

DIRECTORS' DUTIES

A FEW KEY POINTS FOR DIRECTORS IN ENGLAND AND WALES.

The law generally makes no distinction between executive and non-executive directors so far as liability is concerned, so knowledge about the company is crucial.

You must act in accordance with **seven key statutory duties set out in the Companies Act 2006**, including:

- **Promoting the success** of the company for the benefit of its members (s.172).
- Exercising **independent judgment** (s.173).
- Acting with **reasonable care, skill, and diligence** (s.174).

You could be personally liable for:

- **Wrongful trading** (if the company continues trading while insolvent).
- **Breach of fiduciary duties** leading to financial loss.
- **Regulatory breaches**, such as health & safety or environmental law.

Decision-Making and Board Conduct

You are **personally** subject to statutory duties in your capacity as director of a company. In addition, **the company as a separate legal entity** is subject to statutory controls **and the directors are responsible for ensuring that the company complies with those controls**.

Directors are generally responsible for the management of the company and exercise all of its powers. They can delegate tasks but **remain responsible** for ensuring proper oversight and governance.

Decisions must be made **collectively** and in compliance with:

- The company's **articles of association**/ any **shareholders'** or similar agreement.
- **Board procedures** and any governance rules.

You must **declare** and **manage conflicts**, including:

- Personal interests in company transactions.
- Competing business interests.

You must monitor:

- The company's **financial health** and potential **insolvency risks**

Our Directors' Duties training is led by leading expert, Nick Gould, Corporate Partner.

For more information on our Directors' Duties training, please get in touch at contact@impactlawyers.co.uk