

after the date of the contract. The first two clauses of the contract give rise to no controversy at all. The third, fourth, and fifth are important. The third provides that the respondent shall have the power of engaging the chief engineer and all other employees of the Company and of dismissing them, and then it continues:—  
“and all the administration of the business of the Company shall, subject only to such direction and control as it is the duty of the directors to exercise, be left to, and be under the control of the second party.”

—that is the respondent. It is said that so to delegate the authority which was primarily vested in the directors is *ultra vires* the Company, and that consequently the whole agreement is bad. In their Lordship's opinion there has been no such general delegation of the powers of the directors as to support that contention. If clause 3 be carefully and critically scrutinized it appears that the power given to engage the chief engineer and the other employees, and the power to dismiss them, is nothing but a description of one of the special powers which are to be enjoyed by the respondent under the general power of administering the business of the Company. It is, in fact, nothing but a specification of one of the general duties conferred upon him by the latter part of the clause, which provides in terms that all the administration of the business of the Company shall, subject only to such direction and control as it is the duty of the directors to exercise, be left, and be under his control. With regard to the appointing of the chief engineer and other employees, and their dismissal, although the primary duty of selecting and discharging them rests with the respondent, there still remains the general direction and control, which it is the duty of the directors to reserve.