

Pre-incorporation contracts

45. (1) Any contract or other transaction (including any application to any lawful authority) purporting to be entered into by a company prior to its formation, or by any person on behalf of the company prior to its formation, may be ratified by the company after its formation.

(2) Upon such contract or other transaction being so ratified, the company shall become bound by it and entitled to the benefit of it as if the company had been in existence at the date of such contract or other transaction and had been a party to it.

(3) Prior to such ratification (if any) by the company, the person or persons who purported to act in the name or on behalf of the company shall, in the absence of express agreement to the contrary, be personally bound by the contract or other transaction and entitled to the benefit of it.