

38. *The record to be kept of proxies, and the time not exceeding thirty days, within which proxies must be produced and recorded prior to a meeting, in order to entitle the holder to vote thereon.*—As has been already stated, the right accorded to shareholders to tender their votes by proxy is statutory, and is not recognized by the common law. This right once accorded in general terms has been of late years made the subject of amendment. Under the Bank Act of 1880 the appointment of a proxy must have been made or renewed in writing at least three years before the time of meeting. The present Act limits the period to two years (1), and authority is given by the section now under discussion to still further restrict the operation of this statutory right.

39. *The number of Directors and the quorum thereof.*—The power of the shareholders to determine the number of the Board of management and its quorum is greatly curtailed by the Act. A by-law which would provide for a board of less than five members, or for one of more than ten, would be invalid. Nor can any number less than three constitute a quorum (2).

40. *The qualification of Directors.*—A person to act as a director in a banking corporation must be a *bonâ fide* owner of stock, paid up to a fixed amount, as a guarantee of his interest in its affairs. The basis of qualification will vary according to the paid-up capital of the bank. When the paid-up capital stock is one million dollars or less, each director must hold stock on which not less than three thousand dollars have been paid-up; and where such capital paid-up is over one million, and does not exceed three millions, he must hold stock on which at least four thousand dollars have been paid-up. For any amount above three million dollars of paid up stock the qualification is five thousand dollars paid up (3). While this is the smallest amount required by the act, it rests with the shareholders whether or not to accept this minimum qualification. They have a perfect right to enact that the qualification as to the number of shares shall be increased to any extent that may seem to them desirable (4).

If a person be not qualified according to the by-laws of the Bank at the time of his election, the whole transaction will be null, although a sufficient number of shares be afterwards allotted to him in order to qualify him for the position. It is not necessary,

(1) Section 25, sub-section 5. (2) Section 18.

(3) Section 19, sub-section 2. (4) Section 18, sub-section 3.