

2.10.2 Powers of Directors

- General powers to manage the business of a company are vested in the directors
- Directors can exercise all the powers of the company except those otherwise required by the NCO, the articles, and any directions given by special resolution
- Members in general meeting may only intervene in management if directors are:
 - Unwilling to act
 - Seeking approval to act beyond their powers
 - Acting in breach of their fiduciary duties
- Under common law, directors should have board meetings with a proper quorum, passing resolutions that must be minuted

2.10.3 Duties of Directors

- Directors have a **fiduciary relationship with the company**. They must act with the utmost good faith towards the company, act for the benefit of the company, exercise their powers for the proper purpose and not allow conflicts of interest to prevail
- Directors **must act with reasonable care, skill and diligence** as reasonably expected of persons of their experience and knowledge
- Directors are **not required to give continuous attention** to a company's affairs
- Directors **are justified in relying on officials** to whom duties are delegated

2.10.4 Liabilities of Directors

- In relation to various offences, directors may incur liabilities due to:
 - Breaches of fiduciary duties
 - Failure to act with reasonable care, skill and diligence
 - Breaches of statutory duties
 - Failure to prepare financial statements when required to do so
- If a director breaches his duties, the company:
 - May obtain an injunction to stop the action
 - May cancel a company contract if the director did not declare a personal interest in the contract
 - May force directors to account for profits wrongfully earned by dealing with the company's property