

Capacity not limited by a PLC's constitution

1012. (1) The validity of an act done by a PLC shall not be called into question on the ground of lack of capacity by reason of anything contained in the PLC's objects.

(2) A member of a PLC may bring proceedings to restrain the doing of an act which, but for subsection (1), would be beyond the PLC's capacity but no such proceedings shall lie in respect of any act to be done in fulfilment of a legal obligation arising from a previous act of the PLC.

(3) Notwithstanding the enactment of subsection (1), it remains the duty of the directors to observe any limitations on their powers flowing from the PLC's objects and action by the directors which, but for subsection (1), would be beyond the PLC's capacity may only be ratified by the company by special resolution.

(4) A resolution ratifying such action shall not affect any liability incurred by the directors or any other person; if relief from any such liability is to be conferred by the company it must be agreed to separately by a special resolution of it.

(5) A party to a transaction with a PLC is not bound to enquire as to whether it is permitted by the PLC's objects.