

## **DIRECTORS' DUTIES**

In fulfilling their responsibilities, apart from complying with the general law, Directors must comply with the seven general duties set out in the Companies Act 2006 (and reproduced below). These apply both to decisions made by Directors themselves and to decisions made through the delegation of their authority to Board Committees and individuals.

### **Statutory Statement of Directors' Duties**

1. To act in accordance with the Company's constitution and to exercise powers for the purpose conferred.
2. To act in a way that the Director considers, in good faith, will be most likely to promote the success of the Company for the benefit of shareholders as a whole.
3. To exercise independent judgement.
4. To exercise reasonable skill, care and diligence.
5. To avoid conflicts of interest.
6. To declare an interest in a proposed transaction or arrangement with the Company.
7. Not to accept benefits from third parties.

In exercising the duty to promote the success of the Company (the Government suggests that for commercial companies this is a long term increase in value), a Director must have regard to the following non-exhaustive list of factors:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.