



MEMO

To: Board of Directors
From: Company Secretary
Subject: **REGISTER OF SHAREHOLDERS - NAME CORRECTIONS**

For a variety of reasons a mistake can be made in how a shareholder's name is recorded in the Share Register (ie, 'Register of Members' as per Section 169 of the Corporations Act) - such as a spelling error when completing a share application or transfer form - or an input ('typographical') error when entering the name into the Register.

So, we are considering a matter of fact - that the recorded name is wrong. The Corporations Act does not really apply then - it is just a matter of satisfying the company/registry that the [incorrect] name recorded in the Register needs to change to the correct one.

The most common approach is to complete a form available from most companies/ share registries - or to write an explanatory letter.

Name Correction Form

Typically, a Name Correction Form has provision to insert the current name recorded in the Register - and the correct name - with space for signing by the shareholder.

The form may be used to amend registration details of shareholders in circumstances including the following:

1. Adding a full given name where an initial was previously registered.
2. Amendments to the spelling of names such as 'Ann' to 'Anne'.
3. Adding an additional given name where no reference was previously registered.
4. Deleting a given name which was previously registered.

In other words, if the correction is relatively 'minor' then no explanation should be required.

However, a more extensive change may require explanation and/or supporting documentation. For example, in the case of a company name error an extract from ASIC showing the correct name (possibly with evidence that the director signatories are the same as the original) may be required.



Note: Any change in beneficial ownership must be made by way of transfer or other documentation acceptable to the company and/or the share registry - not through a Name Correction Form.

Indemnity

To protect the company/share registry a written/signed indemnity would usually be required with wording like the following (usually incorporated into the Name Correction Form, before the signing section):

"In consideration of the Company issuing a new share certificate/holding statement with the amendments requested above, I/we hereby covenant to indemnify and forever keep indemnified the Company, its agents, and _____ [the share registry], from and against all losses in respect thereof and all claims, actions, proceedings, demands, costs and expenses whatsoever which may be made or brought against them by reason of compliance with this request."

Court Direction

If there is a problem in getting the name in the Register corrected (eg, the company or share registry refuses to do it for whatever reason), s.175 allows a shareholder to apply to the court for a direction to the company to change/amend the Register - and the company must make the change if so directed.

Updating ASIC Records

Key information in the Share Register, and any changes, is required to be lodged with ASIC within 28 days using Form 484 "Change to Company Details".

This includes, for proprietary (Pty Ltd) companies, the 'top 20' shareholders in each class - see s.178B. So, if a name correction in a Pty Ltd company relates to a shareholder in the top 20 then ASIC's records must also be updated.

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.