

Duty of director to disclose his or her interest in contracts made by company

231. (1) It shall be the duty of a director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company, to declare the nature of his or her interest at a meeting of the directors of the company.

(2) Subsection (1) does not apply in relation to an interest that cannot reasonably be regarded as likely to give rise to a conflict of interest.

(3) The declaration required by this section to be made by a director shall—

(a) in the case of a proposed contract, be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration or, if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he or she became so interested; and

(b) in the case of his or her becoming interested in a contract after it is made, be made at the first meeting of the directors held after the director becomes so interested.

(4) Subject to subsection (5), for the purposes of this section a general notice given to the directors of a company by a director to the effect that—

(a) he or she is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, or

(b) he or she is to be regarded as interested in any contract which may, after the date of the notice, be made with a specified person who is connected with him or her,

shall be deemed to be a sufficient declaration of interest in relation to any such contract.

(5) No such notice as is mentioned in subsection (4) shall be of effect unless it is given at the meeting of directors or the director takes reasonable steps to secure that it is brought up and read at the next meeting of the directors after it is given.

(6) A copy of every declaration made and notice given in pursuance of this section shall, within 3 days after the date of making or giving of it, be entered into a book kept by the company for this purpose.

(7) That book shall be open for inspection, without any charge, by any director, secretary, statutory auditor or member of the company at the registered office of the company and shall be produced at—

(a) every general meeting of the company; and

(b) any meeting of its directors if any of its directors so requests in sufficient time to enable the

book to be available at the meeting.

(8) A company shall, if required by the Director of Corporate Enforcement, produce to the Director for inspection the book kept by it in accordance with subsection (6) and shall give the Director such facilities for inspecting and taking copies of the contents of the book as the Director may require.

(9) Nothing in this section shall be taken to prejudice the operation of any enactment or rule of law restricting directors of a company from having interests in contracts with the company.

(10) Any reference in this section to a contract—

(a) shall be read as excluding a reference to a contract the decision as to whether to enter into it is taken, or falls to be taken, other than by the board of directors or a committee of which the first-mentioned director in subsection (1) is a member;

(b) shall be read as including a reference to any transaction or arrangement, whether or not constituting a contract, but, in a case where the transaction or arrangement does not constitute a contract, a like limitation to that which applies under paragraph (a) applies to the construction of reference provided by this paragraph.

(11) For the purposes of this section, a transaction or arrangement of a kind described in section 239 made by a company for a director of the company or a person connected with such a director shall, if it would not otherwise be so treated (and whether or not prohibited by that section), be treated as a transaction or arrangement in which that director is interested.