

covered by by-law 22, any sum or sums as salary or compensation as managing director or for commission, in excess of \$5,000 per year, he should account therefor to the plaintiffs; and, if the parties cannot agree . . . there will be a reference to the Master in Ordinary to take an account thereof.

The remaining items of the claim arise from the defendant having received and applied to his own use certain assets of the company at or after the time of the release of the equity of redemption in the mortgaged lands to the Leadlay estate. The defendant does not deny the receipt of these sums, but contends that the plaintiffs authorised the transfer thereof to him in full satisfaction of all his claims and demands as managing director or otherwise. His warrant for this contention is based on the action of the board of directors at their meeting on the 2nd March, 1900, where, on the report of what was known as the "finance committee," it was recommended that it (the committee) be authorised to deal with the situation . . . which recommendation was adopted in its entirety at that meeting. . . . Was there authority in the directors to delegate to a committee the performance of the important duties which it assumed to turn over to the defendant? I have not been able to discover from the records of the company any authority given to the directors so to delegate; and I am of opinion that . . . In *re Leeds Banking Co., Howard's Case*, L.R. 1 Ch. 561, is applicable under such circumstances as exist here, and that the directors had no right or authority to delegate their powers and duties. But, apart altogether from such want of authority, the procedure adopted in the disposal of these assets was not such as should have been followed in order to give binding effect to the transaction. . . . Before finally disposing of the balance of assets en bloc, there should have been what is equivalent to an accounting, both as to the assets and the liabilities.

That not having been done, my opinion is that the plaintiffs are now entitled to payment by the defendant of the following amounts included in the plaintiffs' claim and admitted by him to have been received: \$646.87, \$365, \$365, and \$730, referred to in paragraph 23 of the statement of claim; and \$364.05 received from George W. Greene, and interest on these sums from the respective dates upon which they were so received; also an account in respect of the interest which the plaintiffs had in the lands known as "Blackfalds." . . . I am unable to find that there existed any authority in the defendant to give consent to the division of these lands, or that he can take or retain the