

Duty of receiver selling property to get best price reasonably obtainable, etc.

439. (1) A receiver of the property of a company shall, in selling property of the company, exercise all reasonable care to obtain the best price reasonably obtainable for the property as at the time of sale.

(2) Notwithstanding the provisions of any instrument and, in the case of paragraph (b), section 438 (4) and (5)—

(a) it shall not be a defence to any action or proceeding brought against a receiver in respect of a breach of his or her duty under subsection (1) that the receiver was acting as the agent of the company or under a power of attorney given by the company, and

(b) a receiver shall not be entitled to be compensated or indemnified by the company for any liability he or she may incur as a result of a breach of his or her duty under that subsection.

(3) A receiver shall not sell by private contract a non-cash asset of the requisite value to a person who is, or who, within 3 years prior to the date of appointment of the receiver, has been, an officer of the company unless the receiver has given at least 14 days' notice of his or her intention to do so to all creditors of the company who are known to the receiver or who have been intimated to the receiver.

(4) In this section—

“non-cash asset” and “requisite value” have the meanings given to them by section 238;

“officer” includes a person connected ) with—

(a) a director of the company,

(b) a shadow director of it, or

(c) a de facto director of it.