

BY-LAW #1

ARTICLE 1 - PRELIMINARY

DEFINITIONS

1.1 In the By-Laws and Regulations, unless otherwise defined or otherwise required by the context:

"Act" means The Animal Pedigree Act (Canada), and any statute that may be substituted therefore, as from time to time amended.

"Association" means Standardbred Canada.

"Authorized Agent" means a current member is good standing and is at least 17 years of age on January 1 of the given year and has been appointed by a person on whose behalf he/she is acting as agent. The appointment must be made by document executed in writing, specifying the authorities delegated to the agent, and be available for presentation when requested by an official. If required by a Racing Commission, the appointment must be registered with, and completed on form required by the Commission. Appointments of authorized agents will be maintained electronically by Standardbred Canada.

"Board" means Board of Directors.

"By-Laws" means these By-Laws and all other By-Laws of the Association from time to time in force and effect.

"Canadian resident" means any person who maintains his permanent residence in Canada for at least 183 days in any given year.

"Commission" means a provincial Racing Commission or equivalent having jurisdiction.

"Director" means any member of the Board of Directors.

"Entity" means an individual, organization, partnership, corporation or other form of partnership group.

"Extended Meeting" means a race meeting of at least ten days in any consecutive 12 month period with pari-mutuel wagering.

"In good standing" means a member, who has been accepted for membership, has paid the requisite membership fees, is not in breach of any of the requirements for membership, and has not had his membership suspended or revoked.

"Minister" means the Minister of Agriculture for Canada.

"Non-extended Race Meeting" means a race meeting of less than 10 days in any year, with or without pari-mutuel wagering and including a fair meeting as defined in Regulation 3.

"Owner" means the full owner, part owner, lessor or lessee of a registered Standardbred horse who is recorded as such in the Standardbred Canada or the United States Trotting Association registry.

"Recorded address" means, in the case of a member, director, officer, auditor, solicitor, or member of a committee of the Board, his latest address as recorded in the records of the Association.

"Track Facility" is a facility at which racing of Standardbred horses is conducted and including the person, association or corporation conducting the racing of Standardbred horses.

1.2 In the By-Laws and Regulations, where the context requires, words importing the singular number include the plural and vice versa; words importing gender include masculine, feminine and neuter genders; and words importing persons, include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

HEAD OFFICE

1.3 The Head Office of the Association shall be in the City of Mississauga in the Province of Ontario, or such other place as the Board may decide.

SEAL

1.4 The corporate seal of the Association shall be in a form approved by the Board and shall be held in the possession of the Corporate Secretary of the Association or her designate.

OBJECTS

- 1.5 The objects of Standardbred Canada shall be as follows:
- (a) the registration and identification of Standardbred horses and the keeping of pedigrees;
 - (b) the maintenance and the preservation of records regarding the breeding and racing of standardbred horses;
 - (c) the promotion of the racing of Standardbred horses;
 - (d) the promotion and protection generally of the standardbred breed and the persons who breed, own and race standardbred horses.

ARTICLE 2 - MEMBERSHIP

ADMISSION

- 2.1 Any person, corporation, society or association may apply for membership in the Association subject to approval of the Board on such terms and conditions the Board deems appropriate considering rulings by governing bodies having jurisdiction, financial responsibility and such other criteria that affects the standardbred industry.

QUALIFICATIONS

- 2.2 The Association shall have the following classes of membership:
1. **Active Members:**
All members, including breeder members who are not track members.
 2. **Breeder Members:**
Any member other than a track member, resident in Canada, who designates himself, in writing, to be a breeder member by December 31 of any year for the ensuing year who is the registered owner or lessee of a mare or stallion that has been bred at least once within three (3) years of the current year.
 3. **Track Members:**
Any entity that conducts an extended harness race meeting within Canada. The Board may, in its discretion, accept an application for membership or a request for renewal of membership, from an entity which conducts a non-extended race meeting.
 4. **Honourary Members:**
Such persons as the Board may from time to time designate.

APPLICATION FOR MEMBERSHIP

- 2.3 All applications for membership shall be made in a form prescribed by the Board. All applicants shall agree to abide by the By-Laws & Regulations and are deemed to consent to the provisions thereof. A member must advise the Association, in writing, of a change in permanent address within thirty days of such change.

REJECTION AND ACCEPTANCE OF APPLICATION AND WITHDRAWAL OR REVOCATION OF MEMBERSHIP

- 2.4 Where the Executive Committee determines:
- (a) a membership would not be in the best interests of the Association; or
 - (b) the membership or continued membership of any member would be detrimental to, or reflect adversely on the breeding and racing of standardbreds.
- The Executive Committee may suspend or revoke any member's membership.
- 2.5 A decision made under Article 2.4 may be appealed in accordance with Article 8.1

MEMBERSHIP FEES

- 2.6 Members shall pay non-refundable annual fees as are assessed by the Board.

VOTING PRIVILEGES

- 2.7 An Active or Breeder member which is a stable, corporation, society, or association shall not have the right to vote. All other Active and Breeder members, and Honourary Members (grandfathered), in good standing shall have one vote, provided that:
- (a) no member shall be entitled to vote during a given year unless the member is at least 17 years of age on January 1st of the given year;
 - (b) a member who is not a Canadian resident shall not be entitled to vote.
- 2.8 Only Breeder members designated as Breeder members shall vote on matters related to By-Law #2.
- 2.9 Track members in good standing shall have one vote per entity for an election of Directors.

ARTICLE 3 - REGIONS

REGIONS

- 3.1 The following regions are established:
- Region 1: **Western Region**
(comprised of the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba, the Yukon, Northwest Territories and Nunavut)
- Region 2: **Ontario Region**
(comprised of the Province of Ontario)
- Region 3: **Quebec Region**
(comprised of the Province of Quebec)
- Region 4: **Atlantic Region**
(comprised of the Provinces of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador)

ARTICLE 4 - BOARD OF DIRECTORS

ESTABLISHMENT

- 4.1 The affairs of the Association shall be managed by the Board, elected in accordance with this By-Law.

POWER TO REGULATE

- 4.2 (a) The Board shall have the power to make, enforce, amend, rescind, repeal, or modify rules and regulations that apply to the conduct of harness racing, the breeding of standardbred horses and the licensing of members, including the power to impose penalties and/or suspend or revoke any membership.
- (b) The Board shall establish a schedule of fees for membership, registration of horses and for any other services provided by the Association. A fee may be assessed for matters referred to the Breeders Committee.
- (c) The Board shall establish a Values and Practices Policy, which may be amended from time to time, to govern the conduct of Directors, Officers and other representatives of the Association.

ELIGIBILITY

- 4.3 Members shall elect fifteen (15) directors in the following manner; but no director may be elected representing more than one (1) class of members. Directors must be Canadian residents, residing in the Region for which they are elected and members in good standing of the Association.

Active Members:	Western Region	1	Director
	Ontario Region	2	Directors
	Quebec Region	1	Director
	Atlantic Region	1	Director
Breeder Members:	Western Region	1	Director
	Ontario Region	2	Directors
	Quebec Region	1	Director
	Atlantic Region	1	Director
Track Members:	Western Region	1	Director
	Ontario Region	2	Directors
	Quebec Region	1	Director
	Atlantic Region	1	Director

TERM

- 4.4 (a) The term of office of members elected to the Board shall be three (3) years commencing immediately after the election and expiring on the date of the next election.
- (b) In order to provide continuity between the date of an election of a new Board and the date on which the new Board conducts its first meeting, the term of office of the Chair, the Executive and Audit Committees shall not terminate on the election of the new Board, but shall continue until the new Board elects a new Chair, Executive and Audit Committees.

CEASING TO HOLD OFFICE

- 4.5 A director ceases to hold office:
- (a) Upon death
- (b) Upon resigning as a director in writing
- (c) If he is removed from office as provided for in Article 4.10

- (d) If the Director is absent for two (2) Board of Directors or Committee meetings in a calendar year, the Director's attendance and position will be reviewed by the Executive Committee.
 - (e) If the Board decides, on a motion passed by two-thirds of the Directors present and voting, that a Director is in contravention of the Values and Practices Policy at a meeting called for that purpose.
- 4.6 If a director ceases to hold office for any reason, the Board may fill the vacancy by appointing any individual who is an Active or Breeder member (as the case may be) in good standing, entitled to vote and residing within the region which elected the vacating director, provided that if the vacating director was elected or appointed by the track members of a region, the individual so appointed shall be a nominee of the track or track members located within the said region. Any director appointed in accordance with this section shall serve the unexpired mandate of the vacating director and is eligible for election or reappointment at the next scheduled election of directors.

ELECTION

- 4.7 Directors shall not be elected to serve more than three (3) consecutive three (3) year terms, but shall otherwise be eligible for re-election.
- 4.7.1 The procedure for election of Directors shall be as hereinafter set forth:
- (1) The Board shall set a date for election not later than 120 days after the fiscal year end and a date for nomination to close not less than six (6) weeks prior to the elections date.
 - (2) Not less than eight weeks prior to the election date, Notice of Election shall be provided to the members electronically or by publication of notice in the Association's official publication.
 - (3) Nominations for Active & Breeder Directors signed by the candidate and five members, all in good standing, and resident in the region shall be deposited with the Association at its head office by 5:00 PM on the date set for nominations to close.
 - (4) Nominations for Track Directors, signed by the candidate and one track member, both in good standing, and resident in the region shall be deposited with the Association at its head office by 5:00 PM on the date set for nominations to close.
 - (5) The Board shall cause ballots to be prepared for each region (and in respect of each category referred to in Article 4.3) where more than one (1) nominee seeks election and provide a procedure for voting, either by mail or electronic means to each member eligible to vote in the election.
 - (6) Active Directors shall be elected by Active members resident in the region in which they reside.
 - (7) Breeder Directors shall be elected by Breeder members resident in the region in which they reside.
 - (8) Track Directors shall be elected by Track members resident in the region in which they reside.
 - (9) All completed ballots shall be kept by the person acting as Returning Officer in a secure manner. On the Election Day, all ballots received by the Association shall be revealed and counted by scrutineers that are not candidates for election. The names of the elected Directors shall be published electronically and/or in the Association's official publication.
 - (10) In respect of each category referred to in Article 4.3, the member who accumulates the greatest number of votes in a region shall be declared elected as a director.
 - (11) In the event of a tie in the voting, the scrutineers shall draw names from all tied candidates and that member whose name is drawn shall be elected as a director.

MEETINGS

- 4.8 An annual meeting of the Board shall be held not more than fifteen (15) days prior to the annual members meeting.
- 4.8.1 A special meeting of the Board shall be called by the Chair at the written request of not less than eight (8) directors. The Chair may also call special meetings of the Board when it appears to the Chair to be reasonable and necessary to do so.
- 4.8.2 The Board shall meet not less than four (4) times in any calendar year in person or, with the approval of the Chair, by telephone or other telecommunications device that permits all persons participating in the meeting to converse.
- 4.8.3 Notice of any meeting of the Board must be given not less than fourteen (14) days before the date of the meeting, unless the persons entitled to receive such notice waive the notice or consent to the meeting taking place. Notice of Board meetings shall describe the nature of the business to be conducted at the meeting.
- 4.8.4 The Board and any committee established by these By-Laws or the Board may meet by telephone conference or electronic communication.
- 4.8.5 The conduct of meetings shall be regulated by the Chair, or in the absence of the Chair by the Vice-Chair, or in the absence of both by a Director who is appointed for that purpose by other Directors present at the first meeting of the calendar year. The Chair, or acting Chair, may adopt procedures set out in Roberts Rules of Order.
- 4.8.6 A request to add an item to the agenda for a Board meeting must be in writing and sent to the Association, attention the Corporate Secretary, not less than 14 days before the date of the meeting. All requests must describe the nature of the business to be discussed and include any pertinent supporting documentation.

QUORUM

- 4.9 Eight (8) members of the Board constitute a quorum for the transaction of business.
- 4.9.1 A majority of the members of special committees or task force present, in person or by telephone or other telecommunications device that permits all persons participating in the meeting to converse shall constitute quorum.

REMOVAL

- 4.10 A director may be removed by a majority vote of members present at a special members meeting. Only members eligible to elect the said director pursuant to Article 4.3 shall be:
- (a) counted in determining whether there is a quorum for such a meeting
 - (b) entitled to vote on the removal of the director

CHAIR

- 4.11.1 The Board shall elect a Chair from the directors at the first meeting of the calendar year. The Chair shall act as the Chair of the Executive Committee and shall be an ex-officio member of all other committees of the Board.
- 4.11.2 At a meeting of the Board, the Chair shall refrain from voting on a motion but may vote to break a tie, create a tie or if the vote is by secret ballot.
- 4.11.3 Where, owing to the urgent nature of any matter or situation requiring the consideration of the Board, it is impossible to convene a meeting as quickly as may be necessary or expedient, the Chair shall act as and for the Board and thereafter shall call a meeting of the Executive Committee to be held within seven (7) days of the action. The Chair shall report the circumstances of the case and the action taken.
- 4.11.4 The Chair may constitute ad hoc Committees of directors or other persons to provide advice and recommendations on special issues.

VICE-CHAIR

- 4.12.1 There shall be a Vice-Chair elected from and by the directors at the first meeting of the calendar year.
- 4.12.2 During the absence or disability of the Chair, the duties and powers of the office may be performed by the Vice-Chair.

COMMITTEES OF THE BOARD

- 4.13 Committees shall be established by the Board at the first meeting of the Board in each calendar year.

Breeders Committee

- 4.14 The Breeders Committee shall:
- (a) be composed of all breeder directors elected to the Board
 - (b) elect a Breeders Committee Chair
 - (c) have governance of By-Law #2 and Regulation #2
 - (d) propose amendments to By-Law #2 for voting by the Breeders members;
 - (e) propose and nominate members to serve on any regional organizations that deal with breeding matters when so requested

Audit Committee

- 4.15 The Audit committee shall be composed of not less than five (5) members of Standardbred Canada who are independent of management.

Three (3) committee members shall be 'non-Directors' and two (2) committee members shall be Board members. The committee shall elect its own Chair at its first meeting each year. The term of the non-Director committee members shall be two (2) years. The term of the committee members who are Board members shall be one (1) year. There shall be a maximum of two (2) consecutive terms for each non-Director committee member. There shall be a maximum of four (4) consecutive terms for each Board member.

The Audit committee shall advise the Board on the integrity of:

- (a) Its accounting policies and financial management;
- (b) Its compliance with all legal and regulatory requirements;
- (c) The independence and performance of the external auditors.

Executive Committee

- 4.16 The Executive Committee shall be composed of:
- (a) the Chair and Vice Chair
 - (b) the Chair of the Breeders Committee
 - (c) three (3) Directors elected by the Board at the meeting of Directors referred to in Article 4.8.
 - (d) the past Chair as one of its members for the year following the election of a new Chair

Special Committees

- 4.17 The Board may establish special committees for specific purposes or duration. The Board shall determine who shall serve on special committees.

REMUNERATION

- 4.18 Directors and persons serving on any Committee shall serve without remuneration, provided that they may be paid reasonable expenses incurred in the performance of their duties. Provided further, that the Chair may be paid additional remuneration for added responsibilities in an amount to be determined by the Board. Payment to the Chair of such remuneration may be made in periodic installments during a particular year

REMOVAL

- 4.19 A member of any Committee or Industry Board may be removed by a majority vote of the Board at a meeting of the Board called for that purpose.

ARTICLE 5 - MEMBER MEETINGS

QUORUM

- 5.1 Twenty-five (25) members present shall form a quorum for any annual or special meeting of the members.

PROCEDURE

- 5.2 An annual members meeting shall be held in each year on a date to be fixed by the Board and not more than one hundred and twenty (120) days from the fiscal year end of the Association.
- 5.3 Meetings of members shall be held at such time and place as the Board may determine and extraordinary meetings of the members shall be called by the Chair at the written request of not less than fifty (50) members.
- 5.4 A request to add an item to the agenda for the Annual Members Meeting must be in writing and sent to the Association, attention the Corporate Secretary, not less than 30 days before the date of the meeting. All requests must describe the nature of the business to be discussed and include any pertinent supporting documentation.

NOTICE

- 5.5 Any notice required to be given, including a notice of any annual or special meeting may be given by communication through the official website or by mailing such notice to a member's recorded addresses, or in the official publication of the Association which is regularly sent to members.
- 5.6 Notice of any annual or special general meeting must be given not less than twenty (20) days before the date of the meeting. The notice of a special members meeting shall contain sufficient information regarding the business of such meeting to allow a member to make a reasoned and informed decision.

ARTICLE 6 - OFFICERS

PRESIDENT & CHIEF EXECUTIVE OFFICER

- 6.1 The Executive Committee shall select a President & Chief Executive Officer, subject to ratification by the Board. The President & Chief Executive Officer shall be a paid employee of the Association and shall have responsibility for the general management of the affairs of the Association. The President & CEO may suspend or cancel the membership of any member who is in arrears of any fees owing to the Association.

CORPORATE SECRETARY

- 6.2 The Board shall appoint a Corporate Secretary who may be an employee of the Association.
- 6.3 The Corporate Secretary shall act as clerk at meetings of the Board to record votes and minutes. The Corporate Secretary shall give or cause to be given notices of meetings and shall perform such other duties as the Board may specify.

SENIOR DIRECTOR OF FINANCE

- 6.4 The Board shall appoint a Senior Director of Finance who may be an employee of the Association.
- 6.5 The Senior Director of Finance:
- (a) shall ensure that full and accurate accounts of all assets, liabilities, receipts and disbursements of the Association are kept.
 - (b) shall disburse the funds of the Association as directed by the Board and shall render true and accurate accounting of all transactions.
 - (c) shall review the financial statements of the Association and provide comments to the Audit committee and the Board.

REGISTRAR

- 6.6 The Registrar shall be appointed by the President & Chief Executive Officer. The Registrar shall perform the duties prescribed in the Animal Pedigree Act and such other functions as are directed by the President & Chief Executive Officer.

REMOVAL

- 6.7 Any officer may be removed by a majority vote of the Board at a meeting called for such purpose.

ARTICLE 7 - AUDITOR

APPOINTMENT

- 7.1 An auditor shall be appointed at the Annual Members Meeting. The auditor shall audit the accounts of the Association and provide a statement for presentation and review at the next Annual Members Meeting.
- 7.2 The auditor shall hold office until the next annual members meeting provided that the Board may fill any vacancy in the office of the auditor should an auditor be unable to complete a term of appointment.

FISCAL YEAR

- 7.3 The fiscal year shall end on the 31st day of October.

ARTICLE 8 - APPEALS

- 8.1 A person who wishes to appeal a decision made pursuant to the By-Laws or Regulations which imposes a fine, suspension or other penalty, including a decision by the Registrar under By-Law #2 – Article 9 may appeal in writing delivered to the Association within thirty (30) days of the decision. Notwithstanding the foregoing, no appeal shall lie, if a right of appeal exists to a Commission or an appeal board established by a Commission.
- 8.2 Upon receiving a Notice of Appeal, the Chair shall cause a Board of Appeal of three (3) current or Past Directors of Standardbred Canada to be formed to hear the appeal. The Board of Appeal may, in its discretion, suspend any penalty pending the hearing of the appeal on such terms as it considers just. Appeals pertaining to a decision made by the Registrar under By-Law #2 shall be heard by the Breeders Committee.
- 8.3 The Board of Appeal shall elect its Chair and establish its own procedures in accordance with the principles of natural justice. The Board of Appeal may hold a hearing or may determine an appeal based on written submissions. A hearing may be held at any place determined by the Board of Appeal.
- 8.4 The Board of Appeal may affirm, vary or rescind any decision under appeal and may assess costs of the appeal against the appellant or the Association.
- 8.5 The determination of the issue on appeal shall be final and binding upon the appellant and the Association.

ARTICLE 9 - INDEMNITY

- 9.1 Subject to the limitations contained in the Act, the Association shall indemnify a director, officer, committee member, a former director or officer or committee member, or a person who acts or acted at the Association's request as a director or officer or committee member of a body corporate of which the Association is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer or committee member of the Association or such body corporate, if:
- (a) he acted honestly and in good faith with a view to furthering the best interests of the Association; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

- 9.2 The Association shall also indemnify the people to whom subsection 9.1 applies in such other circumstances as the Act permits or requires.

INSURANCE

- 9.3 The Association shall purchase and maintain Directors and Officers and Committee members, liability insurance for the benefit of Directors, Officers and Committee members.

ARTICLE 10 - DISSOLUTION

- 10.1 In the event the members resolve to dissolve the Association, any proceeds from the winding up of the Association shall be given to a not for profit entity in Canada that has as its purposes the enhancement of the Standardbred breed.

ARTICLE 11 - AMENDMENTS OF BY-LAWS

- 11.1 The By-Laws of the Association, except By-Law #2, may be repealed or amended or a new By-Law may be created by resolution enacted by a majority of the directors at a meeting of the Board and confirmed by an affirmative vote of the majority of the members voting.
- 11.2 A proposal to amend, modify or repeal any section of By-Law #1 shall be put to the active members by ballot for ratification, if put forward by the Board or if put forward by any member with twenty-five (25) member signatures in support of the proposal.
- 11.3 A proposal to amend, modify or repeal By-Law #2, shall be put to the breeder members by ballot for ratification, if put forward by the Breeders Committee or the Board, or if put forward by any breeder member with twenty-five (25) breeder member signatures in support of the proposal.
- 11.4 No repeal or amendment of the By-Laws shall be enforced or acted upon until the approval of the Minister has been obtained.

ARTICLE 12 - SIGNATURE AND CERTIFICATION OF DOCUMENTS

- 12.1 All contracts, documents or instruments in writing requiring the signature of the Association shall be signed by an Officer of the Association, or any other person(s) designated by the Board from time to time, and all contracts, documents and instruments in writing that have been so signed shall be binding upon the Association. The seal of the Association when required shall be affixed to contracts, documents and instruments in writing by the President & Chief Executive Officer of the Association or by any Officer appointed by resolution of the Board.

ENACTED this _____ day of _____.

Corporate Secretary