

# House Bill 2566

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Judiciary for Oregon State Bar Business Law Section)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits board of directors of corporation to delegate to officer of corporation authority to designate recipients of rights, options, warrants and equity compensation awards for purchasing or receiving shares of corporation. Permits officer to specify terms under which recipients receive rights, options, warrants and other equity compensation awards.

Prohibits officer from using authority to designate officer or other persons board identifies as ineligible to receive rights, options, warrants or equity compensation awards.

## A BILL FOR AN ACT

1  
2 Relating to equity compensation awards; amending ORS 60.157.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 60.157 is amended to read:

5 60.157. (1) A corporation may issue rights, options or warrants for [*the purchase of*] **purchasing**  
6 shares of the corporation. The board of directors shall determine the terms upon which the **corpo-**  
7 **ration issues the** rights, options or warrants [*are issued*]. The board shall also determine [*their*] **the**  
8 form and content **of the rights, options and warrants** and the consideration for which the shares  
9 are to be issued.

10 (2) Rights, options or warrants issued to the holders of all shares of any class [*shall not be*  
11 *considered to*] **do not** conflict with the provisions of ORS 60.131 (1) if the terms and conditions of  
12 the rights, options or warrants include restrictions or conditions that:

13 (a) Preclude or limit [*the exercise, transfer or receipt of*] **a person's exercising, transferring**  
14 **or receiving** rights, options or warrants [*by any person owning or offering*] **if the person owns or**  
15 **offers** to acquire a specified number or percentage of the outstanding stock or other securities of  
16 the corporation or any transferee of [*any such*] **the** person; or

17 (b) Invalidate or void the rights, options or warrants [*held by any such*] **that the** person or  
18 [*any*] **a** transferee **holds**.

19 (3)(a) **The board of directors may authorize one or more officers of the corporation to:**

20 (A) **Designate recipients of rights, options, warrants or other equity compensation**  
21 **awards for purchasing or receiving shares; and**

22 (B) **Determine, in accordance with amounts or limitations the board establishes, the**  
23 **number of, and the terms under which the recipient may receive, rights, options, warrants**  
24 **or other equity compensation awards.**

25 (b) **An officer to whom the board gives the authority described in this subsection may**  
26 **not use the authority to designate the officer or other persons the board identifies as ineli-**  
27 **gible to receive the rights, options, warrants or other equity compensation awards described**  
28 **in this subsection.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

