

however, that he should hold these shares for any fixed period prior to the election, unless the by-laws so require; but he must continue to possess them during the full term of his office (1), and any by-law to the contrary will be void in effect. Other qualifications are left to the discretion of the shareholders, with the single exception that it is not within their power to appoint a Board of directors, a majority of whom are not natural-born or naturalized subjects of Her Majesty (2). Heretofore this prohibition was more restrictive, and a proviso inserted in all previous Acts required that no alien should be elected to fill the office of director in the Bank. It may be found that the introduction of the amendment referred to will more or less limit the power of realizing on judgments obtained against alien directors for mal-administration or fraudulent practices, or render an action at law particularly expensive and litigious.

41. *The method of filling up vacancies in the Board of Directors whenever the same occur during each year.*—The non-filling of a vacancy, through the absence of any by-law to that effect or other cause, will not vitiate the acts of a quorum of the remaining directors (3). Nor will the filling of such vacancy in an illegal manner have that effect (4). The attempted act being a mere nullity, vacancy still exists. When by-laws had never in fact been made by the shareholders as required, and a vacancy occurring in the board, three of the directors had appointed one A to fill such vacancy, it was held that A had not been legally made a director. But when a call had been made by four of the directors, of whom the one who seconded the resolution was the director thus illegally appointed, it was held that such call was valid, three of the directors who made it being legally qualified (5). Should the vacancy have occurred in the office of the President or the Vice-President, the Directors shall, from among themselves, choose a president or a vice-president, who shall continue in office for the remainder of the year (6). It would seem from the sub-section above quoted, that a vacancy created in the office of president or vice-president may be (7) filled before the Directors constitute a full board as fixed by the by-laws.

(1) Section 18, sub section 3. (2) Section 19, sub-section 3.

(3) *Ib.*, sub-section 7.

(4) *Bank of Liverpool v. Bigelow, Russ & Creas*, N.S. R. 236.

(5) *Ib.* (6) Section 19, sub section 7.

(7) Section 20.