

Code of Conduct for Directors of Loch Melfort and Kilninver Company Ltd (LMKC)

Purpose:

This Code of Conduct outlines the responsibilities and expectations for the Board of Directors of LKMC a company limited by guarantee (“the company”), ensuring adherence to UK company law and promoting ethical governance practices.

1. Commitment to the Mission and Values

- Directors must understand, support, and act in alignment with the mission, values, and objectives of LKMC.
 - Directors are expected to make decisions that are in the best interests of the company and the local community it serves in line with said mission, values, and objectives.
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2. Integrity and Ethical Conduct

- Directors must conduct themselves with integrity, honesty, and transparency in all their dealings related to LKMC.
 - Directors must avoid conflicts of interest and disclose any personal, professional, or financial interests that could influence or appear to influence their decisions or the interests of the company.
 - Any actual or potential conflicts of interest must be reported to the Chair of the Board and, where appropriate, recorded in the meeting minutes.
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3. Compliance with UK Company Law

- Directors must ensure that LKMC complies with all relevant provisions of the **Companies Act 2006 as amended**, including:
 - **Duty of Care:** Directors must act with reasonable care, skill, and diligence in their role as directors.
 - **Duty to Act in Good Faith:** Directors must act in the best interests of the company.
 - **Duty to Comply with the Company's Articles of Association:** Directors must ensure that the company operates in accordance with its Articles of Association.
 - **Duty to Avoid Conflicts of Interest:** Directors must not benefit personally from their position, and must disclose and manage conflicts of interest appropriately.
 - **Duty to Ensure Proper Accounting and Reporting:** Directors must ensure that the company meets its reporting obligations, including the filing of annual financial statements with Companies House.
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4. Confidentiality

- Directors must respect the confidentiality of sensitive information, including financial details, personal information about staff and volunteers, and board discussions.
 - Confidential matters should not be disclosed outside the board without proper authorisation, unless required by law or regulation.
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5. Accountability

- Directors must take accountability for their actions and decisions, ensuring that the company is run effectively and responsibly.
- Directors should attend board meetings regularly and actively participate in discussions and decision-making processes.

6. Financial Responsibility

- Directors have a fiduciary duty to ensure that the company's resources, including income generated from trading, are managed responsibly and used for the company's objectives.
 - Directors must ensure that financial statements are accurate and that financial controls are in place to safeguard the company's assets.
 - Directors should regularly review financial reports, budgets, and projections, and ensure the company operates within its financial means.
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7. Compliance with Laws and Regulations

- Directors must ensure that LKMC complies with all relevant UK laws and regulations, including:
 - **Health and Safety:** Ensuring the company complies with relevant health and safety laws to protect staff, volunteers, and customers.
 - **Employment Law:** Adhering to employment laws regarding staff, including fair treatment, pay, and working conditions.
 - **Data Protection:** Ensuring compliance with **GDPR (General Data Protection Regulation)** and other data protection laws when handling personal data.
 - **Tax Law:** Ensuring compliance with relevant tax regulations, including VAT, PAYE (if applicable), and corporation tax.
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8. Fundraising and Donations (If Applicable)

- If the company engages in fundraising or receives donations, directors must ensure that all activities are conducted ethically and in full compliance with any relevant laws and regulations.
 - Directors must ensure that donations are used appropriately for the company's mission and that fundraising efforts are transparent.
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9. Conflict Resolution

- Directors should work collaboratively and constructively to address any disagreements or conflicts that arise within the board or with other stakeholders.
 - If necessary, the board should engage in external mediation or conflict resolution services to resolve disputes effectively.
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10. Performance and Development

- Directors must regularly review their own performance and the performance of the board to ensure the company's governance is effective.
 - Directors are encouraged to engage in ongoing training and development opportunities, particularly around areas of governance, company law, and other relevant topics that will help them fulfil their duties effectively.
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11. Departure from the Board

- Directors must provide reasonable notice if they intend to resign from the board, allowing sufficient time for the company to find a replacement or make necessary arrangements.
 - Upon leaving the board, directors must return any company property, documents, and materials, and continue to uphold confidentiality.
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Acknowledgement

By signing below, I acknowledge that I have read, understood, and agree to abide by the Code of Conduct as outlined above. I understand that failure to adhere to these principles may result in disciplinary action, including removal from the Board of Directors.

Signature:**Name (please print):****Date:**
