

On the 9th September, 1918, a meeting of shareholders, styled the "annual general meeting," was held, at which the plaintiff, K., B., and two others were elected directors. As part of the business at a subsequent meeting of the directors, it was resolved that a salary of \$150 a month, dating from the 1st June, 1918, be paid to B. as secretary-treasurer. No mention was made of the plaintiff's position as manager or of any salary for him. The plaintiff, however, continued to perform the duties which he had entered upon in June, and K. admitted that from that time he regarded the plaintiff as the managing director of the company. The plaintiff complained that he had had no salary. In October he dismissed B. and the whole staff at Erin.

On the 2nd December, 1918, the plaintiff sent out notices of a special meeting of shareholders to be held on the 17th December, 1918, "to discuss matters of importance pertaining to the company's affairs." This notice be signed as "manager." A resolution was passed at this meeting authorising the payment of 6 months' salary at \$200 per month to the plaintiff and 6 months' salary at the rate of \$50 a month to K., to the 1st December. It was not shewn by the minutes that either the plaintiff or K. refrained from voting on this resolution.

The plaintiff, as manager, had no authority to call a meeting of shareholders. A special general meeting of shareholders can be called only upon the authority of the directors; and, although the plaintiff held a sufficient number of shares to enable him to exercise his right to have a meeting called under sec. 46 of the Ontario Companies Act, he did not follow the requirements of that section. And so, unless all the shareholders were present at the meeting, or were represented by proxy after due notice of the business to be transacted, no resolution passed thereat would bind the shareholders. The plaintiff said that there was only one absentee, and that he (the plaintiff) held and presented a proxy for that one; but the proxy was not produced, and the president remembered no such proxy. The minutes of the meeting did not mention it. But, even assuming that all absent shareholders were represented, it must be held, in the absence of some evidence as to the extent of the authority given by the proxy, that the authority was limited to the business for which the meeting was called. A meeting called "to discuss matters of importance pertaining to the company's affairs" could not be considered as having been called for any "special" purpose. It was beyond the power of that meeting, in the absence of any shareholder, unless represented by proxy, with full authority, to pass any resolution to remunerate two men who were then directors of the company.

At a subsequent meeting of shareholders on the 20th January, 1920, the minutes of the previous meeting were confirmed; but