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**17. Ultra vires transactions**

- (1) No act of an incorporated association (including the entering into of an agreement by the incorporated association), and no conveyance or transfer of property to or by an incorporated association is invalid by reason only of the fact that the incorporated association was without capacity or power to do the act or to execute or take the conveyance or transfer.
- (2) Any such lack of capacity or power may be asserted or relied upon only in—
  - (a) proceedings against the incorporated association by a member of the incorporated association to restrain the doing of any act or acts or the conveyance or transfer of any property to or by the incorporated association;
  - (b) proceedings by the incorporated association, or by a member of the incorporated association, against the present or a former public officer of the association; or
  - (c) an application by the Registrar to wind up the incorporated association.
- (3) If the unauthorized act, conveyance or transfer sought to be restrained in any proceedings under paragraph (a) of sub-section (2) is being, or is to be, performed or made pursuant to any contract to which the incorporated association is a party, the court in which the proceedings are brought may, if all the parties to the contract are parties to the proceedings and if the court deems it to be just and equitable, set aside and restrain the performance of the contract and may allow to the incorporated association or to the other parties to the contract (as the case requires) compensation for the loss or damage sustained by either of them