

"8. The Stock, property, affairs and concerns of the said Association shall be managed and conducted by the said Directors, one of whom shall be chosen President, and one Vice-President; the said Directors shall be elected annually at the annual general meeting of the shareholders as herein provided and any retiring Director shall be eligible for re-election if otherwise qualified: if any vacancy should at any time happen amongst the said Directors during the term of office of any Director, such vacancy shall be filled for the remainder of the term by the remaining Directors or a majority of them, electing in such place or places a shareholder or shareholders eligible for such office; all elections of Directors shall be made and take place at the annual general meeting of the shareholders to be holden at the head office of the Association, or elsewhere in the City of Toronto, on the first Wednesday in April, in each year, or such other day as may be appointed by by-law,—not less than fifteen days' notice of such meeting being given as provided in section six; and the said election shall be held and made by such of the shareholders present in person or represented by proxy, as shall have paid all calls made by the Directors and then due; and all such elections shall be by ballot, and the persons who shall have the greatest number of votes shall be Directors; and if two or more persons have an equal number of votes, in such manner that a greater number of persons shall appear to be chosen as Directors than should have been chosen, then a second vote on the names of such persons shall be taken, and so on until the proper number of persons shall be elected: and the said Directors, as soon as may be after the said election, shall proceed in like manner to elect by ballot one of their number to be President, and one to be Vice-President."

Section 18 of chapter 95 of the statutes of 1875 limits payment of dividends to twenty per cent of the capital in any one year. The paid-up capital is \$300,000 and the surplus is approximately \$2,250,000. The present limitation on the payment of dividends means that dividends of less than two and one-half per cent can be paid on such working capital. Clause 5 of the Bill accordingly seeks the repeal of the said section 18 which reads as follows:

"18. No larger dividend shall be made in any one year than twenty per cent. on the paid-up capital, and any larger amount earned shall be appropriated to a rest until such rest shall be equal to twenty-five per cent. of the amount of the capital for the time being."