

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.

"Active Member" has the meaning set forth in Section 2.2.

"Association" means Standardbred Canada.

"Authorized Agent" means a current Member in good standing who 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 Commission, the appointment must be registered with, and completed on the form required by the Commission. Appointments of Authorized Agents will be maintained electronically by the Association.

"Board" means Board of Directors.

"Breeder Member" has the meaning set forth in Section 2.2.

"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, for any particular year, any Entity which is, pursuant to the *Income Tax Act* (Canada), a resident in Canada.

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

"Committee" means a committee established by the Board pursuant to this By-Law.

"Committee Member" shall mean any Member who sits on a Committee of the Association from time to time.

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

"Designated Corresponding Officer" means the Individual who has been designated by a registered Stable as its authority to execute certain documentation required by the Association which pertains to such registered Stable.

"Election Date" has the meaning set forth in Section 4.7.1(a).

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

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

"Honourary Member" has the meaning set forth in Section 2.2.

"Individual" shall mean a natural person.

"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 their membership suspended or revoked.

"Limited Partnership" means a limited partnership properly registered under the laws of the Province under which it was created.

"Member" is an Entity that has satisfied the requirements for membership in the Association and has been approved by the Board, and includes Active Members, Breeder Members, Track Members and Honourary Members.

"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 SC Membership, Licensing and Racing policies.

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

"Partnership" means a partnership properly registered under the laws of the Province under which it was created.

"Recorded Address" means, in the case of a Member, Director, Officer, auditor, solicitor, or Member of a Committee of the Board, their latest address as recorded in the records of the Association.

"Region" shall have the meaning set forth in Section 3.1.

"Regulations" means a regulation enacted by the Board or a Committee.

"Stable" means an Entity which has a Registered Stable Name registered with the Association.

"Standardbred" means a horse which is registered and adheres to the Association's By-Law #2.

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

"Track Member" has the meaning set forth in Section 2.2.

- 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 his or her designate.

OBJECTS

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

ARTICLE 2 - MEMBERSHIP

ADMISSION

- 2.1 Any Entity 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, who is the registered owner or lessee of a Standardbred mare or stallion that has been bred at least once within the current calendar year or the two (2) immediately preceding calendar years.
 3. **Track Members:**
Any Entity that conducts an Extended 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 within Canada.
 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 Members 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 (30) days of such change.

INDIVIDUAL MEMBERSHIP

- 2.4 In addition, to those Individuals who have satisfied the requirements for membership and have been approved by the Board, the following sets forth those Individuals who are required to satisfy the requirements for membership and who are required to be Members of the Association:
- A. with respect to a corporation, those Individuals who must be Members of the Association in good standing are identified below:
 - a) for a corporation with less than (10) shareholders:
 - i. every director; and
 - ii. every shareholder;
 - b) for a corporation with ten (10) or more shareholders, but less than fifty (50):
 - i. every director; and
 - ii. every Individual holding or controlling, directly or indirectly, shares giving him or her five percent (5%) or more of the voting rights in the corporation;
 - c) for a corporation with fifty (50) or more shareholders or whose securities are listed on a Canadian stock exchange:
 - i. every director, or, where applicable, every member of its executive committee of its board of directors;
 - ii. every Individual acting as chairman, secretary or holding a similar office;
 - iii. the person responsible within the corporation for the activities for which the registration is required; and
 - iv. every Individual holding or controlling, directly or indirectly, shares giving him or her five percent (5%) or more of the voting rights in the corporation; and
 - d) the Designated Corresponding Officer or officers of a corporation.

B. with respect to a Limited Partnership, those Individuals identified below must be Members in good standing of the Association:

- a) the general partner and where the general partner is a corporation or a general partnership, the persons covered by the foregoing provisions of this Section 2.4; and
- b) the manager of the general partner or any person holding a similar office.

The provisions of Section 2.4 A. and B. do not apply to a shareholder of a corporation, to a maximum of two shareholders per corporation, who:

- (a) legally hold shares in a corporation merely in order to meet the statutory requirements of the jurisdiction in which the corporation is incorporated and otherwise has no beneficial interest in the corporation;
- (b) is not an active participant in the management of the affairs of the corporation, apart from being a director; or
- (c) holds less than one percent (1%) of the issued and outstanding shares of the corporation.

C. with respect to a Partnership, then:

- a) any Individuals who are partners must be Members in good standing of the Association;
- b) any corporations which are partners shall require those Individuals identified in Section 2.4 A. to be Members in good standing of the Association; and
- c) any Limited Partnership which are partners shall require those Individuals identified in Section 2.4 B. to be Members in good standing of the Association.

SUSPENSION OR REVOCATION OF MEMBERSHIP

2.5 Where the Board determines that the membership or continued membership of any Member would not be in the best interests of the Association, would be detrimental to the Association, or reflect adversely on the breeding and racing of Standardbreds, the Board may in its sole discretion suspend or revoke any Member's membership.

2.6 A decision made under Section 2.4 may be appealed in accordance with the provisions of Section 8.1.

MEMBERSHIP FEES

2.7 Members shall pay non-refundable annual fees as are assessed by the Board from time to time.

VOTING PRIVILEGES

2.8 An Active, a Breeder Member which is a Stable corporation, Limited Partnership, Partnership, society, association, joint venture or any other unincorporated group or an Honourary Member (grandfathered) shall only have the right to vote in the event they:

- (a) are a Member of the Association in good standing;
- (b) such Individual Member is at least 17 years of age on January 1st of the given calendar year; and
- (c) such Individual Member is a Canadian resident.

2.9 Only Individual Breeder Members shall have the right to vote on matters related to By-Law #2.

- 2.10 Only Track Members who are in good standing shall have the right to vote for the election of Track Directors. In this regard, each Track Member shall have one vote within each Region such Track Member operates its Track Facility or Track Facilities, as the case may be.

DESIGNATED CORRESPONDING OFFICER

- 2.11 Each registered Stable must provide the Association with a document designating one or more Individuals as their Designated Corresponding Officer(s) who in the case of a corporation may or may not be an officer, director or shareholder of such corporation but must be a Member of the Association. The Association shall require the signature of the Designated Corresponding Officer which shall be binding upon the registered Stable for the purpose of among other things effecting the transfer of the ownership of horses as well as any other documentation required by the Association which relates to the Stable.

ARTICLE 3 – REGIONS

REGIONS

- 3.1 The following regions (each a “**Region**”) 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 Standardbreds and the licensing of Members, including the power to impose penalties on Members and/or suspend Members 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

The Directors elected by Active Members are referred to as "Active Directors".

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

The Directors elected by Breeder Members are referred to as "Breeder Directors".

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

The Directors elected by Track Members are referred to as "Track Directors".

TERM

- 4.4 The term of office of Members elected to the Board shall be approximately three (3) years which term shall commence immediately following the annual meeting of Members in which they are elected or at which their election is announced and shall terminate immediately following the third annual meeting following such election or until their successor has been duly elected or appointed, unless a Director ceases to hold office at an earlier date.

CEASING TO HOLD OFFICE

- 4.5 A Director ceases to hold office:
- (a) Upon death.
 - (b) Upon resigning as a Director in writing.
 - (c) Upon removal from office as provided for in Section 4.10.
 - (d) Upon ceasing to be a Canadian Resident or upon ceasing to be resident in the Region, of which such Director is elected.
 - (e) If the Director is absent for two (2) Board of Directors or more than two (2) Committee meetings in a calendar year without being excused, the Director's attendance and position will be reviewed by the Executive Committee
 - (f) 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. A Director appointed to fill a vacancy on the Board pursuant to Section 4.6 shall be eligible to be elected for up to three (3) consecutive terms following expiry of such Director's truncated term.

4.7.1 The procedure for election of Directors shall be as hereinafter set forth:

- (a) The Board shall set a date for election ("**Election Date**") not later than 120 days after the fiscal year end; a date for nominations to close not less than six (6) weeks prior to the Election Date; and a record date for determining Members entitled to receive notice of the election and to vote, which shall be the date which is 60 days prior to the Election Date.
- (b) Not less than eight weeks prior to the Election Date, the Notice of Election of Directors shall be provided to the Members electronically or by publication of notice in the Association's official publication.
- (c) Nominations for Active Directors signed by the candidate and five Members, all in good standing, and resident in the relevant Region shall be received by the Association at its head office via electronic means, mail, or by personal delivery by no later than 5:00 PM (Eastern Time) on the date set for nominations to close.
- (d) Nominations for Breeder Directors shall be signed by the candidate (who shall be a Breeder Member) and three Breeder Members, all of whom shall be in good standing and resident in the relevant Region, shall be received by the Association at its head office via electronic means, mail, or by personal delivery by no later than 5:00 PM (Eastern Time) on the date set for nominations to close.
- (e) Nominations for Track Directors, signed by the candidate and one Track Member, both in good standing, and resident in the relevant Region shall be received by the Association at its head office via electronic means, mail, or by personal delivery by no later than 5:00 PM (Eastern Time) on the date set for nominations to close.
- (f) The Board shall cause ballots to be prepared for each Region (and in respect of each category referred to in Section 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.
- (g) Active Directors shall be elected by Active Members resident in such Region.
- (h) Breeder Directors for a Region shall be elected by Breeder Members resident in such Region.
- (i) Track Directors for a Region shall be elected by Track Members who operate a Track Facility in such Region.
- (j) All completed ballots shall be kept by the person acting as Returning Officer in a secure manner. On the Election Day, the ballots received by the Association shall be revealed and counted by scrutineers who are not candidates for election. The names of the elected Directors shall be announced at the annual meeting at which the Directors are elected and then published electronically and/or in the Association's official publication.
- (k) In respect of each category referred to in Section 4.3, the Member who accumulates the greatest number of votes in a Region shall be declared elected as a Director.
- (l) 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 A Meeting of the Board shall be held prior to the delivery of the agenda for each annual meeting of the Members for the purpose of, among other things, approving the financial statements for the most recent fiscal year of the Association.

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 include a preliminary agenda which describes, in general terms, 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 the Chair and Vice-Chair, by a Director who is appointed for that purpose by other Directors present at such meeting. 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 10 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 present in person or participating by telephone or electronic means 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 Section 4.3 shall be:
- (a) counted in determining whether there is a quorum for such a meeting; and
 - (b) entitled to vote on the removal of the Director.

CHAIR

- 4.11.1 The Members of the Board shall elect a Chair from the Directors at the first meeting following their election as Directors of the Association and thereafter the Chair shall be elected annually by the Board from amongst its Board Members provided that the Chair shall serve a maximum of two (2), one (1) year terms as the Board Chair until a new Board is elected and provided no Member of the Board shall be elected as the Chair of the Board in their first year as a Director. The Board Chair shall preside over all meetings of the Board and the Members at which they are present. In addition, 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 Members of the Board at the first meeting following their election as Directors of the Association and thereafter the Vice-Chair shall be elected annually by the Board amongst its members provided that the Vice-Chair shall serve a maximum of two (2), one (1) year terms until a new Board is elected.
- 4.12.2 During the absence or disability of the Chair, the duties and powers of the office of the Chair shall be performed by the Vice-Chair.

COMMITTEES OF THE BOARD

- 4.13 Committees shall be established by the Board at the first meeting following the election of a new Board at the appropriate annual meeting of the Members.

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 the Association 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 following the election of a new Board and annually thereafter. 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 two (2) year terms for each non-Director Committee Member. There shall be a maximum of four (4) consecutive one (1) year 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 first meeting of Directors following the election of a new Board and annually thereafter provided that the Committee Member shall be restricted to a maximum of three (3) consecutive terms of one (1) year each;
 - (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 these 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, whether in person or participating by telephone or electronic means shall constitute a quorum for the transaction of business. Provided that when there is a meeting of a specific category of Members comprised of less than fifty (50) Members, entitled to vote at such meeting, a quorum shall be a majority of such Members.
- 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 fifteen (15) months from the date of the previous annual meeting of the Members.
- 5.3 Meetings of Members shall be held at such time and place as the Board may determine and special 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 ten (10) 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 Address, 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-one (21) 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.
- 5.7 A record date for determining Members entitled to receive notice of a meeting and voting entitlement which shall be set sixty (60) days prior to the date of the meeting.

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 its 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 the Association to be formed to hear the appeal, none of whom shall have been party to the decision giving rise to 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 or her 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 or her in respect of any civil, criminal or administrative action or proceeding to which he or she 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 or she 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 or she had reasonable grounds for believing that his or her conduct was lawful.
- 9.2 The Association shall also indemnify the people to whom Section 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