

Statement of principal fiduciary duties of directors

228. (1) A director of a company shall—

- (a) act in good faith in what the director considers to be the interests of the company;
 - (b) act honestly and responsibly in relation to the conduct of the affairs of the company;
 - (c) act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law;
 - (d) not use the company's property, information or opportunities for his or her own or anyone else's benefit unless—
 - (i) this is expressly permitted by the company's constitution; or
 - (ii) the use has been approved by a resolution of the company in general meeting;
 - (e) not agree to restrict the director's power to exercise an independent judgment unless—
 - (i) this is expressly permitted by the company's constitution;
 - (ii) the case concerned falls within subsection (2); or
 - (iii) the director's agreeing to such has been approved by a resolution of the company in general meeting;
 - (f) avoid any conflict between the director's duties to the company and the director's other (including personal) interests unless the director is released from his or her duty to the company in relation to the matter concerned, whether in accordance with provisions of the company's constitution in that behalf or by a resolution of it in general meeting;
 - (g) exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both—
 - (i) the knowledge and experience that may reasonably be expected of a person in the same position as the director; and
 - (ii) the knowledge and experience which the director has;
- and
- (h) in addition to the duty under section 224 (duty to have regard to the interests of its employees in

general), have regard to the interests of its members.

(2) If a director of a company considers in good faith that it is in the interests of the company for a transaction or engagement to be entered into and carried into effect, a director may restrict the director's power to exercise an independent judgment in the future by agreeing to act in a particular way to achieve this.

(3) Without prejudice to the director's duty under subsection (1)(a) to act in good faith in what the director considers to be the interests of the company, a director of a company may have regard to the interests of a particular member of the company in the following circumstances.

(4) Those circumstances are where the director has been appointed or nominated for appointment by that member, being a member who has an entitlement to so appoint or nominate under the company's constitution or a shareholders' agreement.