

There is a further difficulty, that if the payment is treated as a bonus, a by-law is essential to authorize the payment.

It appears that out of this sum of \$8,166.66 the appellant paid \$2,000 to a Mr. Owens, who was the bookkeeper of the company. His evidence is that Owens was employed at a salary of \$1,200 per annum, and that he received that sum for the first year; that after that time, the company not being in a flourishing condition, the directors, or the managing director, requested Mr. Owens not to draw more than a thousand dollars a year, and to leave the other two hundred dollars in abeyance; and that that went on up to the time of the payment of the \$2,000 to Owens.

It seems to us that Owens had a good claim on the company for that sum, and that the appellant is entitled to credit for the \$2,000 which he paid to Owens in discharge of that obligation of the company, and the appellant should be credited with that amount, as of the same date as the charge against him of the \$8,166.66.

The other items were several sums amounting to something over \$3,000, which were by the direction of the Finance Committee handed over to the appellant, as the resolution says, for his services and for his trouble in connection with the closing up of the company's business. His services as managing director were then supposed to be at an end. These balances were sums owed by members of the company who had turned in their shares as part payment for land. The deeds were executed but not delivered, and the balances affected some 1,400 acres of land.

We think that the learned trial Judge was right in charging that sum to the appellant. The cases shew that no remuneration can be given to a director without the sanction of the shareholders. There was no such sanction given, not even a resolution of the directors, but only the authority of the Finance Committee.

In *Livingstone's Case, Re Bolt & Iron Co.* (1887), 14 O. R. 211; 16 A. R. 397, the authorities establish the correctness of the trial Judge's judgment on the facts as found by him. There the facts were that a by-law of the company was passed providing that the managing director should be paid for his services such sums as the company "may from time to time determine at a general meeting." The com-