Companies Act 2006

2006 CHAPTER 46

PART 10

A COMPANY’S DIRECTORS

CHAPTER 2

GENERAL DUTIES OF DIRECTORS

The general duties

172 Duty to promote the success of the company

(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

(2) Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes.
(3) The duty imposed by this section has effect subject to any enactment or rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company.

### Modifications etc. (not altering text)

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
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<tbody>
<tr>
<td>C1</td>
<td>Ss. 170-177 modified (22.2.2008) by The Northern Rock plc Transfer Order 2008 (S.I. 2008/432), art. 17(1), Sch. para. 2(e)</td>
</tr>
<tr>
<td>C2</td>
<td>Ss. 170-177 modified (8.00 a.m. on 29.9.2008) by the The Bradford &amp; Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), art. 13(1)(3), Sch. 1 para. 2(e)</td>
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<td>C3</td>
<td>Ss. 170-177 modified (9.30 a.m. on 7.10.2008) by The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2644), art. 26, Sch. 2 para. 2(e)</td>
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<tr>
<td>C4</td>
<td>Ss. 170-177 modified (retrospective to 30.3.2009 at 8.00 a.m.) by The Amendments to Law (Resolution of Dunfermline Building Society) Order 2009 (S.I. 2009/814), arts. 1(2), 7, Sch. para. 2(e)</td>
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<tr>
<td>C5</td>
<td>Ss. 170-177 modified (1.3.2016) by The NRAM plc (formerly Northern Rock plc) Consequential and Supplementary Provisions Order 2016 (S.I. 2016/114), arts. 1(1), 7(1), (3), Sch. para. 1(e)</td>
</tr>
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### Commencement Information

| I1  | S. 172 wholly in force at 1.10.2007; s. 172 not in force at Royal Assent see s. 1300; s. 172 in force at 1.10.2007 by S.I. 2007/2194, art. 2(1)(d) (with savings in art. 12 and subject to transitional adaptations specified in Sch. 1) |
Changes to legislation:
There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations.
View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
– Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by S.I. 2013/1971 reg. 9(a) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
– Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by S.I. 2013/1971 reg. 4 (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):
– Ch. 1 Pt. 28 extended (Isle of Man) (with modifications) by S.I. 2019/567 Sch.
  s. 156A-156C inserted by 2015 c. 26 s. 87(4)
– s. 479A(2)(c)(zi) inserted by S.I. 2019/177 reg. 4(b)(i) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
– s. 494ZA(5)(a)(ii)(iv) inserted for s. 494ZA(5)(a)(ii) by S.I. 2019/177 reg. 5(b)
– s. 943(1A) inserted by S.I. 2019/217 reg. 3(b)
– s. 966(3)-(3G) substituted for s. 966(3) by S.I. 2019/217 reg. 7(4)
– s. 1047(4)(ba) inserted by S.I. 2019/348 Sch. 1 para. 14(b)(i)
– s. 1099(3)(c)(ca) substituted for s. 1099(3)(c) by S.I. 2018/1299 reg. 62(2)
– s. 1253B(1A) inserted by S.I. 2019/177 reg. 18(c)
– s. 1286(1)(e) inserted by S.I. 2018/1299 reg. 62(3)(c)
– Sch 1C applied by 2009/2436 Sch. 1 para 14(A1) (as inserted) by S.I. 2019/217 reg. 20
– Sch. 2 Pt. 2 s. Epara. 5 omitted by S.I. 2019/217 reg. 15
– Sch. 10 para. 20A(1) Sch. 10 para. 20A renumbered as Sch. 10 para. 20A(1) by S.I. 2019/177 reg. 32(a)
– Sch. 10 para. 6(2D) inserted by S.I. 2019/177 reg. 28(e) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
– Sch. 10 para. 7(2A) inserted by S.I. 2019/177 reg. 29(b) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))
– Sch. 10 para. 20A(2) inserted by S.I. 2019/177 reg. 32(h)
– Sch. 10 para. 13(5)(b)(ii)(iii) substituted for Sch. 10 para. 13(5)(b)(ii) by S.I. 2019/177 reg. 30(b)
– Sch. 10 para. 20A(1) words inserted by S.I. 2019/177 reg. 32(b)
– Sch. 10 para. 20A(1) words inserted by S.I. 2019/177 reg. 32(c)
– Sch. 10 para. 20A(1) words omitted by S.I. 2019/177 reg. 32(e)
– Sch. 10 para. 20A(1) words omitted by S.I. 2019/177 reg. 32(g)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(j)(ii)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(d)(ii)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(d)(iii)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(i)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(ii)
– Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(iii)
– Sch. 10 para. 20A(1) words substituted in earlier amending provision S.I. 2019/177, reg. 32(d)(iii) by S.I. 2020/523 reg. 14(h)
– Sch. 11 para. 9(5) inserted by S.I. 2019/177 reg. 34(b)