



MEMO

To: Board of Directors
From: Company Secretary
Subject: **OPTIONS REGISTER**

If a company issues options then it must establish an Options Register.

Section 168(1)(b) of the Corporations Act states:

“A company must set up and maintain.....if the company grants options over unissued shares – a register of option holders and copies of options documents.....”

The Register includes optionholders’ names and addresses, the specifics of options granted and other information as detailed in s.170.

The Register may be kept ‘manually’ or on a computer (refer s.1306).

Options Register Details

The Register must contain the following:

- (a) the option holder’s name and address;
- (b) the date on which the entry of the option holder’s name in the register is made;
- (c) the date of grant of the options;
- (d) the number and description of the shares or interests over which the options were granted;
- (e) either:
 - (i) the period during which the options may be exercised; or
 - (ii) the time at which the options may be exercised;
- (f) any event that must happen before the options can be exercised;
- (g) any consideration for the grant of the options;
- (h) any consideration for the exercise of the options or the method by which that consideration is to be determined.

Other Requirements

Because it is a register of the holders of options that are still exercisable, the Register must be updated whenever options are exercised or expire.



Information about the grant of an option must be entered in the Register within 14 days after the grant of the option.

The company must keep with the Register a copy of every document that grants an option over unissued shares or interests (the option documents), except where the options are listed on the stock exchange – s.170(3B).

Location of Register

The Register must be located (under s.172) at either:

- The Company's Registered Office
- The Company's Principal Place of Business – provided it is within Australia
- A place, within Australia, where the work is done in maintaining the register
- Any other place in Australia approved by ASIC.

A change in the location must be advised to ASIC within 7 days, using Form 909 "Notification of Office at which Register is Kept" and also Form 991/992 "Notification of Location of Books on Computer" if the Register is kept on a computer.

Inspection/Copy of Register

S.173 gives the right to anyone to inspect the Options Register and to get a copy, subject to payment of prescribed fees. However, there may be restrictions on the use of the Register information – s.177.

DISCLAIMER

The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.