II.3 - Agent acting without or outside his authority

The principal is not bound if an agent acts without or outside his authority ("falsus procurator") unless he ratifies, expressly or impliedly through his conduct, the acts of the agent. In the latter case, the act produces the same effects as if it had initially been carried out with authority.

Commentary:
1 The scope of the agent's authority must be determined through interpretation of the terms of the power of attorney (in case of an express authority) or the principal's conduct or other circumstances from which the principal's intention to confer authority on the agent can be inferred (implied authority).
2 No matter whether the principal's grant of authority to the agent was express or implied, the scope of the authority extends to all acts which are reasonably necessary to achieve the principal's purposes for which he granted the authority to the agent unless there are clear indications for the fact that the agent intended to grant only a limited authority to the agent.
3 Where an agent acts without authority or exceeds his authority, its acts do not bind the principal and the third party to each other unless in a case of apparent authority.
4 Ratification by the principal of acts by an agent who has acted without authority may be addressed to the third party, to the agent, to both or to the public.