**Guide to Directors Duties and Obligations to the Company**

Victory Hill Management Co. Limited (CRN: 04659245)

The “Company”

This code of conduct has been approved and adopted by the Company on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by special resolution and is in addition to the duties placed upon directors under the Companies Act 2006 (the “*Act*”) and any subsequent amendments.

The directors of the Company shall always comply with the obligations, duties and responsibilities set out in this document. By accepting an appointment as a director, each director acknowledges and accepts that they have read, understood and agree to be bound by the provisions in this document.

**Behaviour:**

*Introduction:*

You should read and be comfortable with Chapter 2 of Part 10 of the Act, for ease these are précised below.

The Company is governed by the Act, under the chapter 2 of part 10 of the Act there are seven general duties of directors:

1. To act within the powers;
2. To promote the success of the Company;
3. To exercise independent judgement;
4. To exercise reasonable care, skill and diligence;
5. To avoid conflicts of interests;
6. Not to accept benefits from third parties; and
7. To declare an interest in a proposed transaction or arrangement.

In addition, there are other statutory duties including the duty to make returns to the Registrar, duty to keep minutes and to deliver accounts. Finally, directors are also subject to fiduciary duties, the overriding duty is to act in good faith to promote the best interests of the Company.

*Articles of Association*

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In addition, the Articles impact your conduct. The Company’s articles of association set out formalities required for the board to follow including how to call a board meeting and the quorum required. At the date of adoption of this document, the quorum is set as 50% of registered Directors or a minimum of 3, whichever is greater. There is no maximum number of directors.

Each director should read and familiarise themselves with the provisions contained with the Company’s articles as they are bound by these provisions also.

*Confidentiality:*

Each director shall treat all sensitive information of the Company a confidential. Except if required by law, a director will not disclose any confidential information regarding the Company to any third party.

These obligations of confidentiality continue to apply even after a director leaves his office. Upon removal or resignation, a director shall ensure all Company information or documentation in its possession is returned to the Chairman.

*Directors Responsibilities:*

The responsibility of the Board of Directors is subject to change, but shall include the following matters:

* Attend and actively participate in meetings of the Board of Directors.
* Carry out acts which further the Vision, Mission and Goals of the Company in place from time to time.
* Prepare Company policies and procedures.
* Be informed of activities of the Company and general trends in the sector which the Company operates in.
* Oversee any Committees of the Company and work collaboratively with Committees and staff members.
* Ensure that all financial affairs of the Company are conducted in an appropriate manner and in accordance with all legal and regulatory requirements of a management company.

*Directors Duties:*

The information below sets out further details of your obligations, however this list and the examples are not exhaustive.

**Duty to act within the powers:**  All directors must only carry out acts which they are authorised to do. Authority may come from the Articles, the Act or a resolution of the members. In addition, the powers must only be exercised for their proper purpose. Therefore, an abuse of power is not acceptable and will constitute a breach of this duty.

**Duty to promote the success of the Company:** You must act in the best interests of the Company to benefit the members as a whole. Therefore, you cannot act for a minority benefit or personal gain. You should consider the following when making decisions; the likely consequences of any decision in the long term, the interests of any employees, the need to foster the Company’s business relationship, the impact of the Company’s operations on the community and environment, the desirability of maintaining a reputation for a high standard of business conduct and the need to act fairly between the members.

**Duty to exercise independent judgement:** A director should exercise independent judgement within the bounds of any Company agreement and the Company’s constitution. For example; a director cannot agree with a third party to vote a certain way at a board meeting, even if voting in that way would not otherwise breach their duties to the Company.

**Duty to exercise reasonable care, skill and diligence:** Reasonable care, skill and diligence has two tests. Firstly, the objective test of a reasonably diligent person with general knowledge, skill and experience that may be reasonably expected of a person acting as a director for the Company. Secondly a subjective test of the actual knowledge, skills and experience the director has. You must therefore be mindful of this when carrying out any acts. Therefore, you may be held to a higher standard of care if you have any special skills or knowledge. You should not consider accepting the appointment as a director unless you are sufficiently qualified and/or experienced to fulfil the reasonable functions of a director. In addition, you have an obligation to keep yourself informed about the Company’s affairs and actively supervise and control the Company. Abrogating all responsibility will not avoid a breach of this duty.

**Duty not to accept benefits from third parties:** You must not accept any benefit from a third party which is conferred because of your position as a director, or by your doing or not doing something in your position. Any remuneration paid by the Company to a director under a service contract will not constitute a breach of this obligation. If you are offered any benefit you must declare it to the Board. Only the members of the Company may review and authorise the receipt of a benefit from a third party.

**Duty to declare interest in a proposed transaction or arrangement with the Company:** You must declare any direct or indirect, interest you have in a proposed transaction prior to the Company entering into that agreement. The notice must be given in writing or at a meeting of the Board. If such interest is not declared and the agreement is entered into it becomes voidable. This means either the Company or other party to the agreement may choose to exit the agreement as if the agreement had never been signed. You will not be required to make a declaration where you are not aware of either the interest or the proposed transaction or where no conflict of interest is reasonably likely to arise.

*Directors Conduct:*

In addition to the above duties, each director shall at all times conduct himself in a manner that:

* Promotes the credibility and goodwill of the Company.
* Respects the constitution of the Company, this Code of Conduct, any Company processes and his fellow directors.
* Considers each decision on its merits, giving full opportunity and consideration to each idea and/or opinion presented.
* Demonstrates good faith, prudent judgement, honesty, transparency and openness.
* Demonstrates professionalism, courtesy and respect to all members of the Board at all times, and any professionals the Board engages with.

*Duty to Third Parties:*

You owe directors duties to the Company itself not each individual member of the Company. You will not generally owe any duty to third parties, unless you hold yourself out as having authority to bind the Company which you do not have, or you carry out fraudulent or wrongful acts.

During your directorship it is unlikely that you will be asked to give a personal guarantee to support the Company. However, if you are asked to provide a personal guarantee you must be fully aware of any obligations and your liability exposure before you enter into this document. You must seek independent legal advice in this scenario.

**Formalities:**

*Board of Directors:*

The Directors shall be responsible for appointing a Chairman to the Board, such appointment and term of appointment shall be discussed and agreed between the Board on a case by case basis.

*Director’s reporting:*

The Board shall, at least once annually, prepare a report of actions carried out by the Board which will be presented to the members at the annual general meeting.

The Board must ensure they file promptly and accurately all necessary changes with the Registrar of Companies. This authority may be delegated to the Company Secretary where such appointment has been made.

*Removal of a Director:*

If a director breaches one or a number of these duties, they may be removed as a director. The removal of a director is a decision for the members of the Company, however, the resolution passed by the members on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, delegates this authority to the Board of Directors in instances where the director in question has committed either repeated breaches or a material breach of this Code of Conduct.

A “material breach” requires a breach that goes to the heart of their obligations as a director and is considered irreparable by the Company.

In such circumstances the Board must follow the following procedure:

1. A director must give notice to the Board and to the individual director whose removal is proposed. This notice must be given in writing.
2. The Board must then call a board meeting to consider the issue.
3. The board meeting must be called no earlier than 28 days after the notice is sent to the director.
4. At the board meeting, the director being removed has the right to make written or oral representations of a reasonable length, prior to any vote taking place.
5. Once the representations have been made, the Board may then vote on the removal of the director. The director who removal is proposed shall not be entitled to vote on this matter.

The decision by the Board shall be based on a majority decision. If a majority decision cannot be reached, the Board may refer the matter to the members for consideration, and the procedure set out in the Company’s articles or if applicable, the Act, shall apply.