

42. *The time and proceedings for the election of Directors in case of failure of any election on the day appointed for it.*—The failure of election on any day, when it should be made, will not dissolve the corporation, and the Directors then in office shall so remain until a new election is made on any other day, according to the by-laws made by the shareholders in that behalf. The proceedings on the day so fixed will be in accordance with the provisions of the Bank Act.

It would seem, therefore, that the clause providing that Directors should be chosen annually is only directory, and does not determine the office at the end of the year after election, but that the persons legally elected may continue in office *until removal*. This is a useful and convenient precaution by which accidental or unavoidable intervals are bridged over, without an interregnum, than which nothing could be more injurious to the interest of the Bank. Though the original term of office be limited to one year, yet it may be indefinitely prolonged under this provision. The rule and its workings are usually simple enough, and we have found only one case where litigation has arisen under it.

43. *The remuneration of the President, Vice-President and other Directors.*—The Directors are fairly entitled to liberal remuneration for the time and thought they devote to the affairs of the Bank. In the absence of a by-law granting remuneration, however, Directors cannot, from the nature of their position alone, lay claim to any remuneration, however arduous may have been their duties. They occupy the position, not of servants, but of managers and trustees. But where a Director renders services under a resolution of appointment which does not specify his remuneration, he may recover the reasonable value of such services—for example, he may be appointed the attorney of the Bank or act as arbitrator in a disputed claim. It is usual and expedient to settle the matter of remuneration at the first general meeting. It has been held that there is no presumption that such fees are to be paid out of the profits only, and that where no profits were made they could remunerate themselves out of the capital (1). Although Directors are not entitled to recover remuneration, where it has not been provided for, they are entitled to indemnity for losses and expenses incurred in discharge of their duties.

44. *The amount of discount or loans which may be made to Directors either jointly or severally.*—Nothing, perhaps, has been a more

(1).