NAME OF POLICY: Directors' Duties and Code of Conduct Policy

Rationale/Background

South West Business Council (SWBC) has certain expectations regarding directors' code of conduct, as well as ensuring that directors conduct themselves in accordance with all applicable laws and best practice, including the Institute of Directors Code of Conduct, which establishes a framework of principles (values) which evolve from the Seven Principles of Public Life, formerly known as the Nolan Principles). This code of conduct policy aims to assist directors to understand and comply with their responsibilities.

Policy

Rationale

The duties that directors must adhere to within a company are one of the most important aspects of company administration that directors must be aware of. This code of conduct policy considers these duties in light of the Companies Act 2006 (most particularly conflicts of interest) as well as other important matters surrounding directors, including proceedings of directors and directors' indemnity and insurance.

Attached to this document is the Institute of Directors Code of Conduct, and directors are required to adhere to. Should there be a conflict between this document and the Institute of Directors Code of Conduct then the former will take priority

Directors duties

The board of directors has collective responsibility for the management of the company's business. They make the strategic and operational decisions for the company.

The rules governing directors are set out in the Companies Act 2006. These duties apply to executive and non-executive directors (and shadow directors). The duties are owed to the company.

We set out below the general duties of directors, but these are not exhaustive and are intended to act as a reminder to directors of the scope of their responsibilities. If directors are uncertain as to the detail or application of the legislation, they should seek advice from the Chairperson.

The general duties under the Companies Act 2006 are as follows:

Act within powers.

A duty to act in accordance with the company's constitution which includes its articles of association, resolutions and agreements of a constitutional nature (e.g. shareholder agreements).

Promote the success of the company.

In other words, to act in the way the director considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

In making decisions directors should have regard to 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.

Exercise independent judgment.

There is a duty to exercise independent judgment. This would not prevent a director from acting in accordance with the company's constitution or an agreement that the company had entered into.

Exercise reasonable care, skill, and diligence.

A duty to exercise reasonable care, skill, and diligence. The expected standard is measured against both objective and subjective standards. A director's actual understanding, and abilities may not be enough if more could reasonably be expected of someone in his/her position.

Avoid conflicts of interest.

Directors must avoid situations in which they have, or could have an interest that conflicts, or may conflict, with the interests of the company. This applies in particular to the exploitation of any property, information or opportunity regardless of whether or not the company could take advantage of it. Directors should be aware of and comply with the company's *Conflicts of Interest policy.*

Not accept benefits from third parties.

A duty not to make a personal profit from the position of director or accept a benefit from a third party. Directors should be aware of and comply with the company's *Gifts and hospitality policy.*

Declare interests in proposed or existing transactions or arrangements with the company.

Any director, directly or indirectly, interested in a transaction or arrangement with the company must declare the nature and extent of the interest to the other directors.

Directors will be required to declare any interests upon becoming a director by completing the register form for declarations of interest and the information will be retained in the *Directors Register of Interests*. Directors are also required to update this information in the event of any changes in their circumstances.

If a proposed or existing transaction or arrangement with the company is discussed at a board meeting in which the director has a direct or indirect interest, then this should be declared immediately and noted in the board minutes. The director may be asked to leave the meeting during the discussion and/or during any vote at the discretion of the Chairperson.

Connected persons

Persons connected to a director include the following:

- Family members (spouse, civil partner, children and step-children, anybody with whom the director lives in an 'enduring family relationship', parents)
- Trustees of a trust of which the director, or his family member, is a beneficiary
- Corporate bodies to which a director is connected
- A director's business partner.

'Connected persons' interests are to be treated as a director's indirect interest and therefore should be included in the *Directors Register of Interests.*

Directors and Officers Liability Insurance

The company will ensure that it always maintains in force, insurance for its directors against any liability attaching to them in connection with negligence, default, breach of duty or trust in relation to the company.

Company Information

This policy relates to:

South West Business Council C.I.C., a limited liability company registered in England and Wales. Registration No. 4146397. Postal address and Registered Address: Unit D3, Apollo Court, Neptune Park, Plymouth, Devon, PL4 0SJ

Version	Date Issued	Brief Summary of Change	Owner's Name
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V2.0	23/06/26	Change of title and addition of adherence to IOD CoC.	

For more information on the status of this document, please contact:	Andrew Searle
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