



# 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

#### **35 Company's capacity: power of directors to bind it**

- (1) In favour of a person dealing with a company in good faith, any transaction decided on by the directors is deemed to be one which it is within the capacity of the company to enter into, and the power of the directors to bind the company is deemed to be free of any limitation under the memorandum or articles.
- (2) A party to a transaction so decided on is not bound to enquire as to the capacity of the company to enter into it or as to any such limitation on the powers of the directors, and is presumed to have acted in good faith unless the contrary is proved.