

Case Study: Contractual Obligations and Director Authority

Background:

Bangkok Pizza Company Limited (Registered No: 0105560185026) is a well-established pizza chain in Thailand and has two directors Mr. Sukpraset and Mr. Alexandri which have been steering the company's operations smoothly for several years.

Scenario:

In an effort to expand the business, Sukpraset signed a contract with a local produce supplier, Namdhari Thai Fresh Company Limited (Registered No: 0105556099021) and stamp it with the company seal, to provide a steady supply of fresh vegetables for their pizza toppings. The contract was worth 2 million Baht, and Sukpraset signed it solely, without Alexandri 's presence or signature.

Namdhari Thai Fresh Company Limited, after having supplied produce for a month, has not received the due payment from Bangkok Pizza Company Limited. When they reached out to the company, Alexandri informed them that he was unaware of this contract and that it was not valid since it wasn't signed by both directors.

Task:

- Research Thai law and business regulations to determine whether the contract Sukpraset signed is legally binding.
- Does Sukpraset 's signature engage the company's liability, or is he personally liable?
- Would the agreement be binding if Mr Namdhari signs on behalf of Namdhari Thai Fresh Company Limited?
- Does the agreement bind another company, Bangkok Pizza Franchise Co., Ltd. (Registered No. 0105565008360), which has a similar name?
- In light of your findings, what should Namdhari Thai Fresh Company Limited do next?
- Propose preventive measures that could have been implemented to avoid such a situation in the future.