



# Co-operative and Community Benefit Societies Act 2014

## 2014 CHAPTER 14

### PART 4

#### A SOCIETY'S CAPACITY AND RELATED MATTERS

##### *Capacity of society and power of committee to bind it*

#### **45 Power of committee to bind society**

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

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**Changes to legislation:** There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Section 45. (See end of Document for details)

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- (5) But proceedings may not be brought in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the society.
- (6) Subsection (1) does not affect any liability incurred by a member of the committee, or any other person, by reason of the committee's exceeding its powers.
- (7) This section is subject to—
  - (a) section 47 (application to charitable societies);
  - (b) section 48 (transactions with members of the committee and connected persons in excess of powers).

**Changes to legislation:**

There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Section 45.