



Companies Act 1985

1985 CHAPTER 6

PART I

FORMATION AND REGISTRATION OF COMPANIES; JURIDICAL STATUS AND MEMBERSHIP

CHAPTER III

A COMPANY'S CAPACITY; FORMALITIES OF CARRYING ON BUSINESS

[^{F1}35A Power of directors to bind the company.

- (1) In favour of a person dealing with a company in good faith, the power of the board of directors to bind the company, or authorise others to do so, shall be deemed to be free of any limitation under the company's constitution.
- (2) For this purpose—
 - (a) a person "deals with" a company if he is a party to any transaction or other act to which the company is a party;
 - (b) a person shall not be regarded as acting in bad faith by reason only of his knowing that an act is beyond the powers of the directors under the company's constitution; and
 - (c) a person shall be presumed to have acted in good faith unless the contrary is proved.
- (3) The references above to limitations on the directors' powers under the company's constitution include limitations deriving—
 - (a) from a resolution of the company in general meeting or a meeting of any class of shareholders, or
 - (b) from any agreement between the members of the company or of any class of shareholders.
- (4) Subsection (1) does not affect any right of a member of the company to bring proceedings to restrain the doing of an act which is beyond the powers of the directors;

Status: Point in time view as at 04/02/1991. This version of this provision has been superseded.

Changes to legislation: Companies Act 1985, Section 35A is up to date with all changes known to be in force on or before 04 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the company.

- (5) Nor does that subsection affect any liability incurred by the directors, or any other person, by reason of the directors' exceeding their powers.
- (6) The operation of this section is restricted by section 30B(1) of the Charities Act 1960 and section 112(3) of the Companies Act 1989 in relation to companies which are charities; and section 322A below (invalidity of certain transactions to which directors or their associates are parties) has effect notwithstanding this section.]

Textual Amendments

- F1** Ss. 35, 35A, 35B substituted (4.2.1991) for s. 35 (subject to the transitional and savings provisions in S.I. 1990/2569, art. 7) by Companies Act 1989 (c. 40, SIF 27), ss. 108(1), 213(2)

Modifications etc. (not altering text)

- C1** S. 35A excluded by Charities Act 1960 (c. 58, SIF 19), s. 30B(1) as substituted (4.2.1991) (subject to the transitional and savings provisions in S.I. 1990/2569, art. 7) by Companies Act 1989 (c.40, SIF 27), ss. 111(1), 213(2)
- C2** S. 35A excluded (S.) (4.2.1992) by Companies Act 1989 (c. 40, SIF 27), ss. 112(3), 213(2)
- C3** S. 35A excluded by S.I. 1990/2569, art. 7(2)
- C4** S. 35A applied with modifications by S.I. 1985/680, arts. 4–6, Sch. as amended (4.2.1991) by S.I. 1990/2571, reg. 2(a)(b)

Status:

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Changes to legislation:

Companies Act 1985, Section 35A is up to date with all changes known to be in force on or before 04 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.