

THE CONTRRACTS ACT, 2010 ARRANGEMENT OF SECTIONS.

*Section.*

PART I—PRELIMINARY.

1. Commencement.
2. Interpretation.

PART II—COMMUNICATION, ACCEPTANCE AND REVOCATION OF AN OFFER.

3. Communication of offer, acceptance or revocation.
4. Completion of communication.
5. Revocation of offer or acceptance.
6. Mode of revocation of offer.
7. Acceptance to be absolute.
8. Acceptance by performing conditions or receiving consideration.
9. Express or implied promise.

Part III—Contracts, Void And Voidable Agreements. *Contracts.*

10. Agreement that amounts to a contract.
11. Capacity to contract.
12. Sound mind for purposes of contracting.
13. Free consent of parties to a contract.
14. Undue influence.
15. Fraud.

*Void and voidable agreements.*

16. Voidability of agreements without consent.
17. Mistake of fact.
18. Mistake of law.
19. Lawful consideration or objects.
20. Effect of lack of or failure of consideration.
21. Agreement in restraint of profession, trade, etc.

*Section*

- n.* Agreement in restraint of legal proceedings.
- 22. Agreement void for uncertainty.
- 23. Agreement by way of wager.
- 24. Agreement to do impossible act.
- 25. Reciprocal promise to do legal and illegal acts.
- 23. Alternative promise, one part being illegal.

PART IV—CONTINGENT CONTRACTS.

- Contract contingent on event happening.
- Contract contingent on event not happening.
- Contract contingent on conduct of a person.
- Contract contingent on happening of specified event within a specified time.
- Agreement contingent on an impossible event.

PART V—PERFORMANCE OF CONTRACTS.

*Contracts which have to be performed.*

- Obligation of parties.
- Refusal to accept offer of performance.
- Refusal of party to perform promise.
- Person to perform promise.
- Effect of accepting performance from third person.

*Joint liability and rights.*

- Joint liability.
- obligation and liability of joint promisors.
- Release of a joint promisor.
- Joint rights.

*Time and place for performance.*

Time for performance.

- 42. *Performance of reciprocal promises.*

- Reciprocal obligation to perform.
- order of performance of reciprocal promises.

*Section.*

45. Liability of party preventing event on which contract is to take effect.
46. Default in the performance of reciprocal promises.
47. Failure to perform within a fixed time.

*Appropriation of payments.*

48. Application of payment where debt to be discharged is indicated.
49. Application of payment where debt to be discharged is not indicated.
50. Application of payment where no party appropriates.

*Contracts which need not be performed.*

51. Effect of novation, rescission and alteration of contract.
52. Promisee may dispense with or remit performance of promise.
53. Consequence of rescission of voidable contract.
54. obligation of person who receives advantage under a void agreement or a contract that becomes void.
55. Communicating or revoking rescission by one party to the other of a voidable contract.
56. Neglect or refusal of promisee to afford reasonable facilities for performance.

## PART VI—RELATIONS SIMILAR TO THOSE CREATED BY CONTRACT.

57. Claim for necessaries supplied to person incapable of contracting.
58. Obligation of person enjoying benefit of non-gratuitous act.
59. Responsibility of finder of goods.
60. Liability of person to whom money is paid or thing is delivered by mistake or under coercion.

## PART VII—CONSEQUENCES OF BREACH OF CONTRACT.

61. Compensation for loss or damage caused by breach of contract.
62. Compensation for breach of contract where penalty is stipulated.
63. Party rightfully rescinding contract, entitled to compensation.
64. Right to specific performance.
65. Right of third party to enforce contractual term.
66. Discharge by frustration.
67. Variation of contracts.

PART VIII—INDEMNITY AND GUARANTEE.

68. Interpretation for Part VIII.
69. Right of indemnity holder when sued.
70. Consideration for guarantee.
71. Liability of guarantor.
72. Revocation of continuing guarantee.
73. Liability of two persons who are primarily liable, not affected by arrangement where one is to be guarantor on default of the other.
74. Discharge of guarantor by variance in terms of contract.
75. Discharge of guarantor by release or discharge of principal debtor.
76. Discharge of guarantor when creditor compounds with, gives time to or agrees not to sue, principal debtor.
77. Guarantor not discharged where agreement is made with third person to give time to principal debtor.
78. Forbearance of creditor to sue does not discharge guarantor.
79. Release of one co- guarantor does not discharge the other.
80. Discharge of guarantor by an act or omission by creditor.
81. Rights of guarantor on payment or performance.
82. Right of guarantor to benefit from securities of creditor.
83. Guarantee obtained by misrepresentation.
84. Guarantee on contract that creditor shall not act until coguarantor joins.
85. Implied promise to indemnify guarantor.
86. Co- guarantors liable to contribute equally.
87. Liability of co- guarantors bound in different sums.

PART IX—

88. Interpretation for Part IX.
89. Modes of bailment.
90. Delivery to bailee.
91. Duty to disclose fault in bailed goods.
92. Duty of care by a bailee.
93. Liability of bailee for loss.
94. Termination of bailment due to act of bailee
95. Unauthorised use of bailed goods.

*Section.*

96. Mixture of goods of bailee and bailor.
97. Repayment by bailor of necessary expenses.
98. Return of bailed goods.
99. Failure to return goods.
100. Termination of gratuitous bailment.
101. Bailor entitled to increase or profit from bailed goods.
102. Responsibility of bailor to bailee.
103. Bailment by several joint owners.
104. Bailee not responsible on redelivery to bailor without title.
105. Right of third person claiming bailed goods.
106. Right of a finder of goods.
107. Right of finder to sell.
108. Lien of bailee.
109. General lien of bankers, brokers, warehouse keepers, advocates and insurance brokers.
110. Rights of pledgee.
111. Pledgee not to retain goods for debt or promise.
112. Right of pledgee to extraordinary expenses incurred.
113. Right of pledgee where pledgor defaults.
114. Right of pledgor to redeem on default.
115. Pledge by mercantile agent.
116. Pledge where pledgor has limited interest.
117. Suit by bailor or bailee against wrongdoer.

## PART X—AGENCY.

118. Interpretation for Part X.
119. Capacity to employ agent.
120. Capacity to act as agent.
121. Consideration not necessary.
122. Authority of agent may be express or implied.
123. Extent of authority of agent.
124. Authority of agent in an emergency.
125. Power to delegate.
126. Representation of principal by sub-agent.
127. Sub-agent appointed without authority.
128. Relation between principal and person appointed by agent.

## Section.

- 129. Duty of agent in naming another agent.
- 130. Ratification of acts done by person who is not an agent.
- 131. Ratification may be express or implied.
- 132. Knowledge requisite for valid ratification.
- 133. Effect of ratifying unauthorised act.
- 134. Ratification of unauthorised act does not injure third person.
- 135. Termination of agency.
- 136. Termination of agency where agent has interest in subject matter.
- 137. Revocation of authority of agent by principal.
- 138. Revocation where authority is partly exercised.
- 139. Compensation for revocation by principal or renunciation by agent.
- 140. Notice of revocation or renunciation.
- 141. Revocation and renunciation may be express or implied.
- 142. Termination of authority of agent.
- 143. Termination of agency by death or insanity of principal.
- 144. Termination of authority of sub-agent.
- 145. Duty of an agent in conducting business of principal.
- 146. Skill and diligence required from agent.
- 147. Accounts of an agent.
- 148. Duty of an agent to communicate with principal.
- 149. Right of principal to repudiate when agent deals without consent of principal.
- 150. Right of principal to benefit gained by agent dealing on own account in business of agency.
- 151. Right of agent to retain sums received on account of principal.
- 152. Duty of agent to pay sums received for principal.
- 153. Remuneration of agent.
- 154. Agent not entitled to remuneration for misconduct.
- 155. Lien of an agent on property of principal.
- 156. Indemnity of agent.
- 157. Non liability of principal to agent in a criminal act.
- 158. Compensation to agent for injury caused by principal.
- 159. Enforcement and consequences of contract of agent.
- 160. Liability of principal where agent exceeds authority.
- 161. Consequences of notice to agent.
- 162. Agent not to enforce or be bound by contracts on behalf of
- 163. Right of parties to a contract made by agent not disclosed.

*Section.*

- 164. Performance of contract with agent acting as principal.
- 165. Joint liability of agent and principal to a third party.
- 166. Consequence of inducing agent or principal to act on belief that either will be held liable.
- 167. Liability for fraudulently holding out as agent.
- 168. Person falsely contracting as agent not entitled to performance.
- 169. Liability of principal inducing belief that unauthorised acts of agent were authorised.
- 170. Misrepresentation or fraud by agent.
- 171. Minister's power to amend Schedule.
- 172. Repeal.

SCHEDULE

CURRENCY POINT

THE CONTRACTS ACT, 2010. An Act to codify the law relating to contracts and to provide for other related matters.

DATE OF ASSENT: 22nd April, 2010.

*Date of Commencement:* See section 1.

BE IT ENACTED by Parliament as follows—

PART I—PRELIMINARY

1. Commencement.

This Act shall come into force on a date appointed by the Minister, by statutory instrument.

2. Interpretation.

In this Act, unless the context otherwise requires—

“acceptance” means an assent to an offer made by a person to whom the offer is made;

“agreement” means a promise or a set of promises forming the consideration for each other;

“coercion” means the commission or threatening to commit any act forbidden under any law or the unlawful detaining or threatening to detain any property, to the prejudice of any person with the intention of causing any person to enter into an agreement;

“consent” means agreement of two or more persons obtained freely, upon the same thing in the same sense;

“consideration” means a right, interest, profit or benefit accruing to one party or forbearance, detriment, loss or responsibility given, suffered or undertaken by the other party;

“consideration for a promise” means where, at the desire of a promisor, a promisee or any other person does or abstains from doing or promises to do or to abstain from doing something;

“contingent contract” means a contract to do something or not to do something where an event, collateral to a contract, does or does not happen;

“contract” means an agreement enforceable by law as defined in section 10;

“currency point” has the value assigned to it in the Schedule to this Act;

“documents of title to goods” includes any bill of lading, dock warrant, warehouse keeper’s certificate, warrant or order for the delivery of goods and any other document used in the ordinary course of business as proof of possession or control of goods or which authorises or purports to authorise, either by endorsement or by delivery, the possessor of the document to transfer or receive goods represented by the document;

“mercantile agent” means a person who in the ordinary course of his or her business, has authority either to sell goods, or to consign goods for the purposes of sale, or to buy goods or raise money on the security of goods;

“Minister” means the Minister responsible for justice;

“misrepresentation” means—

(a) a positive assertion made in a manner which is not warranted by the information of the person who makes it or an assertion which is not true, though the person who makes it believes it to be true;

(b) any breach of duty which without an intent to deceive, gains an advantage to the person who commits it or anyone who claims under that person by misleading another person to his or her prejudice or to the prejudice of any one claiming under that other person; or

(c) causing, however innocently, a party to an agreement, to make a mistake as to the substance of the thing which is subject of the agreement;

“offer” means the willingness to do or to abstain from doing anything signified by a person to another, with a view to obtaining the assent of that other person to the act or abstinence;

“promise” means an offer that is accepted;

“promisee” means the person who accepts an offer;

“promisor” means the person who makes an offer;

“reciprocal promises” mean promises that form the consideration or part of the consideration for each other;

“void agreement” means an agreement that is not enforceable by law;

“voidable contract” means an agreement which is enforceable by law at the option of a party to a contract but not at the option of the other party and a contract which ceases to be enforceable by law and which becomes void when it ceases to be enforceable.

**Rwt ej cug'hwmf qewo gpv<Eqpvcev't d0wi cpf cB i o ck0eqo  
qt 'ècmO qdkg''- 4789: 3'6; : '! 45'1'- 478'975'998'453**