

- (d) a document issued by any director, the secretary of the company or by any officer or agent, with actual or normal authority to issue the document, is not valid or genuine,

unless that person has, or by virtue of that person's position with or relationship to the company, ought to have knowledge to the contrary.

(2) The provisions of subsection (1) shall apply even in a situation where a person referred to in paragraphs (b) to (d) of that subsection acts fraudulently or forges a document that appears to have been signed on behalf of the company, unless the person dealing with the company or who has acquired rights from the company, has actual knowledge of such fraud or forgery.

22. Subject to the provisions of subsection (3) of section 105, a person shall not be affected by or deemed to have notice or knowledge of the contents of the articles of company or any other document relating to a company, by reason only of the fact that it has been delivered to the Registrar for filing or is available for inspection at any office of the company.

No constructive notice.

PRE-INCORPORATION CONTRACTS

23. (1) For the purpose of this section and sections 24 and 25 of this Act, the expression "pre-incorporation contract" means —

pre-incorporation contracts may be ratified.

- (a) a contract purported to have been entered into by a company before its incorporation; or
- (b) a contract entered into by a person on behalf of a company before and in contemplation of its incorporation.

(2) Notwithstanding anything to the contrary in any law, a pre-incorporation contract may be ratified within such period as may be specified in the contract or if no such period is specified, within a reasonable time after the incorporation of such company, in the name of which or on behalf of which it has been entered into.

(3) A pre-incorporation contract that is ratified under subsection (2), shall be as valid and enforceable as if the company had been a party to the contract at the time it was entered into.

(4) A pre-incorporation contract may be ratified by a company in the same manner as a contract may be entered into on behalf of a company under section 19.

Warranties
implied in pre-
incorporation
contracts.

24. (1) Notwithstanding anything to the contrary in any law, in a pre-incorporation contract, unless a contrary intention is expressed in the contract, there shall be an implied warranty by the person who purports to enter into such contract in the name of or on behalf of the company—

- (a) that the company will be incorporated within such period as may be specified in the contract, or if no period is specified, within a reasonable time after the making of the contract; and
- (b) that the company will ratify the contract within such period as may be specified in the contract or if no period is specified, within a reasonable time after the incorporation of such company.

(2) The amount of damages recoverable in an action for breach of an implied warranty referred to in subsection (1), shall be the same as the amount of damages that may be recoverable in an action against the company for damages for breach by the company of the unperformed obligations under the contract, if the contract had been ratified by the company.

(3) Where after its incorporation, a company enters into a contract in the same terms as or in substitution for, a pre-incorporation contract (not being a contract ratified by the company under section 23), the liability of a person under subsection (1) shall be discharged.

25. Where a company has acquired property pursuant to a pre-incorporation contract that has not been ratified by the company after its incorporation, a court may on an application made in that behalf by the party from whom the property was acquired, make an order —

Failure to ratify.

- (a) directing the company to return property acquired under the pre-incorporation contract, to that party;
- (b) validating the contract in whole or in part; or
- (c) granting any other relief in favour of that party relating to that property acquired.

AUTHENTICATION OF DOCUMENTS BY COMPANY

26. A document or record of proceedings requiring authentication by a company shall be signed by a director, secretary, or other authorised officer of the company.

Authentication of documents by company.

PART II

PRIVATE COMPANIES

27. The articles of a private company shall include provisions which—

Articles of a private company.

- (a) prohibit the company from offering shares or other securities issued by the company to the public; and
- (b) limit the number of its shareholders to fifty, not including shareholders who are—
 - (i) employees of the company; or