------------------|--|-------------------------|--|--|--------------|-------------|------|------------|-------------|------|------------|-------------|-----|--------------|--------------|-----|----------------|--------------|-----|--|
| <p>whichever is the lesser, as set out below –</p> <table border="1"> <thead> <tr> <th><b>No. of Flats<sup>4</sup><br/>in a Building</b></th> <th><b>Absolute<br/>Amount</b></th> <th><b>% of average<br/>audited<br/>expenditure<br/>for the past<br/>three years</b></th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Whichever is the lesser</td> </tr> <tr> <td>100 or below</td> <td>\$1 million</td> <td>200%</td> </tr> <tr> <td>101 to 300</td> <td>\$3 million</td> <td>100%</td> </tr> <tr> <td>301 to 500</td> <td>\$5 million</td> <td>70%</td> </tr> <tr> <td>501 to 2 000</td> <td>\$15 million</td> <td>50%</td> </tr> <tr> <td>2 001 or above</td> <td>\$30 million</td> <td>30%</td> </tr> </tbody> </table> <p>If there is no audited expenditure of the building for the past three years, the relevant parties (if any) concerned may follow the standard as defined by the “absolute amount” only.</p> |                            |  | <b>No. of Flats<sup>4</sup><br/>in a Building</b> | <b>Absolute<br/>Amount</b> | <b>% of average<br/>audited<br/>expenditure<br/>for the past<br/>three years</b> | Whichever is the lesser |  |  | 100 or below | \$1 million | 200% | 101 to 300 | \$3 million | 100% | 301 to 500 | \$5 million | 70% | 501 to 2 000 | \$15 million | 50% | 2 001 or above | \$30 million | 30% |  |
| <b>No. of Flats<sup>4</sup><br/>in a Building</b>   | <b>Absolute<br/>Amount</b> | <b>% of average<br/>audited<br/>expenditure<br/>for the past<br/>three years</b> |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| Whichever is the lesser   |                            |  |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| 100 or below  | \$1 million                | 200%   |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| 101 to 300  | \$3 million                | 100%   |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| 301 to 500  | \$5 million                | 70%  |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| 501 to 2 000  | \$15 million               | 50%  |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| 2 001 or above  | \$30 million               | 30%  |   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| <p>2.2.2 For the passage of resolutions concerning “large-scale procurement”, the relevant parties (if applicable) should use their best endeavour and encourage owners to attend the meeting concerned and vote in person.</p> <p>It is desirable for the above meeting to be attended by 20% of the owners (including owners attending the meeting personally or by proxy) or above, with at least 10% of or 400 owners (whichever is the lesser) attending the meeting concerned and voting on the resolution in person.</p>   |                            |  | Owners / OCs / OComms / DMC Managers / PMCs       |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |
| <p>2.2.3 For resolutions to be put to vote concerning “large-scale procurement” and with options “for” and “against” only, owners may, having regard to the circumstances of each resolution to be put to vote (e.g. whether the option under each resolution would be dependent on the result of some other resolutions), indicate their voting instructions to the proxies (if appointed). A template for owners to indicate their voting instructions under such scenario is in Part B at <b><u>Annex B</u></b>. Please see paragraphs</p>   |                            |  | Owners, Proxies                                   |                            |  |                         |  |  |              |             |      |            |             |      |            |             |     |              |              |     |                |              |     |  |

<sup>4</sup> Not including any garage, carpark or carport.

| <b><u>BEST PRACTICES</u></b>   | <b><u>Key Action Party(ies)</u></b> |
|--|-------------------------------------|
| 3.2.8, 3.2.9 and 3.2.10 below for instructions.  |                                     |
| 2.2.4 The notice of meeting concerning procurement that requires approval by a resolution passed at a general meeting of the OC should carry a conspicuous “alert” stating the estimated cost for each project, breakdown of the amount to be borne by each share, and the contribution of funds which may result from approval of the tender by each owner.   | MC Secretary                        |
| <b>2.3 Actions after the Acceptance of Tenders</b>   |                                     |
| 2.3.1 The minutes of the MC and OC meetings at which “large-scale procurement” is discussed should be delivered to the letter boxes of the owners or be sent to the email addresses of these owners (whichever applicable) within 28 days from the date of the meeting concerned.  | MC Secretary                        |
| <b>3.0 GENERAL MEETING AND USE OF PROXY INSTRUMENTS</b>  |                                     |
| <b>3.1 Convening of a General Meeting and Notice of Meeting</b>  |                                     |
| 3.1.1 Apart from giving notice of meeting as required under the BMO, the notice of meeting should be displayed in a prominent place in the building as soon as practicable, say, at least 21 days before the meeting of the OC.  | MC Secretary                        |
| 3.1.2 The notice of meeting should state clearly –<br><br>(a) the specified statutory time within which proxy instruments should be lodged;<br><br>(b) the method and location for lodging the proxy instruments (e.g. the exact location of proxy instrument collection boxes); and<br><br>the timing and location for the opening of proxy instrument boxes if such boxes are used, so that the owners may witness the opening and counting process. | MC Secretary                        |

| <b><u>BEST PRACTICES</u></b>   | <b><u>Key<br/>Action Party(ies)</u></b> |
|--|---|
| <p>3.1.3 In making a request by not less than 5% of the owners for convening a general meeting pursuant to paragraph 1(2) of Schedule 3 to the BMO, the owners concerned should –</p> <ul style="list-style-type: none"> <li>(a) provide a list clearly setting out the names of the owners who made such request, the flats they reside in and their signatures;</li> <li>(b) check that the minimum requirement of “5% of the owners” is met before making the request to the MC Chairman; and</li> <li>(c) appoint a person as their representative/contact point in order to facilitate better communication with the MC Chairman.</li> </ul>  | Owners                                  |
| <p>3.1.4 For a general meeting of the OC requested by not less than 5% of the owners, the MC Chairman should –</p> <ul style="list-style-type: none"> <li>(a) liaise with the owners with a view to working out suitable measures to resolve the issue if a requested item has been repeatedly discussed at previous meetings of the OC but not less than 5% of the owners still request to convene a general meeting to discuss such item;</li> <li>(b) verify whether the request for meeting is made by not less than 5% of the owners; and</li> <li>(c) inform other MC Members as soon as practicable upon receipt of the request for meeting to facilitate better coordination and communication within the MC.</li> </ul> | MC Chairman                             |
| <p>3.1.5 For a general meeting of the OC requested by not less than 5% of the owners, discussion item(s) requested by the owners should be handled first at the meeting unless the resolution(s) of the requested discussion item(s) hinge on the result of another resolution/item of business which has not been included in the owners’ request. The MC Chairman should seek clarifications with the owners concerned on their requests where necessary.</p>  | MC Chairman                             |

| <b><u>BEST PRACTICES</u></b>   | <b><u>Key Action Party(ies)</u></b> |
|--|-------------------------------------|
| <b>3.2 Proxy Instruments<sup>5</sup></b>   |                                     |
| <u>Form of Proxy Instruments</u>   |                                     |
| <p>3.2.1 The MC Secretary should –</p> <ul style="list-style-type: none"> <li>(a) print the date of the meeting of the OC and a unique serial number on each of the proxy instruments to help ensure that the owners know at which meeting the appointed proxies will exercise the voting right on their behalf and to facilitate checking;</li> <li>(b) attach to each of the proxy instruments a statement of purposes in respect of the collection of personal data of owners and proxies (a sample of the statement of purposes is at <u>Annex C</u>);</li> <li>(c) attach to each of the proxy instruments “points to note” (see <u>Annex C</u>) to remind owners of the importance of their voting right;</li> <li>(d) attach (i) a blank proxy instrument and (ii) a form (see template at <u>Annex B</u>) allowing owners to set out voting instructions (for resolutions put to vote concerning “large-scale procurement” and with options “for” and “against” only) (see paragraphs 2.2.3 and 3.2.8) and proxies to make declarations (see paragraph 3.2.7 and 3.2.8 below) to the notice of meeting or make (i) and (ii) available at the management office;</li> <li>(e) distribute the proxy instruments with the “name of proxy” left blank for completion by the owners; and</li> <li>(f) prepare a register for owners who do not intend to appoint proxies to register and make it available for inspection by owners.</li> </ul> | MC Secretary                        |

<sup>5</sup> See Form 2 in Schedule 1A to the BMO for the proxy instrument. The best practices under Part 3.2 should also be applicable to meeting of the owners for the appointment of management committee and Form 1 in Schedule 1A to the BMO, with necessary and suitable adaptations to be made.

| <u><b>BEST PRACTICES</b></u>  | <u>Key<br/>Action Party(ies)</u> |
|---|----------------------------------|
| <u>Filling in of Proxy Instruments</u>  |                                  |
| 3.2.2 Owners should give careful consideration to the appointment of proxies and only appoint persons whom they trust to be their proxies with a view to ensuring that the proxies would act in their best interests.   | Owners                           |
| 3.2.3 Owners should only appoint persons aged 18 or above as proxies.   | Owners                           |
| 3.2.4 Owners should fill in all the required information, particularly the “name of proxy” in the proxy instruments when appointing proxies.  | Owners                           |
| 3.2.5 Owners should not pass their signed proxy instruments to any person without filling in the “name of proxy”.   | Owners                           |
| 3.2.6 If an owner receives a proxy instrument with the “name of proxy” printed on it but the owner prefers appointing another person to be his/her proxy, he/she can cross out the printed name and put down the name of his/her own proxy, with his/her signature beside the amendment.  | Owners                           |
| 3.2.7 When appointing a proxy, besides filling in the proxy instrument, the owner should show his/her proxy instrument to the proxy and pass the form (see template at <u><b>Annex B</b></u> ) to the proxy concerned to make declaration at Part A of the form that the proxy instrument is honestly acquired from the owner. The owner and the proxy should also sign the “Statement of Purposes in respect of Collection of Personal Data” (see sample at <u><b>Annex B</b></u> ). | Owners, Proxies                  |
| 3.2.8 For resolutions to be put to vote concerning “large-scale procurement” and with options “for” and “against” only, in connection to paragraph 2.2.3 above, if an owner would like to set out his/her voting instructions, he/she should complete Part B of the form (see template at <u><b>Annex B</b></u> ). The proxy should make declaration at Part C of the form (see template at <u><b>Annex B</b></u> ) that he/she will follow the voting instructions (if any) of the   | Owners, Proxies                  |



| <b><u>BEST PRACTICES</u></b>  | <b><u>Key Action Party(ies)</u></b>    |
|---|--|
| <p>owner. The owner and the proxy should also sign the “Statement of Purposes in respect of Collection of Personal Data” (see sample at <b><u>Annex B</u></b>).</p>   |  |
| <p>3.2.9 The original of the completed form (see template at <b><u>Annex B</u></b>) containing –</p> <ul style="list-style-type: none"> <li>(a) the proxy’s declaration that the proxy instrument is honestly acquired from the owners (in Part A);</li> <li>(b) the owner’s voting instructions (in Part B, if any); and</li> <li>(c) the proxy’s declaration that he/she will follow the voting instructions of the owner (in Part C, if any)</li> <li>(d) the signed “Statement of Purposes in respect of Collection of Personal Data”</li> </ul> <p>((a) to (d) above hereafter collectively referred to as “the completed form” (see template at <b><u>Annex B</u></b>) should be lodged with the MC Secretary together with the proxy instrument. For the avoidance of doubt, the completed form (see template at <b><u>Annex B</u></b>) does not form any part of the proxy instrument, which should be in the form set out in Form 2 in Schedule 1A to the BMO.</p> | Owners                                 |
| <p>3.2.10 Upon receipt of the proxy instrument and the completed form (see template at <b><u>Annex B</u></b>) (if any), the MC Secretary (or the DMC manager/PMC assisting him/her) should –</p> <ul style="list-style-type: none"> <li>(a) affix the chop(s) of the MC (or that of the DMC manager/PMC) on the proxy instrument and each part (Part A to Part C and the “Statement of Purposes in respect of Collection of Personal Data”) of the form that has been completed and signed. If the form is submitted by an owner in person, the MC Secretary (or the DMC manager/PMC) should affix the chop in the presence of the</li> </ul>   | MC Secretary /<br>DMC Manager /<br>PMC |

| <u><b>BEST PRACTICES</b></u>   | <u>Key<br/>Action Party(ies)</u> |
|--|----------------------------------|
| <p>owner;</p> <p>(b) make a copy of the proxy instruments and the completed form (see template at <u><b>Annex B</b></u>) showing the chop(s) affixed;</p> <p>(c) keep the proxy instrument, the completed form (see template at <u><b>Annex B</b></u>) and the copies in (b) above in a safe place.</p>  |                                  |
| <p>3.2.11 To facilitate the following of the owners' voting instructions (see paragraph 2.2.3) by proxies, owners should give careful consideration to the necessity of appointing an alternative proxy, having regard to the circumstances and needs of each case.</p>  | Owners                           |
| <p>3.2.12 Owners should, as far as possible, sign the proxy instruments using the signature as appeared on their deeds of assignment.</p>  | Owners                           |
| <p>3.2.13 Owners who are body corporates should follow their constitution in authorising persons to sign on their proxy instruments.</p>   | Owners                           |
| <p>3.2.14 Owners should set out their contact details (e.g. telephone numbers, e-mail addresses, etc.) on their proxy instruments so as to facilitate checking by the MC Chairman when the validity of the proxy instruments is in doubt.</p>  | Owners                           |
| <p>3.2.15 The maximum number of proxy instruments a proxy (including one appointed by an owner who is a body corporate) should hold for the purpose of a particular meeting is –</p> <p>(a) for a building with not more than 20 flats<sup>6</sup> – one;</p> <p>(b) for a building with more than 20 flats – not more than 5% of the owners (rounded to the nearest integer) or 50 (whichever is the lesser), and the minimum number should be one.</p> | Proxies                          |

<sup>6</sup> Not including any garage, carpark or carport.

| <b><u>BEST PRACTICES</u></b>   | <b><u>Key Action Party(ies)</u></b> |
|--|-------------------------------------|
| <u>Timing of Lodging and Collection of Proxy Instruments</u>   |                                     |
| 3.2.16 The timing and location for collecting the proxy instruments and the opening and counting of the proxy instrument collection boxes (if any) should be convenient to all owners.   | MC Secretary                        |
| 3.2.17 If the DMC manager/PMC (if any) assists the MC Secretary in collecting the proxy instruments, the MC Secretary should give clear instructions to the DMC manager/PMC on the submission deadline and the collection method.  | MC Secretary                        |
| 3.2.18 Owners are advised to lodge their proxy instruments with the MC Secretary as early as practicable, say, at least 144 hours (i.e. at least 6 days) before the meeting, to leave sufficient time for verification by the MC Chairman.   | Owners                              |
| <p>3.2.19 Owner should personally lodge the duly completed proxy instrument together with the completed form (see template at <b><u>Annex B</u></b>) with the MC Secretary direct or deposit them in the ways as instructed by the MC Secretary, and should avoid giving them to third parties.</p> <p>The owner should make a copy of the signed proxy instrument, together with the completed form (see template at <b><u>Annex B</u></b>) before lodging them with the MC Secretary or depositing them.</p> | Owners                              |
| 3.2.20 The proxy instrument lodged by each owner should be the original copy.  | Owners                              |
| 3.2.21 The proxy instrument collection boxes (if any) should be double-locked and placed in a prominent place of the building.   | MC Secretary                        |
| <p>3.2.22 The acknowledgement of receipt of the proxy instrument should be accompanied by a copy each of –</p> <p>(a) the proxy instrument; and</p> <p>(b) the completed form (see template at <b><u>Annex B</u></b>)</p> <p>showing the chop(s) affixed, and should be issued to the owner</p>  | MC Secretary                        |

| <u><b>BEST PRACTICES</b></u>   | <u>Key<br/>Action Party(ies)</u> |
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| concerned by leaving it at the flat of the owner who made the proxy instrument, or depositing it in the letter box for the flat, before the time for the holding of the meeting. For the avoidance of doubt, the issue of the acknowledgement receipt does not mean that the proxy instrument has been verified (please refer to paragraph 3.2.31 below).  |                                  |
| 3.2.23 After having acknowledged receipt of a proxy instrument by leaving a receipt at the flat of the owner who made the instrument or depositing the receipt in the letter box for that flat, the MC Secretary may also hand an additional acknowledgement receipt (together with a copy each of the proxy instrument and the completed form (see template at <u><b>Annex B</b></u> )) showing the chop(s) affixed to the owner in person.                                 | MC Secretary                     |
| 3.2.24 Owners are advised to check whether they have received the acknowledgment receipts of the proxy instruments before the time scheduled for the holding of the meeting to ensure that the MC Secretary has received the proxy instruments. If in doubt, owners should check with the MC Secretary on the handling of the proxy instruments.   | Owners,<br>MC Secretary          |
| <u>Determination of the Validity of Proxy Instruments</u>  |                                  |
| 3.2.25 The MC Chairman should handle the proxy instruments in a fair and transparent manner and in accordance with the provisions under the BMO.   | MC Chairman                      |
| 3.2.26 In determining the validity of a proxy instrument –<br><br>(a) if the proxy instrument is in the form set out in Schedule 1A to the BMO, the MC Chairman should not reject the proxy instrument for the sole reason that it is not the printed proxy instrument provided by the OC;<br><br>(b) the mere act of providing additional information such as Hong Kong Identity Card number or time of signing the proxy will not render the proxy instrument invalid; and | MC Chairman                      |

| <b><u>BEST PRACTICES</u></b>  | <b><u>Key Action Party(ies)</u></b> |
|---|-------------------------------------|
| <p>(c) the MC Chairman should not reject the proxy instrument for the sole reason that the owner has crossed out the printed “name of proxy” and has put down the name of his/her own proxy with his/her signature.</p>   |                                     |
| <p>3.2.27 If the MC Chairman has determined that a proxy instrument is invalid before the meeting, he should contact the owner concerned to explain the invalidity of the proxy instrument as early as practicable so that the owner may consider whether a fresh proxy instrument should be made before the deadline<sup>7</sup> or to attend the meeting in person.</p>   | MC Chairman                         |
| <p>3.2.28 If there are two or more proxy instruments from the same owner with different dates for the purpose of a particular meeting of the OC, the proxy instrument with the most recent date is normally intended to supersede those with earlier dates.</p> <p>If in doubt, the MC Chairman should contact the owner concerned to clarify which proxy instrument is intended to be used by the owner. If no date is marked on the proxy instruments or if there is more than one proxy instrument marked with the same most recent date but with different proxies appointed, the MC Chairman should clarify with the owner concerned. All proxy instruments should be considered invalid if the MC Chairman has taken reasonable steps to ascertain their validity but failed.</p> | MC Chairman                         |
| <p>3.2.29 The MC Secretary should assist the MC Chairman in contacting the owners concerned for verification of proxy instruments as soon as practicable, in any event no later than the time for the holding of the meeting, if there is any query or uncertainty arising from the proxy instruments. Owners should co-operate with the MC Chairman as far as practicable to ensure that the proxies are properly appointed.</p>   | MC Secretary,<br>Owners             |

<sup>7</sup> At least 144 hours (i.e. at least 6 days) as a best practice (see paragraph 3.2.18), and at least 48 hours before the time for the holding of the meeting (see paragraph 4(3) of Schedule 3 to the BMO).

| <u><b>BEST PRACTICES</b></u>  | <u>Key Action Party(ies)</u>           |
|---|--|
| 3.2.30 After verification by the MC Chairman, the MC Secretary/DMC manager/PMC (where applicable) should affix the chop of the MC/DMC manager/PMC to illustrate that the proxy instruments have been verified.  | MC Secretary /<br>DMC manager /<br>PMC |
| <u>Display of Information Concerning Proxy Instruments</u>  |  |
| 3.2.31 The MC Secretary should give sufficient time for owners to check against the information of those flats with proxy instruments lodged (“proxy information”). The proxy information should be displayed in a prominent place of the building at least 72 hours before the meeting, be updated (if applicable) after the close of the lodging time provided that the proxy instruments concerned are lodged at least 48 hours before the meeting, and remain to be displayed until seven days after the meeting. | MC Secretary                           |
| 3.2.32 The proxy information should be displayed in a prominent place of the building in a clear and easily readable format with appropriate font size. Where feasible, the MC Secretary should provide additional means of dissemination of the proxy information (e.g. posting on the website of the OC) to facilitate checking by the owners.  | MC Secretary                           |
| 3.2.33 The proxy information should also include –<br><br>(a) the total number of proxy instruments received;<br><br>(b) a mark against the flat of the owner concerned who has submitted proxy instrument(s) but all have been invalidated by the MC Chairman; and<br><br>(c) the total number of invalidated proxy instruments.   | MC Secretary                           |
| 3.2.34 The reason(s) for invalidation should be marked on each invalid proxy instrument and should be announced before the OC meeting, say, by displaying as part of the proxy information. For a proxy instrument which has been determined by the MC Chairman as invalid, the owner concerned, the proxy concerned,   | MC Secretary                           |

| <b><u>BEST PRACTICES</u></b>   | <b><u>Key Action Party(ies)</u></b> |
|--|-------------------------------------|
| the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance), and the Authority (i.e. the Secretary for Home Affairs) and an authorized officer under the BMO should be allowed to inspect the proxy instrument.  |                                     |
| 3.2.35 The MC Secretary should remind the owners to check the proxy information with a view to finding out if there are any unauthorised appointments of proxies.  | MC Secretary                        |
| 3.2.36 The MC Chairman should confirm the undivided shares under each of the verified proxy instruments for the purpose of vote counting unless the DMC specifies other mechanism for determining the owners' shares.  | MC Chairman                         |
| <b>3.3 Conduct of a General Meeting</b>  |                                     |
| <p>3.3.1 The MC Chairman should –</p> <ul style="list-style-type: none"> <li>(a) conduct the general meeting in an orderly manner;</li> <li>(b) explain clearly to the owners the background and facts of the issues to be discussed;</li> <li>(c) allow owners to have equal opportunity to speak at the general meeting; and</li> <li>(d) encourage owners to express their views so as to ensure that the items are thoroughly discussed before the items are put to vote.</li> </ul> | MC Chairman                         |
| <p>3.3.2 The MC Secretary should –</p> <ul style="list-style-type: none"> <li>(a) ensure the quorum of the meeting is formed before the commencement of the general meeting;</li> <li>(b) keep track of the number of owners coming in or leaving the venue of the general meeting to ensure that the quorum is formed before putting a resolution to vote;</li> </ul>   | MC Secretary,<br>Proxies            |



| <b><u>BEST PRACTICES</u></b>   | <b><u>Key<br/>Action Party(ies)</u></b> |
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| <p>(c) advise the MC Chairman to adjourn the general meeting if the quorum is not formed;</p> <p>(d) detach and pass the voting instructions (i.e. Part B of the form at <b><u>Annex B</u></b>, please see paragraph 2.2.3 for details) (if any) made by an owner to the proxy he/she appointed. The proxy should use the part with voting instructions (i.e. Part B of the form at <b><u>Annex B</u></b>) as a ballot paper and vote in respect of the relevant resolution;</p> <p>(e) in connection to (d) above, if the proxy asks for an extra ballot paper despite the owner has given voting instructions (if any) to the proxy in advance (for details, see paragraph 2.2.3 and 3.2.8) –</p> <p>(i) enquire about the reason behind; and</p> <p>(ii) contact and notify the owner at once as far as practicable, or if in vain or not practicable, after the meeting.</p> |   |
| <p>3.3.3 The MC Secretary should avoid giving a new ballot paper to a proxy in the case where voting instructions were given by the owner in respect of a “large-scale procurement”.</p>   | MC Secretary                            |
| <p><b>3.4 Actions after the Conclusion of a General Meeting</b></p>  |   |
| <p>3.4.1 The MC should keep all the documents related to the appointment of proxies, i.e. –</p> <p>(a) the proxy instruments; and</p> <p>(b) the copies of the completed form (see template at <b><u>Annex B</u></b>) showing the chop(s) affixed;</p> <p>(c) the voting instructions that were used as ballot papers (see paragraph 3.3.2(d) and <b><u>Annex B</u></b>) (if any); and</p> <p>(d) the proxy information displayed</p>  | MC                                      |

| <b><u>BEST PRACTICES</u></b>   |  | <b><u>Key Action Party(ies)</u></b> |         |  |  |   |  |                             |  |                     |
|--|--|-------------------------------------|---------|--|--|---|--|-----------------------------|--|---------------------|
| for at least three years.  |  |                                     |         |  |  |   |  |                             |  |                     |
| 3.4.2 The documents related to the appointment of proxies should be made available to the following parties for inspection - <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Documents</th> <th style="text-align: center;">Parties</th> </tr> </thead> <tbody> <tr> <td>Proxy instrument of a particular owner</td> <td> <p>The owner, the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> </td> </tr> <tr> <td>The proxy's declaration (in Part A of <b><u>Annex B</u></b>)</td> <td> <p>The owner and the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <b><u>Annex B</u></b>)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> </td> </tr> <tr> <td>Proxy information displayed</td> <td>All owners of the building, the proxies concerned and the Authority, an authorized</td> </tr> </tbody> </table> |  | Documents                           | Parties | Proxy instrument of a particular owner | <p>The owner, the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> | The proxy's declaration (in Part A of <b><u>Annex B</u></b> ) | <p>The owner and the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <b><u>Annex B</u></b>)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> | Proxy information displayed | All owners of the building, the proxies concerned and the Authority, an authorized | MC, owners, proxies |
| Documents  | Parties  |                                     |         |  |  |   |  |                             |  |                     |
| Proxy instrument of a particular owner   | <p>The owner, the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p>   |                                     |         |  |  |   |  |                             |  |                     |
| The proxy's declaration (in Part A of <b><u>Annex B</u></b> )  | <p>The owner and the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <b><u>Annex B</u></b>)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> |                                     |         |  |  |   |  |                             |  |                     |
| Proxy information displayed  | All owners of the building, the proxies concerned and the Authority, an authorized   |                                     |         |  |  |   |  |                             |  |                     |

| <b><u>BEST PRACTICES</u></b> |   | <u>Key<br/>Action Party(ies)</u> |
|------------------------------|---|----------------------------------|
|                              | <p>officer under the BMO, the MC Secretary (if he is not an owner), and the DMC manager/PMC (if any)</p> <p>Owner's voting instructions (in Part B of <b><u>Annex B</u></b>; including those used as ballot papers) and the proxy's declaration (in Part C of <b><u>Annex B</u></b>)</p>  |                                  |
|                              | <p>The owner concerned, the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <b><u>Annex B</u></b>)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> |                                  |
| <b>4.0</b>                   | <b>FINANCIAL ARRANGEMENT</b>  |                                  |
| 4.1                          | For a building containing not more than 50 flats <sup>8</sup> , its OC with an annual income or expenditure of over \$100,000 is encouraged to have the financial statements (including the income and expenditure account and the balance sheet) audited by an accountant retained by the OC as may be approved by the OC by a resolution passed at a general meeting.   | MC, OC                           |

<sup>8</sup> Not including any garage, carpark or carport.

**Annex A****Sample Form for Declaration of Associates  
by Candidates Running for the Management Committee Membership*****Note***

To increase the transparency regarding the appointment of Management Committee (MC) members and to ensure that owners would be informed of any associations among candidates running for MC membership (candidates) and existing MC members, candidates should declare their associations with other candidates and the existing MC members by using this Form. Associates (相聯者) of a candidate may include –

- (a) where the candidate is an individual –
  - (i) a relative<sup>9</sup>;
  - (ii) the co-owner of the flat;
  - (iii) a body corporate of which (A) the composition of the board of directors; (B) more than half of its voting rights; or (C) more than half of its issued share capital, is controlled by the candidate, or which the candidate is a director;
  - (iv) a corporation of which the candidate is an employee or an agent; or
  - (v) a partner (whether an individual or a body corporate) in a partnership with the candidate;
  
- (b) where the candidate is a body corporate –
  - (i) an individual who is an employee/agent of the candidate;
  - (ii) an associated company as defined under the Companies Ordinance (Cap. 622)
  - (iii) the co-owner of the flat;
  - (iv) a director of the body corporate; or
  - (v) a partner (whether an individual or a body corporate) in a partnership with the candidate.

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<sup>9</sup> Includes the person who is related to the individual by blood (including aunt, uncle, cousin, niece, nephew), marriage (including in-laws), adoption, step-parent or step-child.

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***Declaration of Associates***

To: the Chairman / Secretary \* of the MC

I / We would like to declare the following association with other candidates / existing members of the MC –

(a) Persons / body corporates whom / which is / are my / our associates –

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(b) Brief description of the association between me / us and the persons / body corporates mentioned in item (a) above –

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Signature of the candidate  
(the authorised person if the  
candidate is a body corporate):

Name:

Date:

---

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*[\*Delete as appropriate]*

**Annex B****Declaration(s) by Proxy and Owner's Voting Instructions (Sample)**  
*(for reference only)*

**[Instructions:** *The following procedures should be followed when using this form –*

- (a) *when appointing a proxy, besides filling in the proxy instrument (i.e. Form 2 of Schedule 1A to the Building Management Ordinance (Cap. 344) (BMO)), the owner concerned should pass this form to the proxy for completion of and signature at **Part A**. The owner and the proxy should also sign the “Statement of Purposes in respect of Collection of Personal Data” (statement) in this document. The owner should lodge this form (with **Part A** completed and the statement signed) to the management committee (MC) Secretary together with the proxy instrument<sup>10</sup>;*
- (b) *in addition to (a), if the meeting for which the proxy is appointed has resolutions to be put to vote concerning “large-scale procurement” and with options “for” and “against” only, an owner may set out his/her voting instructions by completing **Part B** of this form, and the proxy concerned should complete **Part C** of this form;*
- (c) *upon receipt of this form, the MC Secretary (or the Deed of Mutual Covenant (DMC) manager/property management company (PMC) assisting the MC Secretary) should affix the chop(s) of the MC/DMC manager/PMC on each part (Part A to Part C and the statement) of the form that has been completed and signed, make a copy of this form showing the chop(s) affixed, and keep this form in a safe place;*
- (d) *the acknowledgement of receipt of the proxy instrument should be accompanied by a copy each of–*
  - (i) *the proxy instrument;*
  - (ii) *the proxy's declaration that the proxy instrument is honestly acquired from the owner (in **Part A**);*
  - (iii) *the owner's voting instructions (in **Part B**, if any);*
  - (iv) *the proxy's declaration that he/she will follow the voting instructions of the owner (in **Part C**, if any); and*
  - (v) *the statement*

*showing the chop(s) affixed, and issued to the owner concerned by leaving it at the flat of the owner who made the instrument, or depositing it in the letter box for the flat before the time for the holding of the meeting; and*

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<sup>10</sup> This form does not form any part of the proxy instrument.

(e) when the meeting is held, **Part B** (i.e. the owner's voting instructions) (if applicable and completed) should be detached and passed to the proxy who should use it as a ballot paper and vote on the relevant resolution.]

Part A: Proxy's Declaration on Acquiring the Proxy Instrument (to be completed by the proxy appointed)

I, ..... (name of proxy), holder of HKID Card No. ...., hereby declare that the proxy instrument (serial number: .....) (if any) is honestly acquired from ..... (name of owner).

Dated this ..... day of .....

Signature of proxy: .....

Part B: Owner's Voting Instructions (to be completed by the owner)

*[Note: For practicability, this part should **only be applicable** to resolutions (a) concerning “large-scale procurement”; and (b) with options “for” and “against” only.]*

*[Note: Owners should give careful consideration to the appointment of proxies and only appoint persons whom they trust to be their proxies, with a view to ensuring that their voting instructions would be respected and be carried out.]*

**Name of owner:**.....

**Unit of building:**.....

**Date of Meeting:**.....

Please put a ✓ in the appropriate box(es) to indicate the voting instruction(s). The owner may specify the voting instructions or in the absence of any indication, the proxy may vote on each resolution as he or she thinks fit.



|  |                                     |                          |
|--|-------------------------------------|--------------------------|
| <b>Item for resolution:</b><br><b>Item 1</b> | <b>For</b>                          | <b>Against</b>           |
| .....  | <input type="checkbox"/>            | <input type="checkbox"/> |
| Serial no.:.....<br>Number of shares:.....   | <b>Signature of owner(s):</b> ..... |                          |
| <b>Item for resolution:</b><br><b>Item 2</b> | <b>For</b>                          | <b>Against</b>           |
| .....  | <input type="checkbox"/>            | <input type="checkbox"/> |
| Serial no.:.....<br>Number of shares:.....   | <b>Signature of owner(s):</b> ..... |                          |

**Part C: Proxy's Declaration on Following Owner's Voting Instructions (to be completed by the proxy)**

I, ..... (name of proxy), holder of HKID Card No. ...., hereby declare that I will follow the voting instructions (if any) of the said owner.

Dated this ..... day of .....  
Signature of proxy: .....

**Statement of Purposes in respect of Collection of Personal Data (Sample)**  
*(for reference only)*

**Purpose of Collection**

1. This form is to be used by (a) you (the owner) to set out your voting instructions (if applicable) to your proxy (if appointed) in respect of resolutions concerning “large-scale procurement” and with options “for” and “against” only; and (b) the proxy to make declaration that the proxy instrument is honestly acquired from an owner and he/she will follow the voting instructions (if any) made by the owner for the general meeting of the owners' corporation (OC) /the annual general meeting of the OC and any adjourned meeting (if applicable). Your proxy will form the quorum and vote on your behalf at the meeting.
2. The chairman and/or secretary of the management committee (MC) of the OC (and the DMC manager/PMC providing assistance) may follow up on the personal data you provided in this form

and, if necessary, will contact you for the purpose of verifying the validity of the appointment of your proxy.

3. You, the proxy appointed, the chairman and/or the secretary of the MC (and the DMC manager/PMC providing assistance), the Authority and an authorized officer under the BMO may inspect Part A of this form.
4. Part B of this form may serve as a ballot paper for the relevant resolution(s). You, the proxy appointed, the chairman and/or the secretary of the MC (and the DMC manager/PMC providing assistance), the Authority and an authorized officer under the BMO may inspect Parts B and C of this form (and any copies of them).

**Consent of your Proxy**

5. You should obtain the consent of your proxy in using his/her personal data provided in this form, and provide your proxy with this statement, informing him/her of the purpose for collecting his/her personal data.

**Classes of Transferees**

6. The OC and its MC may disclose the personal data you and the proxy appointed provided in this form to other owners of this building for the purposes mentioned in paragraphs 2 and 3 above.

**Access to Personal Data**

7. You have the rights of access and correction to the personal data as provided for in sections 18 and 22 and Principle 6 of Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). Your right of access includes the right to obtain your personal data contained in this form.

**Enquiries**

Enquiries concerning the personal data collected by means of this form, including requests for access to and correction of data, should be directed to the MC secretary (Telephone Number: \_\_\_\_\_ )

I (the owner) have read and agree with the above.

Name of owner: .....

Signature of owner: .....

I (the proxy) have read and agree with the above.

Name of proxy: .....

Signature of proxy: .....

**Annex C<sup>11</sup>****Points to Note to Owners when Appointing Proxies (Sample)**

1. Please note the importance of your voting right and exercise such right in person as far as possible.
2. You should give careful consideration to the appointment of proxy and should only appoint a person whom you trust with a view to ensuring that the proxy would act in your best interests.

**Statement of Purposes in respect of Collection of Personal Data (Sample)**

*(to be attached to each proxy instrument, for reference only)*

**Purpose of Collection**

1. This instrument is to be used by you (the owner) to appoint a proxy to attend the general meeting of the owners' corporation (OC)/the annual general meeting of the OC and any adjourned meeting (if applicable). Your proxy will form the quorum and vote on your behalf at the meeting.
2. The chairman and/or secretary of the management committee (MC) of the OC (and the Deed of Mutual Covenant (DMC) manager/property management company (PMC) providing assistance) may follow up on the personal data you provided in this instrument and, if necessary, will contact you for the purpose of verifying the validity of the appointment of your proxy.
3. You, the proxy appointed, the chairman and/or secretary of the MC (and the DMC manager/PMC providing assistance), the Authority and an authorized officer under the Building Management Ordinance (Cap. 344) may also inspect the instrument (and any copy of it) for the purpose of dealing with any matters relating to the validity of the proxy instrument.

**Consent of your Proxy**

4. You should obtain the consent of your proxy in using his/her personal data provided in this instrument, and provide your proxy with this statement, informing him/her of the purpose for collecting his/her personal data.

**Classes of Transferees**

5. The OC and its MC may disclose the personal data you provided in this instrument to other owners of this building for the purpose mentioned in paragraph 3 above.

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<sup>11</sup> The best practices under Annex C should also be applicable to meeting of the owners for appointing management committee and Form 1 in Schedule 1A to the BMO, with necessary and suitable adaptations to be made.

**Access to Personal Data**

- 6. You have the rights of access and correction to the personal data as provided for in sections 18 and 22 and Principle 6 of Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). Your right of access includes the right to obtain a copy of your personal data provided in this instrument.

**Enquiries**

Enquiries concerning the personal data collected by means of this instrument, including requests for access to and correction of data, should be directed to the MC secretary (Telephone Number: )

I (the owner) have read and agree with the above.

Name of owner: .....

Signature of owner: .....

I (the proxy) have read and agree with the above.

Name of proxy: .....

Signature of proxy: .....

# **Checklist on Procedural Propriety on Building Management**

**(2019 Edition)**



## Checklist on Procedural Propriety on Building Management (2019 Edition)

### Important Notes and Disclaimer

This Checklist on Procedural Propriety (Checklist) contains the requirements and best practices related to the convening of a general meeting of an Owners' Corporation (OC), including (a) the relevant provisions under the Building Management Ordinance (Cap. 344) (BMO); (b) the Codes of Practice (CoP) issued by the Secretary for Home Affairs under the BMO; and (c) the Administrative Guidelines on Best Practices on Building Management (Best Practices), with a view to assisting compliance by Management Committees (MCs) of OCs and Deed of Mutual Covenant (DMC) managers/property management companies (PMCs) (if any).

2. The Government encourages MCs of OCs and DMC managers/PMCs (if any) to use this Checklist. Relevant parties **are required to** comply with the BMO and the CoP. If the best practices contained in this Checklist cannot be complied with, the MC Chairman or DMC manager/PMC (if any) should state the reasons on the Checklist to increase transparency and accountability. Failure to comply with the best practices contained in this Checklist **would not be treated as non-compliance** with the BMO or the CoP.
3. Users of this Checklist are advised to seek independent legal advice and assistance from lawyers should there be doubts on the application of the BMO and the CoP in individual circumstances. The Government shall not be responsible for any errors, omissions or misstatements or misrepresentations (whether expressed or implied) in any part of this Checklist and shall not be held liable or accept any liability, obligation and responsibility whatsoever (including, without limitation, consequential loss or damage) arising from or in respect of any use, inability to use or misuse or reliance on this Checklist.
4. The Government reserves the right to revise, omit, suspend or edit this Checklist at any time in its absolute discretion without giving any reason or prior notice.

### User Guide

5. The MC Chairman, DMC manager or PMC should display the Checklist, with Part A to Part C completed before the meeting and the remaining parts completed after the meeting in a prominent place in the building to increase transparency. MCs, DMC managers and PMCs are encouraged to provide a copy of the completed Checklist to the District Building Management Liaison Teams (DBMLTs) of the District Offices to share their experience and views in adopting the best practices contained in the Checklist.

### Keys

- ✧ Requirements under the BMO
- © Requirements under the CoP
- 👉 Best Practices

Name of the OC: \_\_\_\_\_

Date of the General Meeting of the OC: \_\_\_\_\_

**(A) Convening of a General Meeting of an OC**

| No.                               | Item  | <ul style="list-style-type: none"> <li>Please mark “√” if the item has been complied with.</li> <li>Please mark “NA” if the item is not applicable.</li> <li>For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------------------|---|---|
| <b>Requirements under the BMO</b> |   |   |
| 1.                                | <p>✧ <b><u>Paragraph 1(1) of Schedule 3</u></b><sup>1</sup></p> <p>The MC shall convene –</p> <p>(a) the first annual general meeting of an OC not later than 15 months after the date of the registration of the OC;</p> <p>(b) an annual general meeting not earlier than 12 months, and not later than 15 months, after the date of the first or previous annual general meeting;</p> <p>(c) a general meeting of the OC at any time for such purposes as the management committee thinks fit.</p> |   |
| 2.                                | <p>✧ <b><u>Paragraph 1(2) of Schedule 3</u></b></p> <p>The MC Chairman shall convene a general meeting of the OC at the request of not less than 5% of the owners for the purposes specified by such owners within 14 days of receiving such request, and hold the general meeting within 45 days of receiving such request.</p>  |   |

<sup>1</sup> Pursuant to paragraph 8 of Schedule 3 to the BMO, in the event of any inconsistency between Schedule 3 and the terms of a DMC or any other agreement, Schedule 3 shall prevail.



| No.                   | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------|---|---|
| <b>Best Practices</b> |   |   |
| 3.                    | <p>☞ <b><u>Paragraph 3.1.3</u></b></p> <p>In making a request by not less than 5% of the owners for convening a general meeting pursuant to paragraph 1(2) of Schedule 3 to the BMO, the owners concerned should –</p> <p>(a) provide a list clearly setting out the names of the owners who made such request, the flats they reside in and their signatures;</p> <p>(b) check that the minimum requirement of “5% of the owners” is met before making the request to the MC Chairman; and</p> <p>(c) appoint a person as their representative/contact point in order to facilitate better communication with the MC Chairman.</p> |   |
| 4.                    | <p>☞ <b><u>Paragraph 3.1.4</u></b></p> <p>For a general meeting of the OC requested by not less than 5% of the owners, the MC Chairman should –</p> <p>(a) liaise with the owners with a view to working out suitable measures to resolve the issue if a requested item has been repeatedly discussed at previous meetings of the OC but not less than 5% of the owners still request to convene a general meeting to discuss such item;</p> <p>(b) verify whether the request for meeting is made by not less than 5% of the owners; and</p>   |   |

| No. | Item   | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|---|
|     | (c) inform other MC members as soon as practicable upon receipt of the request for meeting to facilitate better coordination and communication within the MC.  |   |
| 5.  | <p>👉 <b><u>Paragraph 3.1.5</u></b></p> <p>For a general meeting of the OC requested by not less than 5% of the owners, discussion item(s) requested by the owners should be handled first at the meeting unless the resolution(s) of the requested discussion item(s) hinge on the result of another resolution/item of business which has not been included in the owners’ request. The MC Chairman should seek clarifications with the owners concerned on their requests where necessary.</p> |   |

**(B) Notice of Meeting<sup>2</sup>**

| No.  | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✖” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|--|---|---|
| <b>(I) <i>Timing of Giving Notice of Meeting</i></b> |   |   |
| <b>Requirements under the BMO</b>                    |   |   |
| 6.   | <p>✧ <b><u>Paragraph 2(1) of Schedule 3</u></b></p> <p>The MC Secretary shall, at least 14 days before the date of the meeting of the OC, give notice of the meeting to each owner and the tenants’ representative (if any).</p>  |   |
| <b>Best Practices</b>                                |   |   |
| 7.   | <p>👉 <b><u>Paragraph 3.1.1</u></b></p> <p>Apart from giving notice of meeting as required under the BMO, the notice of meeting should be displayed in a prominent place in the building as soon as practicable, say, at least 21 days before the meeting of the OC.</p> |   |
| <b>(II) <i>Content of Notice of Meeting</i></b>      |   |   |
| <b>Requirements under the BMO</b>                    |   |   |
| 8.   | <p>✧ <b><u>Paragraph 2(1AA) of Schedule 3</u></b></p> <p>The notice of meeting shall specify –</p> <p>(a) the date, time and place of the meeting; and</p>  |   |

<sup>2</sup> As stipulated in paragraph 3(7) of Schedule 3 to the BMO, no resolution passed at any meeting of the OC shall have effect unless the same was set forth in the notice given in accordance with paragraph 2 of Schedule 3 to the BMO or is ancillary or incidental to a resolution or other matter so set forth.

| No.                               | Item   | <ul style="list-style-type: none"> <li>Please mark “✓” if the item has been complied with.</li> <li>Please mark “NA” if the item is not applicable.</li> <li>For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------------------|--|---|
|                                   | (b) the resolutions (if any) that are to be proposed at the meeting or other matters that are to be discussed at the meeting.  |   |
| <b>Requirements under the CoP</b> |  |   |
| 9.                                | <p>© <b><u>Paragraph 3.6(b) of the CoP on Procurement of Supplies, Goods and Services (the part relevant to notice of meeting)</u></b></p> <p>(If one of the agenda items involves a resolution in relation to tendering exercises)</p> <p>If the tendering exercises involve mandatory works as stipulated in relevant statutory notice(s), order(s) or direction(s) issued by relevant government department(s) or authority(ies) (collectively referred to as government repair orders), such information should be made available to the owners before the resolution concerned is put to vote (e.g. attaching a copy of the government repair orders to the notice of meeting at which the tender is to be approved), so as to facilitate the MC members/owners in understanding and making a well informed decision on the scope of the procurement.</p> |   |
| <b>Best Practices</b>             |  |   |
| 10.                               | <p>☞ <b><u>Paragraph 3.1.2</u></b></p> <p>The notice of meeting should state clearly –</p> <p>(a) the specified statutory time within which proxy instruments should be lodged;</p>  |   |

| No.  | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|--|--|---|
|  | <p>(b) the method and location for lodging the proxy instruments (e.g. the exact location of proxy instrument collection boxes); and</p> <p>(c) the timing and location for the opening of proxy instrument boxes if such boxes are used, so that the owners may witness the opening and counting process.</p>   |   |
| 11.  | <p>👉 <b><u>Paragraph 2.2.4</u></b></p> <p>The notice of meeting concerning procurement that requires approval by a resolution passed at a general meeting of the OC should carry a conspicuous “alert” stating the estimated cost for each project, breakdown of the amount to be borne by each share, and the contribution of funds which may result from approval of the tender by each owner.</p>   |   |
| <p><b>(III) Ways to Give Notice of Meeting</b></p> |  |   |
| <p><b>Requirements under the BMO</b></p>           |  |   |
| 12.  | <p>👉 <b><u>Paragraph 2(1A) of Schedule 3</u></b></p> <p>The notice of meeting may be given –</p> <p>(a) by delivering it personally to the owner or tenants’ representative (if any); or</p> <p>(b) by sending it by post to the owner or tenants’ representative (if any) at his last known address; or</p> <p>(c) by leaving it at the flat of the owner or tenants’ representative (if any) or depositing it in the letter box for that flat.</p> |   |

| No. | Item   | <ul style="list-style-type: none"> <li>Please mark “✓” if the item has been complied with.</li> <li>Please mark “NA” if the item is not applicable.</li> <li>For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|---|
| 13. | ✧ <b><u>Paragraph 2(2) of Schedule 3</u></b><br>The MC Secretary shall also, at least 14 days before the date of the meeting of the OC, display the notice of meeting in a prominent place in the building. <sup>3</sup> |   |

**(C) Proxy Instruments<sup>4</sup>**

| No. | Item | <ul style="list-style-type: none"> <li>Please mark “✓” if the item has been complied with.</li> <li>Please mark “NA” if the item is not applicable.</li> <li>For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|------|---|
|-----|------|---|


**(I) *Form of Proxy Instruments***

**Requirements under the BMO**

|     |   |  |
|-----|---|--|
| 14. | ✧ <b><u>Paragraphs 4(1) and 4(2) of Schedule 3</u></b><br>At a meeting of the OC, an owner may cast a vote personally or by proxy. The instrument appointing a proxy shall be in the form set out in Form 2 in Schedule 1A to the BMO, and<br>–<br>(a) shall be signed by the owner; or |  |
|-----|---|--|

<sup>3</sup> Please also refer to paragraph 3.1.1 of the Best Practices (see item 7 above).

<sup>4</sup> See Form 2 in Schedule 1A to the BMO for the proxy instrument. Part 3.2 of the Best Practices should also be applicable to meeting of the owners for the appointment of management proxy committee and Form 1 in Schedule 1A to the BMO, with necessary and suitable adaptations to be made.

| No.                   | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------|---|---|
|                       | <p>(b) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.</p>  |   |
| <b>Best Practices</b> |   |   |
| 15.                   | <p> <b><u>Paragraph 3.2.1</u></b></p> <p>The MC Secretary should –</p> <p>(a) print the date of the meeting of the OC and a unique serial number on each of the proxy instruments to help ensure that the owners know at which meeting the appointed proxies will exercise the voting right on their behalf and to facilitate checking;</p> <p>(b) attach to each of the proxy instruments a statement of purposes in respect of the collection of personal data of owners and proxies (a sample of the statement of purposes is at <u>Annex C</u> of the Best Practices);</p> <p>(c) attach to each of the proxy instruments “points to note” (see <u>Annex C</u> of the Best Practices) to remind owners of the importance of their voting right;</p> <p>(d) attach (i) a blank proxy instrument and (ii) a form (see template at <u>Annex B</u> of the Best Practices) allowing owners to set out voting instructions (for resolutions</p> |   |

| No.   | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|---|---|---|
|   | <p>put to vote concerning “large-scale procurement”<sup>5</sup> and with options “for” and “against” only) and proxies to make declarations to the notice of meeting or make (i) and (ii) available at the management office;</p> <p>(e) distribute the proxy instruments with the “name of proxy” left blank for completion by the owners; and</p> <p>(f) prepare a register for owners who do not intend to appoint proxies to register and make it available for inspection by owners.</p> |   |
| <b>(II) Filling in of Proxy Instruments</b> |   |   |
| <b>Best Practices</b>                       |   |   |
| 16.   | <p>👉 The MC/DMC manager/PMC (if any) should encourage owners to refer to paragraphs 3.2.2 to 3.2.14 of the Best Practices when considering the appointment of proxies and filling in proxy instruments.</p>   |   |

<sup>5</sup> Relevant parties (if applicable) should categorise a procurement as a “large-scale procurement” if the value of the supplies, goods or services to be procured exceeds or is likely to exceed the corresponding “absolute amount” or “percentage of the average audited expenditure of the building for the past three years”, whichever is the lesser, as set out below –

| No. of Flats*<br>in a Building | Absolute<br>Amount | % of average audited expenditure for<br>the past three years |
|--------------------------------|--------------------|--|
| Whichever is the lesser        |                    |  |
| 100 or below                   | \$1 million        | 200%   |
| 101 to 300                     | \$3 million        | 100%   |
| 301 to 500                     | \$5 million        | 70%  |
| 501 to 2 000                   | \$15 million       | 50%  |
| 2 001 or above                 | \$30 million       | 30%  |





If there is no audited expenditure of the building for the past three years, the relevant parties (if any) concerned may follow the standard as defined by the “absolute amount” only.



\* Not including any garage, carpark or carport.






| No.   | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|---|---|---|
| 17.   | <p>☞ <b><u>Paragraph 3.2.15</u></b></p> <p>The maximum number of proxy instruments a proxy (including one appointed by an owner who is a body corporate) should hold for the purpose of a particular meeting is –</p> <p>(a) for a building with not more than 20 flats<sup>6</sup> – one;</p> <p>(b) for a building with more than 20 flats – not more than 5% of the owners (rounded to the nearest integer) or 50 (whichever is the lesser), and the minimum number should be one.</p> |   |
| <b><i>(III) Timing of Lodging and Collection of Proxy Instruments</i></b> |   |   |
| <b>Requirements under the BMO</b>   |   |   |
| 18.   | <p>✧ <b><u>Paragraph 4(3) of Schedule 3</u></b></p> <p>The instrument appointing a proxy shall be lodged with the MC Secretary at least 48 hours before the time for the holding of the meeting.</p>  |   |
| 19.   | <p>✧ <b><u>Paragraph 4(5)(a)(i) of Schedule 3</u></b></p> <p>Where an instrument appointing a proxy is lodged with the MC Secretary, the MC Secretary shall acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting.</p>   |   |

<sup>6</sup> Not including any garage, carpark or carport.

| No.                   | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------|--|---|
| <b>Best Practices</b> |  |   |
| 20.                   | <p> <b><u>Paragraph 3.2.16</u></b></p> <p>The timing and location for collecting the proxy instruments and the opening and counting of the proxy instrument collection boxes (if any) should be convenient to all owners.</p>   |   |
| 21.                   | <p> <b><u>Paragraph 3.2.17</u></b></p> <p>If the DMC manager/PMC (if any) assists the MC Secretary in collecting the proxy instruments, the MC Secretary should give clear instructions to the DMC manager/PMC on the submission deadline and the collection method.</p>  |   |
| 22.                   | <p> <b><u>Paragraph 3.2.18</u></b></p> <p>The MC/DMC manager/PMC (if any) should advise owners to lodge their proxy instruments with the MC Secretary as early as practicable, say, at least 144 hours (i.e. at least 6 days) before the meeting, to leave sufficient time for verification by the MC Chairman.</p>   |   |
| 23.                   | <p> <b><u>Paragraph 3.2.19</u></b></p> <p>The MC/DMC manager/PMC (if any) should advise owner to personally lodge the duly completed proxy instrument together with the completed form (see template at <a href="#">Annex B</a> of the Best Practices) with the MC Secretary direct or deposit them in the ways as instructed by the MC Secretary, and should avoid giving them to third parties.</p> |   |

| No. | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|---|
|     | <p>The MC/DMC manager/PMC (if any) should also advise the owner to make a copy of the signed proxy instrument, together with the completed form (see template at <u>Annex B</u> of the Best Practices) before lodging them with the MC Secretary or depositing them.</p>   |   |
| 24. | <p> <b><u>Paragraph 3.2.20</u></b></p> <p>The MC/DMC manager/PMC (if any) should advise owners that the proxy instrument lodged by each owner should be the original copy.</p>  |   |
| 25. | <p> <b><u>Paragraph 3.2.10</u></b></p> <p>Upon receipt of the proxy instrument and the completed form (see template at <u>Annex B</u> of the Best Practices) (if any), the MC Secretary (or the DMC manager/PMC assisting him/her) should –</p> <p>(a) affix the chop(s) of the MC (or that of the DMC manager/PMC) on the proxy instrument and each part (Part A to Part C and the “Statement of Purposes in respect of Collection of Personal Data”) of the form that has been completed and signed. If the form is submitted by an owner in person, the MC Secretary (or the DMC manager/PMC) should affix the chop in the presence of the owner;</p> <p>(b) make a copy of the proxy instruments and the completed form (see template at <u>Annex B</u> of the Best Practices) showing the chop(s) affixed;</p> |   |



| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|---|---|
|     | <p>(c) keep the proxy instrument, the completed form (see template at <u>Annex B</u> of the Best Practices) and the copies in (b) above in a safe place.</p>  |   |
| 26. | <p> <b><u>Paragraph 3.2.21</u></b><br/>                     The proxy instrument collection boxes (if any) should be double-locked and placed in a prominent place of the building.</p>  |   |
| 27. | <p> <b><u>Paragraph 3.2.22</u></b><br/>                     The acknowledgement of receipt of the proxy instrument should be accompanied by a copy each of –<br/>                     (a) the proxy instrument; and<br/>                     (b) the completed form (see template at <u>Annex B</u> of the Best Practices)<br/><br/>                     showing the chop(s) affixed, and should be issued to the owner concerned by leaving it at the flat of the owner who made the proxy instrument, or depositing it in the letter box for the flat, before the time for the holding of the meeting. For the avoidance of doubt, the issue of the acknowledgement receipt does not mean that the proxy instrument has been verified.</p> |   |
| 28. | <p> <b><u>Paragraph 3.2.23</u></b><br/>                     After having acknowledged receipt of a proxy instrument by leaving a receipt at the flat of the owner who made the</p>   |   |



| No.   | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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|   | <p>instrument or depositing the receipt in the letter box for that flat, the MC Secretary may also hand an additional acknowledgement receipt (together with a copy each of the proxy instrument and the completed form (see template at <u>Annex B</u> of the Best Practices)) showing the chop(s) affixed to the owner in person.</p>  |   |
| 29.   | <p>👉 <b><u>Paragraph 3.2.24</u></b><br/>           The MC/DMC manager/PMC (if any) should advise owners to check whether they have received the acknowledgment receipts of the proxy instruments before the time scheduled for the holding of the meeting to ensure that the MC Secretary has received the proxy instruments. If in doubt, owners should check with the MC Secretary on the handling of the proxy instruments.</p> |   |
| <b><i>(IV) Determination of the Validity of Proxy Instruments</i></b> |  |   |
| <b>Requirements under the BMO</b>                                     |  |   |
| 30.   | <p>✧ <b><u>Paragraph 4(4) of Schedule 3</u></b><br/>           The instrument appointing a proxy is valid only if it is made and lodged in accordance with paragraphs 4(2)<sup>7</sup> and 4(3)<sup>8</sup> of Schedule 3 to the BMO.</p>  |   |

<sup>7</sup> See the item 14 above.

<sup>8</sup> See the item 18 above.




| No.  | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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| 31.  | <p>✧ <b><u>Paragraph 4(5)(b) of Schedule 3</u></b></p> <p>The MC Chairman or, if he is absent, the person who presides at the meeting, shall determine the validity of the instrument in accordance with paragraph 4(4) of Schedule 3 to the BMO.</p>  |   |
| 32.  | <p>✧ <b><u>Paragraph 5A(2) of Schedule 3</u></b></p> <p>Where a meeting of the OC convened under paragraph 1 of Schedule 3 to the BMO is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless –</p> <p>(a) contrary intention is shown on the instrument;</p> <p>(b) the instrument is revoked; or</p> <p>(c) the instrument is replaced by a new instrument appointing a proxy.</p> |   |
| <p><b>Best Practices</b> - The MC Chairman should handle the proxy instruments in a fair and transparent manner and in accordance with the provisions under the BMO.</p> |  |   |
| 33.  | <p>👉 <b><u>Paragraph 3.2.26</u></b></p> <p>In determining the validity of a proxy instrument –</p> <p>(a) if the proxy instrument is in the form set out in Schedule 1A to the BMO, the MC Chairman should not reject the proxy instrument for the sole reason that it is not the printed proxy instrument provided by the OC;</p>   |   |

| No. | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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|     | <p>(b) the mere act of providing additional information such as Hong Kong Identity Card number or time of signing the proxy will not render the proxy instrument invalid; and</p> <p>(c) the MC Chairman should not reject the proxy instrument for the sole reason that the owner has crossed out the printed “name of proxy” and has put down the name of his/her own proxy with his/her signature.</p>  |   |
| 34. | <p> <b><u>Paragraph 3.2.27</u></b></p> <p>If the MC Chairman has determined that a proxy instrument is invalid before the meeting, he should contact the owner concerned to explain the invalidity of the proxy instrument as early as practicable so that the owner may consider whether a fresh proxy instrument should be made before the deadline or to attend the meeting in person.</p>                           |   |
| 35. | <p> <b><u>Paragraph 3.2.28</u></b></p> <p>If there are two or more proxy instruments from the same owner with different dates for the purpose of a particular meeting of the OC, the proxy instrument with the most recent date is normally intended to supersede those with earlier dates.</p> <p>If in doubt, the MC Chairman should contact the owner concerned to clarify which proxy instrument is intended to</p> |   |

| No. | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|---|
|     | <p>be used by the owner. If no date is marked on the proxy instruments or if there is more than one proxy instrument marked with the same most recent date but with different proxies appointed, the MC Chairman should clarify with the owner concerned. All proxy instruments should be considered invalid if the MC Chairman has taken reasonable steps to ascertain their validity but failed.</p>   |   |
| 36. | <p> <b><u>Paragraph 3.2.29</u></b></p> <p>The MC Secretary should assist the MC Chairman in contacting the owners concerned for verification of proxy instruments as soon as practicable, in any event no later than the time for the holding of the meeting, if there is any query or uncertainty arising from the proxy instruments. Owners should co-operate with the MC Chairman as far as practicable to ensure that the proxies are properly appointed.</p> |   |
| 37. | <p> <b><u>Paragraph 3.2.30</u></b></p> <p>After verification by the MC Chairman, the MC Secretary/DMC manager/PMC (where applicable) should affix the chop of the MC/DMC manager/PMC to illustrate that the proxy instruments have been verified.</p>   |   |



| No.  | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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| <i>(V) Display of Information Concerning Proxy Instruments</i> |  |   |
| <b>Requirements under the BMO</b>                              |  |   |
| 38.  | <p>✧ <b><u>Paragraph 4(5)(a)(ii) of Schedule 3</u></b></p> <p>Where an instrument appointing a proxy is lodged with the MC Secretary, the MC Secretary shall display information of the owner’s flat (“proxy information”) in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting.</p>  |   |
| <b>Best Practices</b>  |  |   |
| 39.  | <p>👉 <b><u>Paragraph 3.2.31</u></b></p> <p>The MC Secretary should give sufficient time for owners to check against the proxy information. The proxy information should be displayed in a prominent place of the building at least 72 hours before the meeting, be updated (if applicable) after the close of the lodging time provided that the proxy instruments concerned are lodged at least 48 hours before the meeting, and remain to be displayed until seven days after the meeting.</p> |   |
| 40.  | <p>👉 <b><u>Paragraph 3.2.32</u></b></p> <p>The proxy information should be displayed in a prominent place of the building in a clear and easily readable format with appropriate font size. Where feasible, the MC Secretary should provide additional means of dissemination</p>  |   |



| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|---|---|
|     | <p>of the proxy information (e.g. posting on the website of the OC) to facilitate checking by the owners.</p>   |   |
| 41. | <p> <b><u>Paragraph 3.2.33</u></b></p> <p>The proxy information should also include –</p> <ul style="list-style-type: none"> <li>(a) the total number of proxy instruments received;</li> <li>(b) a mark against the flat of the owner concerned who has submitted proxy instrument(s) but all have been invalidated by the MC Chairman; and</li> <li>(c) the total number of invalidated proxy instruments.</li> </ul>  |   |
| 42. | <p> <b><u>Paragraph 3.2.34</u></b></p> <p>The reason(s) for invalidation should be marked on each invalid proxy instrument and should be announced before the OC meeting, say, by displaying as part of the proxy information. For a proxy instrument which has been determined by the MC Chairman as invalid, the owner concerned, the proxy concerned, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance), and the Authority (i.e. the Secretary for Home Affairs) and an authorized officer under the BMO should be allowed to inspect the proxy instrument.</p> |   |
| 43. | <p> <b><u>Paragraph 3.2.35</u></b></p> <p>The MC Secretary should remind the owners to check the proxy information with a view to finding out if there are any unauthorised appointments of proxies.</p>   |   |

| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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| 44. | <p>☞ <b><u>Paragraph 3.2.36</u></b></p> <p>The MC Chairman should confirm the undivided shares under each of the verified proxy instruments for the purpose of vote counting unless the DMC specifies other mechanism for determining the owners’ shares.</p> |   |

**(D) Presiding at and Conduct of a General Meeting of an OC**

| No.                               | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------------------|---|---|
| <b>Requirements under the BMO</b> |   |   |
| 45.                               | <p>✧ <b><u>Paragraph 3(1) of Schedule 3</u></b></p> <p>A meeting of the OC shall be presided over by –</p> <p>(a) the MC Chairman;</p> <p>(b) in the absence of the MC Chairman, the MC Vice-chairman (if any); or</p> <p>(c) in the absence of the MC Chairman and the MC Vice-chairman (if any), a person appointed by the owners present at the meeting from amongst themselves.</p> |   |

| No.                   | Item  | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “×” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------|---|---|
| 46.                   | <p>✧ <b><u>Paragraph 7 of Schedule 3</u></b><br/>                     The procedure at a general meeting shall be as is determined by the OC.</p>   |   |
| <b>Best Practices</b> |   |   |
| 47.                   | <p>👉 <b><u>Paragraph 3.3.1</u></b><br/>                     The MC Chairman should –</p> <ul style="list-style-type: none"> <li>(a) conduct the general meeting in an orderly manner;</li> <li>(b) explain clearly to the owners the background and facts of the issues to be discussed;</li> <li>(c) allow owners to have equal opportunity to speak at the general meeting; and</li> <li>(d) encourage owners to express their views so as to ensure that the items are thoroughly discussed before the items are put to vote.</li> </ul> |   |
| 48.                   | <p>👉 <b><u>Paragraph 3.3.2</u></b><br/>                     The MC Secretary should –</p> <ul style="list-style-type: none"> <li>(a) ensure the quorum of the meeting is formed before the commencement of the general meeting;</li> <li>(b) keep track of the number of owners coming in or leaving the venue of the general meeting to ensure that the quorum is formed before putting a resolution to vote;</li> <li>(c) advise the MC Chairman to adjourn the general meeting if the quorum is not formed;</li> </ul>                   |   |

| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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|     | <p>(d) detach and pass the voting instructions (i.e. Part B of the form at <u>Annex B</u> of the Best Practices) (if any) made by an owner to the proxy he/she appointed. The proxy should use the part with voting instructions (i.e. Part B of the form at <u>Annex B</u> of the Best Practices) as a ballot paper and vote in respect of the relevant resolution;</p> <p>(e) in connection to (d) above, if the proxy asks for an extra ballot paper despite the owner has given voting instructions (if any) to the proxy in advance –</p> <p>(i) enquire about the reason behind; and</p> <p>(ii) contact and notify the owner at once as far as practicable, or if in vain or not practicable, after the meeting.</p> |   |
| 49. | <p> <b><u>Paragraph 3.3.3</u></b></p> <p>The MC Secretary should avoid giving a new ballot paper to a proxy in the case where voting instructions were given by the owner in respect of a “large-scale procurement”.</p>   |   |
| 50. | <p> <b><u>Paragraph 1.2</u></b></p> <p>In the course of the appointment of the MC members, the MC/DMC manager/PMC (if any) should remind a candidate running to be a member of the MC to declare at his/her nomination form/the owners’ meeting, annual general meeting or general meeting before voting his/her associations (if any) with other candidates and the existing MC members (a sample form for declaration of associates is</p>   |   |

| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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|     | at <u>Annex A</u> of the Best Practices). The declaration should be recorded in the minutes of the meeting. |   |

**(E) Number of Person Participating in a General Meeting of an OC**

| No. | Item | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
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**Requirements under the BMO**

|     |   |  |
|-----|---|--|
| 51. | <p>✧ <b><u>Paragraph 5 of Schedule 3</u></b></p> <p>The quorum at a meeting of the OC shall be –</p> <p>(a) 20% of the owners, in the case of a meeting at which a resolution for the dissolution of the management committee under section 30 of the BMO is proposed; or</p> <p>(b) 10% of the owners in any other case.</p> <p>A proxy appointed by an owner to attend and vote on behalf of the owner at a meeting of the OC shall, for the purposes of the meeting, be treated as being the owner present at the meeting.</p> |  |
|-----|---|--|

| No.                   | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------|--|---|
| <b>Best Practices</b> |  |   |
| 52.                   | <p>☞ <b><u>Paragraph 2.2.2</u></b></p> <p>For the passage of resolutions concerning “large-scale procurement”, the relevant parties (if applicable) should use their best endeavour and encourage owners to attend the meeting concerned and vote in person.</p> <p>It is desirable for the above meeting to be attended by 20% of the owners (including owners attending the meeting personally or by proxy) or above, with at least 10% of or 400 owners (whichever is the lesser) attending the meeting concerned and voting on the resolution in person.</p> |   |

**(F) Cast of Votes at a General Meeting of an OC**

| No.                               | Item  | <ul style="list-style-type: none"> <li>Please mark “✓” if the item has been complied with.</li> <li>Please mark “NA” if the item is not applicable.</li> <li>For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) that.</li> </ul> |
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| <b>Requirements under the BMO</b> |   |   |
| 53.                               | <p>✧ <b><u>Paragraph 3(3) of Schedule 3</u></b></p> <p>All matters arising at a meeting of the OC at which a quorum is present shall be decided by a majority of the votes of the owners voting either personally or by proxy except in the following two cases –</p> <p>(a) appointment of MC Chairman, Vice-chairman (if any), Secretary, Treasurer and members at a general meeting of the OC, which shall be made by using the “first past the post” voting system; or</p> <p>(b) change of name of the OC, which shall be decided by a resolution passed by not less than 75% of the votes of the owners at the general meeting of the OC.</p> |   |
| 54.                               | <p>✧ <b><u>Paragraph 3(4) of Schedule 3</u></b></p> <p>If there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.</p>   |   |
| 55.                               | <p>✧ <b><u>Paragraph 3(5)(a) of Schedule 3</u></b></p> <p>At any meeting of the OC an owner shall, unless the deed of mutual covenant (if any) otherwise provides and subject to paragraph 3(6) of Schedule 3 to the BMO (see the item 58 below), have one vote in respect of each share which he owns.</p>   |   |



| No. | Item  | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✖” if the item cannot be complied with and state the reason(s) that.</li> </ul> |
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| 56. | <p>✧ <b><u>Paragraph 3(5)(b) of Schedule 3</u></b></p> <p>Where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast –</p> <p>(a) by a proxy jointly appointed by the co-owners;</p> <p>(b) by a person appointed by the co-owners from amongst themselves; or</p> <p>(c) if no appointment is made under item (a) or (b) above, either by one of the co-owners personally or by a proxy appointed by one of the co-owners.</p> |   |
| 57. | <p>✧ <b><u>Paragraph 3(5)(c) of Schedule 3</u></b></p> <p>Where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid.</p>   |   |
| 58. | <p>✧ <b><u>Paragraph 3(6) of Schedule 3</u></b></p> <p>If a registered mortgagee is in possession of an owner’s flat, such mortgagee shall, to the exclusion of the owner, be entitled to exercise the voting rights of such owner.</p>   |   |

| No.                               | Item   | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) that.</li> </ul> |
|-----------------------------------|--|---|
| <b>Requirements under the CoP</b> |  |   |
| 59.                               | <p>© <b><u>Paragraph 6.2 of the CoP on Procurement of Supplies, Goods and Services</u></b></p> <p>A tender which requires approval from a general meeting of the OC must be passed by majority votes. Where there are more than two alternatives and no option receives majority votes in the first round of voting, the general meeting of the OC will have to conduct a second round of voting in order to comply with the majority requirement. Some plausible methods of voting are –</p> <p>(a) progressive elimination – after the first round of voting, the general meeting of the OC may eliminate the option with the least number of votes and then carry out the second round of voting. If there is no option which receives majority votes, another round of voting will be carried out, with one more option being eliminated. If this goes on, only two options will be left in the final round of voting. Either one of the options will receive majority votes;</p> <p>(b) short-listing – after the first round of voting, the general meeting of the OC may short-list the two options which gain the greatest number of votes for a second round of voting. This also means that the ultimate choice fulfils the majority requirement;</p> <p>(c) confirmation – a second round of voting could be carried out to confirm the option which has attained</p> |   |

| No. | Item   | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) that.</li> </ul> |
|-----|--|---|
|     | the greatest number of votes in the first round. This also ensures that majority votes are achieved. |   |

**(G) Actions after the Conclusion of a General Meeting**

| No.                               | Item   | <ul style="list-style-type: none"> <li>• Please mark “√” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------------------|--|---|
| <b>Requirements under the BMO</b> |  |   |
| 60.                               | ✧ <b><u>Paragraph 6(1) of Schedule 3</u></b><br>The MC Secretary shall keep minutes of the proceedings at every general meeting of the OC.   |   |
| 61.                               | ✧ <b><u>Paragraph 6(2) of Schedule 3</u></b><br>The minutes shall be certified by the person presiding over the meeting as containing a true record of the proceedings of the general meeting to which they relate.                |   |
| 62.                               | ✧ <b><u>Paragraph 6(3) of Schedule 3</u></b><br>The MC Secretary shall display the minutes certified in a prominent place in the building within 28 days of the date of the general meeting to which the minutes relate, and cause |   |

| No.                               | Item  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✖” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----------------------------------|---|---|
|                                   | the minutes to remain so displayed for at least 7 consecutive days.   |   |
| 63.                               | ✧ <b><u>Paragraph 6A(1) of Schedule 3</u></b><br>The minutes certified shall be kept by the MC for such period, being not less than 6 years, as the OC may determine.   |   |
| 64.                               | ✧ <b><u>Paragraph 4(6) of Schedule 3</u></b><br>The MC shall keep all the instruments for the appointment of proxies that have been lodged with the MC Secretary for a period of at least 12 months after the conclusion of the meeting.  |   |
| <b>Requirements under the CoP</b> |   |   |
| 65.                               | © <b><u>Paragraph 8.1 of the CoP on Procurement of Supplies, Goods and Services</u></b><br>To reduce possible disputes arising from the signing of contracts between OCs and suppliers/contractors within a very short period of time after the passing of resolutions on certain major projects, for tenders whose value exceeds 20% of the annual budget of the OC, the OC concerned should consider, having regard to the circumstances of the case, signing the contract with suppliers/contractors at least one month after the passing of the relevant resolution at a general meeting of the OC. |   |

| No.                                    | Item   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |         |  |  |  |
|--|--|---|---------|--|--|--|
| <b>Best Practices</b>                  |  |   |         |  |  |  |
| 66.                                    | <p>☞ <b><u>Paragraph 2.3.1</u></b></p> <p>The minutes of the MC and OC meetings at which “large-scale procurement” is discussed should be delivered to the letter boxes of the owners or be sent to the email addresses of these owners (whichever applicable) within 28 days from the date of the meeting concerned.</p>  |   |         |  |  |  |
| 67.                                    | <p>☞ <b><u>Paragraph 3.4.1</u></b></p> <p>The MC should keep all the documents related to the appointment of proxies, i.e. –</p> <p>(a) the proxy instruments; and</p> <p>(b) the copies of the completed form (see template at <u>Annex B</u> of the Best Practices) showing the chop(s) affixed;</p> <p>(c) the voting instructions that were used as ballot papers (see <u>Annex B</u> of the Best Practices) (if any); and</p> <p>(d) the proxy information displayed for at least three years.</p>                                      |   |         |  |  |  |
| 68.                                    | <p>☞ <b><u>Paragraph 3.4.2</u></b></p> <p>The documents related to the appointment of proxies should be made available to the following parties for inspection –</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Documents</th> <th style="text-align: center;">Parties</th> </tr> </thead> <tbody> <tr> <td>Proxy instrument of a particular owner</td> <td>The owner, the proxy concerned, the Authority, an authorized officer under the</td> </tr> </tbody> </table> | Documents   | Parties | Proxy instrument of a particular owner | The owner, the proxy concerned, the Authority, an authorized officer under the |  |
| Documents                              | Parties  |   |         |  |  |  |
| Proxy instrument of a particular owner | The owner, the proxy concerned, the Authority, an authorized officer under the   |   |         |  |  |  |

| No. | Item   |   | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “✗” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|---|---|
|     |  | <p>BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p>   |   |
|     | <p>The proxy’s declaration (in Part A of <u>Annex B</u> of the Best Practices)</p> | <p>The owner and the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <u>Annex B</u> of the Best Practices)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> |   |

| No. | Item   |  | <ul style="list-style-type: none"> <li>• Please mark “✓” if the item has been complied with.</li> <li>• Please mark “NA” if the item is not applicable.</li> <li>• For Best Practices, please mark “x” if the item cannot be complied with and state the reason(s) for that.</li> </ul> |
|-----|--|--|---|
|     | Proxy information displayed  | All owners of the building, the proxies concerned and the Authority, an authorized officer under the BMO, the MC Secretary (if he is not an owner), and the DMC manager/PMC (if any)   |   |
|     | Owner’s voting instructions (in Part B of <u>Annex B</u> of the Best Practices; including those used as ballot papers) and the proxy’s declaration (in Part C of <u>Annex B</u> of the Best Practices) | <p>The owner concerned, the proxy concerned, the Authority, an authorized officer under the BMO, the MC Chairman and the MC Secretary (and the DMC manager/PMC providing assistance) (the owner and the proxy concerned should sign the Statement of Purposes in respect of Collection of Personal Data in <u>Annex B</u> of the Best Practices)</p> <p>Other owners (if consent from both the owner and the proxy concerned has been given)</p> |   |

**Remarks (add additional sheets if needed)**

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Signature of the DMC  
manager / PMC (if any)

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Signature of the MC  
Chairman

\_\_\_\_\_

Name of the DMC  
manager / PMC (if any)

\_\_\_\_\_

Name of the MC  
Chairman

\_\_\_\_\_

Date

\_\_\_\_\_

Date

\_\_\_\_\_

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