

REVIEW OF CURRENT ENGLISH CASES.

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**COMPANY — SHAREHOLDERS — GENERAL MEETING — NOTICE OF
MEETING—INSUFFICIENCY OF NOTICE — ACTION BY SHARE-
HOLDERS—PARTIES.**

Baillie v. Oriental Telephone Co. (1915) 1 Ch. 503. This was an action by a shareholder on behalf of himself and all other shareholders of a limited company against the company and the directors to restrain the directors from acting upon certain resolutions passed at a general meeting of shareholders, on the ground that the notice of such meeting omitted to give reasonable and sufficient information as to the nature and effect of the business to be transacted at the meeting. The facts were that the directors of the defendant company were also directors of subsidiary company in which the defendant company held nearly the whole of the shares. In 1907, the directors in exercise of the powers of the defendant company in the subsidiary company obtained the passing of a resolution whereby the articles of the subsidiary company were altered so as to increase the fixed remuneration of the directors and also to give them a percentage of the profits. In 1913 the auditors of the defendant company drew attention to the fact that the receipt by the directors of remuneration in the capacity of directors of the subsidiary company ought to be sanctioned by the shareholders of the defendant company. An extraordinary general meeting of the defendant company was called with the object of passing special resolutions ratifying what had been done by the directors in 1907, and authorizing them to retain all remuneration received and to be received by them as directors of the subsidiary company, and altering the articles of the defendant company so as to authorize the directors receiving remuneration as directors of the subsidiary company, and to exercise the voting powers as they saw fit. The notice convening the meeting set out the proposed resolutions, and was accompanied by a circular, but neither the notice nor the circular gave particulars as to the amount (which was very large) of the remuneration which had been received, or would be receivable under the proposed resolutions. The resolutions were passed by the requisite majority and were subsequently confirmed. Astbury, J., who tried the action dismissed it on the technical ground that the company ought to have been