

Prima facie, directors of a company are not entitled to any remuneration in the absence of statutory authority: *Dunstan v. Imperial Gas Co.*, 3 B. & Ad. 125; *Hutton v. West Cork R. W. Co.*, 23 Ch. D. 672. The provision in our statute is to be found in the Act of 1907, 7 Edw. VII. ch. 34, sec. 88: "No by-law for the payment of the president or any director shall be valid or acted upon until the same has been confirmed at a general meeting."

I think that this means that a by-law for the remuneration of directors shall first be passed by the board of directors, the directors thus taking the responsibility of definitely asserting their claim to payment, and fixing the amount so claimed—and then this by-law shall be laid before a general meeting and passed upon by the body of shareholders.

The directors being thus by implication given power to pass such a by-law, the body of shareholders are deprived of this power which otherwise they might have: *Rex v. Westwood*, 4 Bli. N. S. 215, 4 B. & C. 781, at p. 799; *Dampson v. Price's Patent Candle Co.*, 24 W. R. 754; *Stephenson v. Vokes*, 27 O. R. 691, per Street, J., at p. 696; and see what is said in *York Tramways Co. v. Wilson*, 8 Q. B. D. at p. 689, by Manisty, J., and at p. 695, by Coleridge, C.J.

Nor is it entirely without importance that such a course should be pursued—there may be many instances in which a majority of the board of directors for the time being cannot be procured, while a majority of votes in a general meeting may; and there may be an instance in which a wily director would not take upon himself the responsibility, and perhaps odium, of openly asking for remuneration, when he would, with more or less shew of reluctance, accept it if voted. I think no complaint can fairly be made if it be decided that the provisions of the statute must be lived up to, and the rigour of the statute applied. . . .

I accept Tisdale's evidence throughout and in all matters. . . . While I do not think (and this with some regret) that the allotment of stock to him can stand, this judgment will be without prejudice to any claim he may make against the company for legal or other services, in any court of competent jurisdiction in this or his own land.

The stock was given to defendants Reese, Hooey, and McPhail, however, on condition that they would not appeal from the judgment of Anglin, J., 9 O. W. R. 942.