



THE HORSEMEN'S BENEVOLENT AND
PROTECTIVE ASSOCIATION OF ALBERTA

CONSTITUTION AND BYLAWS

As Amended effective July 12, 2007

“Societies Act”

THE HORSEMEN’S BENEVOLENT AND PROTECTIVE ASSOCIATION OF ALBERTA

BY LAWS

1. INTERPRETATION AND PROCEDURES

1.1. Definitions

In these By-laws, unless the context otherwise requires:

“Act” means the Societies Act of the Province as amended from time to time and shall include the regulations made thereunder;

“Association” shall mean The Horsemen’s Benevolent and Protective Association of Alberta;

“Board of Directors”, “Board”, or “Directors” means the properly elected or appointed board of directors of the Association provided for in these By-laws;

“By-laws” means the by-laws of the Association from time to time in force and effect, as amended;

“Committee” or “committee” included a subcommittee of a committee;

“Drastic Action” means the concerted withholding of entries affecting the running of thoroughbred race horses at any race meeting in the province;

“Immediate Past President” means the person who held the office of President of the Association immediately prior to the incumbent President of the Association, or, if that person shall be unwilling or unable to act, or to continue to act, then the next preceding person in line of succession who held office as President of the Association and who, still being Director of the Association, shall be willing and able to act:

“Member” means a member of the Association

“Ordinary resolution” means

- (a) A resolution passed in general meeting by the members of the Association by a simple majority of the votes cast in person;
- (b) A resolution that has been submitted to the members of the Association and consented to in writing by 75% of the members who would have been entitled to vote on it in person at a general meeting of the Association; and a resolution so consented to shall be deemed to be an ordinary resolution passed at a general meeting of the Association or:
- (c) Where the Association has adopted a system of indirect or delegate voting or voting by mail, a resolution passed by a simple majority of votes cast in respect of the resolution;

“Owner” means an owner of a registered thoroughbred race horse, who is currently, or was during the preceding six months, licensed as such by the Racing Commission of the Province;

“Racing Associations” means any entity or organization which operates a thoroughbred horse racing facility in the Province of Alberta’

“Racing Commission” means Horse Racing Alberta or an successor thereto;

“Registered Address” in the case of a member means the address recorded for that member in the register of members of the Association, and in the case of the Association means its registered office, head office or address for the service of process pursuant to the Act;

“Secretary-Treasurer” means the person appointed by the Board of Directors as chief administrative office of the Association to carry out the responsibilities set forth in the By-law 10.5, whether called the Secretary-Treasurer or the Executive Director of the Association or by any other title determined by the Board of Directors;

“Special Resolution” means

- (a) A resolution passed in general meeting by a majority of not less than 75% of the votes of those members of the Association who, being entitled to do so, vote in person, and
 - (i) of which not less than 21 days notice specifying the intention to

propose the resolution has been given; or

(ii) if every member entitled to attend and vote at the meeting so agrees, at a meeting of which less than 21 days notice has been given;

(b) Resolution consented to in writing by every member of the Association who would have been entitled to vote on it in person at a general meeting of the Association; and a resolution so consented to shall be deemed to be a special resolution passed at a general meeting of the Association: or

(c) Where the Association has adopted a system of indirect or delegate voting by mail, a resolution passed by at least 75% of the votes cast in respect of the resolution;

“Thoroughbred race horse” means a race horse which is two years of age or older (under applicable rules of racing) which has not been retired from racing to breeding, either as a broodmare or stallion;

“Trainer” means a trainer of a registered thoroughbred race horse, who is currently, or was during the preceding six months, licensed as such by the Racing Commission of the Province.

1.2 Construction

In constructing these By-laws reference shall be had to the Act and words and expressions used in these By-laws shall, as long as the context or By-law 1.1 does not otherwise require, have the same meaning as would be the case when used in that Act.

1.3 Singular Includes Plural etc.

Words importing the singular include the plural and vice versa; and words importing a person or male person include a female person, firm or corporation.

1.4 Procedures

All matters of procedure for the members, Board of Directors, any committee or any other body of the Association which are not specifically prescribed or provided for by these B-laws shall be governed by the latest published edition of Robert’s Rules of Order.

1.5 Status of Owner- Trainers

For purposes of these By-Laws any person who is both an Owner and a Trainer shall be deemed to be a Trainer.

2. Membership

2.1 Members

The members of the Association are those persons who are members of the Association as at the date hereof and all those persons who subsequently become members of the Association in accordance with these By-law's and , in either case, who have not ceased to be members. Membership in the Association is not transferable.

2.2 Membership Qualifications

A person may become a member if;

- (a) He is an Owner. or
- (b) He is a Trainer.

2.3 Application for Membership

A person may apply to the Board of Directors for membership in the Association and upon acceptance by the Board of Directors shall be a member. Except as otherwise specifically provided herein, the formalities of application for membership and the terms and conditions for membership shall be determined by the Directors. The Directors may reject an application for membership of an applicant;

- (a) Who fails to meet the qualification for membership as specified in By-law 2.2 or
- (b) Who makes or has made in the past a false or misleading statement in, or in connections with, an application for membership

2.4 Honourary Membership

Any person who has performed some distinguished service to the thoroughbred race industry and who is not otherwise a member of the Association may be elected as an honourary member of the Association (and may subsequently be suspended from membership) by a majority vote of the Board of Directors. An honourary member shall be entitled to all privileges of the Association except those of voting and holding office as either a Director or Officer of the Association.

2.5 Members' Obligations

Every member shall be bound by and shall comply with the By-laws of the Association and such rules and regulations as may from time to time be

enacted by the Board of Directors in accordance with the By-laws.

2.6 Membership Standing

Subject to By-law 3.1, a member shall be deemed to be a member in good standing if, and for so long as, that person continues to meet the qualification for membership specified in By-law 2.2

3. RESIGNATION AND CONTINUING LIABILITY OF MEMBERS

3.1 Resignation of Members

Subject to the provisions of By-law 3.2, any member may withdraw from the Association by submitting a resignation in writing to the Secretary-Treasurer of the Association effective in the date of submission or on such later date as is specified in the resignation

4 MEMBERS MEETINGS

4.1 Annual General Meeting

The annual general meeting of the Association shall be held within the time prescribed by the Act

4.2 Place of Meeting

The annual general meeting and all special general meetings shall be held at such a place in the Province as the Board of Directors may designate.

4.3 Business at Annual General Meeting

The following business shall be conducted at each Annual General Meeting:

- (a) Consideration of the most recent annual audited financial statements of the Association
- (b) Receipt of the report of the Directors;
- (c) Receipt of the report of the auditors of the Association in respect of the audited financial statements presented to the meeting;
- (d) Appointment of the auditors of the Association
- (e) Receipt of the report of such committees of the Association as the Board of Directors requires to report to such meeting; and
- (f) Such other business as may be required by law or these By-laws to be brought before the meeting.

All such business is ordinary business. All other business is special business.

Except with the permission of the Chairman of a general meeting, no member can propose a motion or resolution for consideration at such

meeting unless at least 30 days' advance motion or resolution at such meeting shall have been delivered to the President or Secretary-Treasurer of the Association, and any such advance notice must specify the text of any such proposed motion or resolution.

4.4. Special General Meetings Called by the Board of Directors

Special general meetings shall be held at such times and places as may be determined from time to time by the Board of Directors

4.5 Special General Meetings- Requisitioned by the Members

The Board of Directors shall on the written requisition signed in one or more counterparts by not less than 100 members in good standing or such other number as is required by the Act convene a special general meeting of the members within 21 days of the date that the requisition is deposited. The requisition shall state the object of the meeting, set forth any proposed motions to be brought before the meeting, and be deposited with the Secretary-Treasurer of the Association.

4.6 Board Failing to Convene

If the board does not convene a special general meeting within 21 days of the date of any deposited requisition, the requisitionists may themselves convene the meeting but any meeting so convened, shall be convened in the same manner, as nearly as possible, as general meetings are convened by the Board of Directors and must be held within four months from the date of the deposit of the requisition.

4.7 Notice of Meetings

A notice specifying the date, place and time of any general meeting shall be given, delivered or sent by mail, not less than 14 days nor more than 50 days prior to the date of the meeting, to each member. Each such notice shall set forth the nature of the business to be transacted at the meeting. In addition to or in lieu of any other way of giving notice to its members the same may be given by publishing such notice in one issue of a daily newspaper circulating in the city of Calgary and in one issue of a daily newspaper circulating in the city of Edmonton.

4.8 Accidental Omission to Give Notice

The accidental omission to give any such notice to, or the non-receipt of

such notice by, any member shall not invalidate the proceedings at any such meeting.

4.9 Attendance at Meetings

The persons entitled to attend meetings of members of the Association shall be:

- (a) Members in good standing as the date of the meeting;
- (b) The auditor of the Association; and
- (c) such other persons as the chairman of the meeting determines;

Provided, however, that only members in good standing at the date of the meeting shall be entitled as of right to propose, speak to and vote on any matter of business at such meeting.

4.10 Quorum

The quorum for the transaction of business at a general meeting of the Association shall be 25 members in good standing. If within half an hour from the time appointed for a general meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned, without further notice to the members, to the same day in the next week, at the same time and place or at such other time and place within the next 14 days as the chairman of the meeting shall designate at the meeting, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being a member or members entitled to attend and vote at the meeting shall be a quorum.

4.11 Adjournment

Any meeting of the Association may be adjourned to any time, and from time to time and notwithstanding that a quorum is not present. At any such adjourned meeting there may be transacted such business as could have been transacted at the meeting or adjourned meeting from which such adjournment took place. No further notice shall be required of any such adjourned meeting.

4.12 Voting

Each member in a good standing shall be entitled one vote on each question arising at any meeting of the Association or with respect to any resolution submitted to the members for their consent.

4.13 Voting Procedure

At all meetings of the Association every question shall be decided by a show of hands unless a poll is demanded by a member entitled to vote on the question before or upon the declaration of the result.

4.14 Show of Hands

On a show of hands, every member present in person and entitled to vote shall have one vote. Subject to a poll being taken, a declaration by the chairman of the meeting that a resolution has been carried or not carried and any entry to that effect in the minutes of the Association shall be conclusive evidence of the fact without proof of the number of vote in favour of or against such resolution.

4.15 Poll

If a poll is demanded and not withdrawn the question shall be decided by such members entitled to vote as are present in person. The poll shall be taken in such manner as the chairman of the meeting shall direct and the result of such poll shall be deemed the decision of the members upon the matter in question.

4.16 Casting Vote

In case of an equality of votes at any meeting of members, whether upon a show of hands or a poll, the chairman of the meeting shall be entitled to a second or casting vote. In the case of an equality of votes on a question submitted to the members otherwise than at a meeting, the President of the Association shall have a second or casting vote.

4.17 Prior Acts of Directors Not Invalidated.

Except as otherwise provided by the Act, no rule or decision made by the Association in general meeting shall invalidate prior act of the Directors that would otherwise have been lawful and valid if that rule or decision has not been made.

4.18 Discretion of Directors

Except in the case of a special resolution passed by the members, the Directors shall not be obliged to implement or act upon any resolution passed by the members of the Association if the Directors determine, in the good faith exercise of their judgment, that it would not be in the best interests of the Association to do so.

5. Notices

5.1 Mailed Notices

Subject to By-law 47, service by mail of a notice on a member (in any capacity which relates to the member's activity in our involvement with the Association) shall be deemed to be effected by depositing in the Canadian mail, postage prepaid, an envelope which is addressed to the member at his Registered Address and which contains the notice, and the notice shall be deemed to have been received by the member on the second day following the date of mailing.

6. Directors

6.1 Board of Directors

Subject to the provision of the Act and of the Application for Incorporation and By-Laws of the Association, the Directors shall manage or supervise the management of the affairs of the Association and may exercise any and all of the powers of the Association.

6.2 Number and Composition of Board of Directors

Except as may be affected by any casual vacancy or vacancies on the Board of Directors occurring at any time, the number of Directors shall be not less than 9 and no more than 15 and shall be determined from time to time within such limits by resolution of the Board. A majority of the Board shall be comprised of person who are Owners.

If the president of the Association is elected pursuant to the provisions of the By-law 10.8, he shall be deemed to be a director of the Association and the number of Directors to be elected in accordance with the By-Law 6.6 shall accordingly be reduced by one.

6.3 Term of Office

(a) Each Director elected as herein provided shall assume office at the

conclusion of the meeting at which he was elected and shall hold office until the conclusion of the third annual general meeting next following the meeting at which such Director assumes office. A retiring Director whose term of office is about to expire shall be eligible to run for re-election. If no successor is elected, the person previously elected shall continue to hold office.

- (b) Each Director appointed as herein provided shall assume office upon being appointed and shall serve for the unexpired term of the person he succeeds.

6.4 Nominations by Nominating Committee

The nomination of Directors to be elected at large pursuant to By-Law 6.6 shall be conducted as follows: The President, with the approval of the Board of Directors, at least two months prior to the annual general meeting of the Association at which a new Board of Directors is to take office shall appoint a Nominating Committee of not less than three members. The President shall designate the chairman of the Nominating Committee. It shall be the duty of the duty of the Nominating Committee in accordance with such guidelines as may be established from time to time by the Board of Directors, to prepare a list of nominees, which list shall contain at least as many names as there are Directors to be elected.

The report of the Nominating Committee shall not later than 12:00 noon, on the first business day in April in each year in which elections for a new Board of Directors is to take place be filed with the office of the Secretary-Treasurer of the Association together with written consents of each nominee to be a candidate for election as a Director. Each of the aforesaid consents shall also contain a confirmation and acknowledgement signed by such nominee that he or she is not disqualified from acting as a Director pursuant to the terms hereof or pursuant to the Act.

6.5 Nominations by Membership

Any additional candidate or candidates may be nominated by petition, duly signed by at least 15 members in good standing of the Association, provided that the said petition shall be filed with the office of the Secretary-Treasurer of the Association not later than 12:00 noon on the first business day in April in each year in which elections for a new Board of Directors are to take place. In addition to, or instead of, the procedure for nomination of additional candidates for election of Directors by petition, the Directors may authorize the receipt of nominations at a meeting of the Association

called for such purpose. Nominations made at such meeting shall require the endorsement of two persons present at the meeting, being a nominator and seconder of the nomination. All nominations shall be accompanied by the written consent of the nominee to be a candidate for election as a Director and, if elected, to serve as a Director of the Association and, as well, written confirmation that he or she is not disqualified from acting as a Director pursuant to the terms of hereof or pursuant to the Act.

6.6 Election of Directors

Directors shall be elected by mail ballot furnished by the Association or, if so determined by the Board of Directors, published in a daily newspaper circulating in the Municipality in which the Registered Address of the Association is situated. In respect of any vote made or given by mail ballot the provisions of By-law 4.12 shall apply as though the act of voting by mail ballot were a vote cast at a meeting of the Association. The Directors shall fix an election date ("Election Day") by which voting must be concluded. Such mail balloting shall be concluded by the Election Day, which shall be at least 15 days prior to the annual general meeting at which the successful candidates will assume office. The results of the mail ballot shall be made known and shall have effect at the ensuing annual general meeting of the Association.

Not less than 21 days prior to the Election Day the Secretary-Treasurer shall mail the following to the last known address of each member in good standing;

- (a) A ballot;
- (b) An unmarked envelope capable of being sealed;
- (c) A return envelope addressed to an independent returning officer, which shall have a space in the upper left hand corner for the signature and typed or printed name of the member and which shall have the word "Ballot" appearing on its face;
- (d) If the use of biographical statements has been approved by the Board of Directors, a biographical statement of each candidate who has submitted the same.

The only mail ballots which shall be counted are those which have been postmarked by no later than the Election Day and which have been received no later than six days after the Election Day.

A combination of mailed voting and ballot box voting may be used if it is though by the Board that this will result in a more representative vote. In this case, the mailed ballots shall be checked off the eligible voters list by the independent returning officer prior to the Election Day and this checked-off list given by him to the Secretary-Treasurer at the close of business on the day immediately before the Election Day. The Secretary-Treasurer shall then have a ballot box available on the Election Day at a location designated by the Board of Directors. Before allowing anyone to deposit a ballot in the box, a check shall be made to ascertain that his name has not already been checked off by the independent returning officer. If his name has not already been checked off then the member shall be permitted to deposit his ballot in the ballot box and his name shall be checked off the list.

The key to the ballot box shall at all times be retained by the independent returning officer and at the conclusion of business hours on the Election Day the ballot box shall be returned to the independent returning officer.

The independent returning officer shall be furnished with a list of eligible voters by the Secretary-Treasurer. On that day which is seven days after the Election Day the independent returning officer shall check the names on the outside envelopes against the eligible voters list and then extract the unmarked envelope containing the unsigned ballots. He will then present to the secretary-Treasurer a report of the votes cast for each candidate. After being counted, all ballots, envelopes and tally sheets shall be sealed and retained for a period of not less than 30 days or, in the event of duplicate voting, only the latest ballot shall be counted. Envelopes containing more than one ballot, ballots bearing a signature or name of voter and ballots marked with more checks than should be, shall all be voided.

Except for candidates' biographical statements, if such procedures has been approved by the Board of Directors, no other campaigning material shall be permitted except that oral person to person solicitation of votes shall be permitted. No activity commonly referred to as "political-activity" shall be allowed during an election. There shall be no distribution of marked sample ballots, nor be any paid advertising. If political activity, electioneering or distribution of campaign material shall be engaged in on behalf of a candidate in violation hereof with the knowledge and consent of a candidate shall be disqualified to hold office as a result of the election in which such political activity takes place.

Subject to By-law 6.3 as regards the terms of office of the first Directors of the Association, all Directors shall retire from office at the conclusion of

every third annual general meeting, at which time their successors shall take office. If no successor is elected, the person previously elected or appointed continues to hold office.

6.7 Qualification of Directors

Any person who is at least of the legal age of majority in the province, who has been a resident in the province and who has been a member in good standing of the Association, in each case for not less than one year immediately preceding the date of his nomination or appointment, as the case may be, shall be eligible to be elected or appointed, or to continue in office as a Director, providing that the foregoing qualifications may be waived by a resolution approved by a majority of 75% of the Directors who vote on such resolution provided further that a majority of the Directors of the Association shall be residents of the Province of Alberta. Only those persons nominated by the Nominating Committee pursuant to By-law 6.5 shall be eligible for election as Directors pursuant to By-law 6.6

6.8 Certain Individuals Prohibited from being a Director

No member in the employ of, or who is an officer or director of a horse breeder organization, a racing association, an association of track operators or a member of a racing commission (and whether or not he receives compensation from such employment or holding of such office) shall be qualified to hold office as a Director or as an officer of the Association during the calendar year of such employment, membership or holding of the office, provided, however that the foregoing prohibition may, with respect to any individual be waived by a resolution approved by a majority of 75% of the Directors who vote on such resolution.

6.9 Re-election and Re-appointment of Directors

A retired Director shall be eligible for re-election or re-appointment and no term shall be deemed to have expired until a successor is elected or appointed.

6.10 Vacancies in the Board of Directors

The office of a Director shall be vacated if the Director:

- (a) Dies or resigns his office;
- (b) Ceases to be a member in good standing of the Association
- (c) Is of unsound mind and has been so found by a court in the Province or elsewhere;
- (d) Fails to attend three successive regular meetings of the Board of Directors, unless his absence is excused by the Board of Directors for

- good and sufficient cause;
- (e) Is removed from office pursuant to By-law 6.11; or
 - (f) Is not qualified to hold office pursuant to the provisions of these By-laws or pursuant to the provisions of the Act.

6.11 Removal of Directors

A director may be removed from the office before expiry of his or her term by special resolution of the members at a special meeting called for that purpose and of which written notice has been sent by registered or certified mail to the Director who is proposed to be removed from office at least 21 days prior to the date of such meeting.

6.12 Filling Vacancies

Any vacancy, howsoever caused, occurring on the Board of Directors shall be filled in the following manner. If the vacancy to be filled relates to a position formerly occupied by an Owner, then the Owner who, in respect of the last election of Directors held, received the highest number of votes of those candidates who were not elected shall be appointed to fill such vacancy. If such person is unwilling or unable to accept such appointment or does not then meet the qualifications set out in By-law 6.7 (unless waived as therein provided), then the owner who received the next highest number of votes shall be appointed and so forth until a willing and qualified candidate can be appointed in such manner. If the vacancy to be filled relates to a position formerly occupied by a Trainer, then a similar procedure (with the necessary modifications) shall be used having reference to the votes obtained in respect of the last election of Directors held by candidates who were Trainers.

In the event that the foregoing procedure does not enable a willing and qualified candidate to be found, then such vacancy may be filled by quorum of the Directors. Any Director appointed pursuant to the provisions of this By-law 6.12 shall hold office for the unexpired term of the person succeeds.

6.13 Honourary Directors

Any member who has served as a Director of the Association may by resolution of the Board of the Directors, be elected as an Honourary Life Director, who shall enjoy such privileges as may from time to time be determined by the Board of Directors; provided, however that no Honourary Life Director shall be entitled to vote at any meeting of the Board of Directors.

7. Directors' Power

Without in any way limiting the generality of By-law 6.1 or any other power or authority expressly granted to the Board of Directors by any other provision of these By-Laws, the Board of Directors shall have the power to:

- (a) Solicit, collect and otherwise raise money in furtherance of the purposes of the Association and disburse and distribute such money for these purposes;
- (b) Receive and acquire on behalf of the Association by purchase, gift, bequest or otherwise, real and personal property and hold, make use of, sell or dispose of such property, and disburse or distribute the whole or such part of such property or the income therefore as may be deemed best for the purposes of the Association;
- (c) Employ, at any time and from time to time on such terms and conditions as the Board of Directors may determine, such staff as the Board of Directors may deem necessary for the proper functioning of the Association.
- (d) Commit the Association to any contract, agreement or arrangement as the Board of Directors may deem advisable in furtherance of the purposes of the Association.
- (e) authorize the execution of all documents, instruments, promissory notes, and any other documents as the Board of Directors may by resolution determine provided that if no such resolution in that regard has been passed, such documents and instruments may be executed and, if required, the seal of the Association may be affixed thereto in the presence of any two officers of the Association, provided that on such officers must be the President or the Secretary-Treasurer
- (f) Modify, implement or discontinue any facility of, or service provided by, the Association at the sole discretion of the Board of Directors;
- (g) Make such rules and regulations as the Board of Directors may think fit provided such rules and regulations are not inconsistent with the Application for the Incorporation and these By-laws;
- (h) Establish and enforce penalties for any violation of the By-Laws or rules or regulations established by the Board of Directors;
- (i) Hear and determine complaints against discipline, suspend or expel any member, confirm or disapprove the composition or create and disband any committees, establish and delegate to such committees

such duties and powers as may be necessary or advisable, and establish an annual budget for each such committee;

- (j) Establish and administer any one or more trust and endowment funds to be used in furtherance of the purposes of the Association;
- (k) Subject to the provisions of By-Law 16, enter into affiliation, agency or other arrangements deemed by the Board of Directors to be in the best interests of the Association.

8. Borrowing and Financing

8.1 General Authority.

Subject to the provisions of the Act, the Board of Directors may, without authorization of the members, from time to time on behalf of and in the name of the Association:

- (a) Raise and borrow money in such manner and amounts, on such security, or without security, from such sources upon such terms and conditions as it thinks fit;
- (b) Guarantee the repayment of money by any other affiliation person or corporation of the performance of any obligation of any such person or corporation;
- (c) Undertake or secure payment or repayment of or the performance of any indebtedness or obligation in such manner and upon such terms and conditions in all respects as the Board of Directors thinks fit, and without limiting the generality of the foregoing by the issue of bonds, notes, income bonds, perpetual or redeemable debentures, debentures or any mortgage, charge or other security, whether specific or flotation, on the undertaking or on the whole or any part of the property and assets (both present and future) of the Association or indebtedness or other obligation owed to the Association, provided, however, that no debenture shall be issued by the Association without the sanction of a special resolution;
- (d) Buy, sell and pledge securities for such sums and at such prices and on such terms as the Board of Directors determines.

8.2 Delegation of Borrowing Authority

The Board of Directors may delegate any authority under By-law 8.1 to any

two or more persons who are Directors or Officers of the Association.

8.3 Deposit and Investment of Monies

All monies of the Association shall be deposited in a chartered bank, trust company or credit union authorized to receive deposits, provided that any such financial institution has a Dominion Bond Rating Service classification of at least R-1 middle (Prime Credit) and subject to a maximum deposit in any one such financial institution of such amount as is fully insured by the Canada Deposit Insurance Cooperation. No monies shall be withdrawn from any such deposit account except by cheque.

Funds surplus to the current needs of the Association may be invested in the Government of Canada treasury bills or term deposits of Canadian chartered banks (or paper unconditionally guaranteed by the parent bank) or term deposits issued and guaranteed by trust companies and/or credit unions provided that to be eligible the borrower shall have a minimum D.B.R.S rating classification of R-1 middle (Prime Credit) and subject to the maximum investment per borrower of an amount no greater than \$60,000 or such greater amount as is fully insured by the Canadian Deposit Insurance Cooperation.

8.4 Cheques

All cheques drawn upon the monies of the Association shall be signed as the Board of Directors may from time to time direct until such direction has been given shall be signed by any two persons who are officers or directors of the Association, provided that one of the such signatories must be the President or the Security- Treasurer.

9. Directors' Meetings

9.1 Meetings and Quorum

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. A majority of the Directors shall constitute a quorum at any meeting of the Directors. If within half an hour from the time appointed for a meeting of Directors, a quorum is not present, the meeting, if convened upon the requisition of the Directors, shall be dissolved. In any other case, it shall stand adjourned, without further notice to the Directors, to the same day in the next week, at the same time and place or at such other time and place within the next 14 days as the chairman of the meeting shall designate at the

meeting a quorum is not present within half an hour from the time appointed for the meeting, the Directors present shall be quorum.

9.2 Calling of Meetings

The Directors shall meet within 30 days after each annual general meeting and thereafter at least once in each calendar year quarter. The President may, and shall upon the written request of any four Directors, convene or cause to be convened other meetings of the Board of Directors. Reasonable notice of each such meeting shall be given to each Director by mail or by leaving it at his or her usual business or residential address or by telephone, fax, e-mail or any other method of transmitting legibly recorded messages.

9.3 Validity of Proceedings

A meeting of the Board of Directors, of which notice in writing has been given and at which a quorum is present, shall be competent to exercise all or any of the authority, power and discretion for the time being vested in or exercisable by the Board of Directors.

9.4 Participation in Meetings

A Director may participate in a meeting of the Board of Directors, and any member of any committee of the Board of Directors of which he is a member may participate in a meeting of that committee, by means of conference telephones or other communication facilities by means of which all persons participating in the meeting can hear each other provided that a majority of such persons agree to such participation. A person participation in a meeting in accordance with this provision shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefore and be entitled to speak and vote thereat.

9.5 Majority Decision

Except as otherwise expressly provided in these By-Laws, questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

9.6 Ballot or Show of Hands

A Director may demand a question to be decided by secret ballot but if no ballot is demanded, the vote shall be taken by a show of hands.

9.7 Chairman's Declaration of Result

A declaration by the chairman of the meeting that a resolution has been carried or defeated and an entry to that effect in the minutes shall be prima facie evidence of the fact without proof of the number of votes recorded in favour or against such resolution.

9.8 Directors' Resolution in Writing

A resolution submitted to all the Directors and consented to in writing, whether by document, fax, e-mail or any method of transmitting legibly recorded messages or other means, by all of the Directors shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Board of Directors and shall be effective on the date stated thereon or if no effective date is specified thereon then on the latest date of any counter-part.

9.9 Directors Conflict of Interest

Every Director who is directly or indirectly interested in a proposed contract or transaction with the Association shall, before a vote is taken, disclose fully and promptly the nature and effect of his interest to the Directors. A Director shall not participate in any discussion relating to or vote in respect of any such contact or transaction with the Association in which he is interested and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken.

10. Officers

10.1 Officers

The Directors shall, as soon as possible following each annual general meeting at which a new Board of Directors assumes office, elect from among their number of the following officers:

(a) A President (unless a President has been directly elected by the members pursuant to By-Law 10.8)

(b) Not more than two Vice Presidents;

Each of such officers shall serve for a term of three years or until his successor is elected or appointed. If there are two Vice-Presidents, then the

President and the two Vice-Presidents shall not all be Owners or Trainers as the case may be.

The Directors shall also appoint, either from among their number or from outside their number.

(c) A Secretary-Treasurer;

And the Directors may at any time appoint such other officers and employees as they shall deem expedient. In case of officers who are employees, the Board of Directors shall have authority to set their remuneration.

10.2 Duties of the President

The President shall be chairman of and preside over all meetings of the Board of Directors and of the Association and shall be the Chief Executive Officer therefor for the purpose of carrying out the decisions of the Board of Directors and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors. A Vice-President designated by the President or, in his absence or in the event the President has failed to make such designation, the Vice-President or, if there are two Vice-President selected by the Board of Directors shall preside over all meetings and perform the duties of and represent the President in case of death, resignation, absence, or inability of the President to discharge the duties of his or her office.

10.3 Qualifications for the Office of President

The qualifications for the office of President shall be service as a member of the Board of Directors for at least one year provided, however, that such qualification may be waived by a resolution approved by a majority of 75% of the Directors who vote or such resolution.

10.4 Duties of Vice-President

A Vice-President shall carry out the duties of a Vice-President as described in By-Law 10.2 and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

10.5 Secretary-Treasurer

The Secretary-Treasurer shall communicate or cause to be communicated notices of all meetings of the Board of Directors and members when directed to do so; shall keep or cause to be kept minutes of all meetings and proceedings of the Association and of the Board of Directors; shall be responsible for the safekeeping of the minute books of the Association; shall

be the liaison with the Association's lawyers and oversee all legal matters incidental to the functioning of the Association; shall cause to keep these records of members' names and addresses; and perform such other duties as may be incidental to his office and as may be prescribed by the Board of Directors. The Secretary-Treasurer shall generally supervise the financial affairs of the Association and shall be responsible for ensuring that full and accurate entries of all receipts and disbursements of the Association are kept in proper books of account; shall, if so requested by the Board of Directors for approval, before the end of each fiscal year of the Association, an annual budget forecasting revenue and expenditures of the Association for the following fiscal year; shall cause to be deposited all Association funds in the Association's accounts at such financial institution as are from time to time designed by the board of directors the remuneration and conditions of employment for the Association's employees, subject to the approval of the Board of Directors; shall be responsible for disbursing the funds of the Association under the direction of the Board of Directors, taking proper vouchers and invoices therefore; shall render to the Board of Directors at its regular meetings or whenever required of him, an account of the financial position of the Association and; if required of all transactions during his term as Secretary-Treasurer; and shall deliver to the Directors of the Association for mailing or publication prior to the annual general meeting the audited financial statements of the Association for its immediately preceding fiscal year in the form required by the Act.

10.6 Removal of Officers

An officer may be removed from the office by resolution approved by a majority of vote on a resolution for the removal of such officer at a special meeting of the Board of Directors called for that purpose and of which at least seven days' written notice has been sent by registered or certified mail to the officer who is proposed to be removed from office.

10.7 Filling Vacancies

In the event of the death, resignation, unexcused absence or inability of any officer to discharge the duties of his or her office, a replacement shall be appointed by the Board of Directors.

10.8 Directors' Option to Direct That Members Elect President by the Mail Ballot

The Directors may, at least three months prior to the annual general meeting of the Association at which a new Board of Directors is to assume office, determine that the members of the Association, by mail ballot, shall fill the position of President of the Association in the same manner as the Board of Directors is elected pursuant to By-laws 6.4 to 6.6, inclusive.

Should the Board of Directors elect to avail itself of the provisions of this By-law 10.8, By-laws 6.4 to 6.6, inclusive, with such changes as might be necessary, shall read to provide that in addition to the nomination and election of Directors, as therein provided, the nomination and election of the President of the Association elected pursuant to this By-law 10.8 shall be deemed to be a Director of the Association.

II. Committees

II.1 Committees

The Directors may by resolution appoint one or more committees consisting of such member or members of their body or of the Association as they think fit. A majority of the members of any such committee must be resident Canadians.

The Board of Directors may delegate to any such committee such powers of the Board of Directors as the Directors seem fit, subject of such conditions as may be prescribed in such resolution or by the Act.

II.2 President Ex-officio Member of all Committees

The President shall be an ex-officio member of every committee of the Association.

II.3 Proceedings of Committees and Sub- Committees

All committees may meet and adjourn as they think proper. Questions arising at any such meeting shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chairman of the meeting shall have a second or casting vote. A resolution submitted to all members of any committee and approved in writing by at least 75% of the members of such committee shall be as valid and effective as if it had been passed at a meeting of such committee duly called and constituted. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes, if any, of the proceedings of the committee and shall be effective on the date stated thereon or if no effective date is specified thereon or if no effective date is specified then on the latest date of counterpane Committees may make rules for the conduct of their business and may appoint such assistants as they deem necessary. No assistant shall be entitled to remuneration except pursuant to a written contract with the Association which sets out the terms of remuneration. A majority of the members of a committee shall constitute a quorum thereof.

II.4 Authority of Committees

All committees so appointed shall report on their deliberations to the Board of Directors and, if so requested by the Board of Directors, provide copies of minutes of their proceedings to the Secretary Treasurer and to the Board of Directors. The Director shall have power at any time to:

- (a) Revoke or override any authority given to, or acts done by or be done by, any such committee; and
- (b) Add any member to, or remove any member from, any other committee.

11.5 Limit of Expenditures of Authority

No committee shall obligate the Association in any way for any sum in excess of the amount budgeted for the purpose by the Board, unless otherwise specifically authorized by the Board. No committee shall without prior authorization of the Board commit the use of the Associations monies, facilities or services to any person or organization.

12. Fiscal Year and Audit of Accounts

12.1 Fiscal Year

The fiscal year of the Association shall end on the last day of December in each year or on such other date as the Board of Directors may from time to time by resolution determine.

12.2 Audit

Following incorporation of the Association, the Directors shall appoint an auditor to hold office until the first annual meeting of the Association. At the first annual meeting and at each annual meeting thereafter the members shall appoint an auditor.

The accounts of the Association shall be audited at least once a year by the duly appointed auditors of the Association. The report of the auditor to the members shall be read at the annual general meeting and shall be open to inspection by any member.

12.3 Qualifications of Auditors

No officer or Director of the Association shall be eligible to be appointed or serve as auditor of the Association. The Associations auditor shall hold such other Qualifications as are prescribed by the Act.

12.4 Rights of Auditors

The auditors of the Association shall have the right:

- (a) At all times to examine all records, documents, books, accounts and

vouchers of the Association and may require the Directors and officers of the Association and may require the Directors and officers of the Association to furnish such information and explanation as may be necessary for the performance of the duties of the auditors: and

- (b) To attend any meeting of members of the Association at which any accounts examined or reported on by the auditors are to be presented to the members, for the purpose of making any statement or explanation they desire with respect to the accounts

13 Seal and Records

13.1 Custody of Seal and Records

The Board shall adopt a seal and it with the books and records of the Association, shall be in the custody of Directors or their nominee and shall be kept at the Registered Address of the Association or at such other address as the Board of Directors approves and which complies with the Act.

13.2 Books and Records

The Board of Directors shall cause accounts of all the business of the Association and minutes of the proceedings of all meetings to be duly entered in a book or books for that purpose and kept at the place or places determined from time to time in accordance with By-Law 13.2, and any such minutes signed by the President or the Secretary-Treasurer shall be prima facie evidence of the matters stated therein.

13.3 Seal

The seal of the Association shall not be affixed to any instrument of document except in the presence of the following persons, namely:

- (a) Any two persons who are officers or Directors of the association, provided that one of such persons must be the President or the Secretary- Treasurer; or
- (b) Such persons or persons as the Directors may from time to time by resolution appoint.

And the said officers , person, persons in whose presence the seal is so affixed to an instrument shall sign such instrument. For the purpose of certifying under seal true copies of any document or resolution the seal of the Association may be affixed in the presence of any one of the foregoing persons.

13.4 Inspection of Books and Records.

The documents, including the accounting records of the Association, shall be open to inspection by any Director of the Association at any time during normal business hours of the Association. No documents, records or registers of the Association shall be open to inspection by any other person except to such extent, at such time and upon such conditions as the Directors may from time to time determine or as the Act may permit.

13.5 Verification of Public Filings

Any notice, return or resolution required to be filed with the public official who is charged with the administration of the Act may be verified on behalf of the Association by the signature of the President, a Vice-President or the Secretary-Treasurer.

14 Amendment of By-Laws

These By-Laws shall not be amended, altered or rescinded except by special resolution.

15. Dissolution

Upon dissolution of the Association, when all debts and liabilities of the Association are paid or provided for, the remaining property of the Association shall be distributed or disposed of at the discretion of the Board of Directors to any one or more organizations in Canada, having cognate or similar objects. The remaining property shall not be payable or otherwise available to any member of the Association.

16. Affiliations and Memberships in Other Associations

The Association shall become a member of The Horsemen's Benevolent and Protective Association of Canada.

Unless and until otherwise determined at a general meeting by resolution approved by at least 90% of the votes cast in respect of such resolution:

- (a) The Association shall remain a member of The Horsemen's Benevolent and Protective Association of Canada; and
- (b) The Association shall not have any affiliation with, or become a member of any association, society or organization other than The Horsemen's Benevolent and Protective Association of Canada.

17. Drastic Action

No Drastic Action shall be taken by the Association without there first being held a general meeting of the members of the Association, of which meeting the management of the Racing Association or any other party or

parties interested shall have been notified and given opportunity to appear and present their side of the controversy. No Drastic Action shall be taken by the Association until the President of the Horsemen's Benevolent and Protective Association of Canada shall have been notified and given sufficient time to arrive and attend such meeting.

Under no circumstances shall a meeting called to consider Drastic Action be held sooner than three days notice of the meeting has been given to the members of the Association, the Racing Association and any other party or parties of interest.

Failure by a member to attend a meeting called to consider Drastic Action shall not be an excuse for failure to carry out the purpose of any motion made and carried at such a meeting.

A 75% favourable vote of the members present led to consider Drastic Action at any meeting called to consider Drastic Action shall be required to carry any resolution or approve any course of action in furtherance of Drastic Action.

If the President of The Horsemen's Benevolent and Protective Association of Canada is unable to attend any general meeting of the members of the Association called to consider Drastic Action, he shall be entitled to appoint a person in writing to represent him at such meeting.

18. Indemnity and Protection of Directors, Officers and Employees

- (a) Subject to the Act and these By-Laws, the Directors shall cause the Association to indemnify a Directors or former Director of the Association and a Director or former Director of a corporation which is or was a subsidiary of the Association or (if he acted as such at the request of the Association) of any other corporation of which the Association is or was a shareholder and the heirs and personal representatives of any such person against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment in a civil, criminal, or administrative action or proceeding to which he is or they are made in party, by reason of his being or having been a Director of the Association or a Director of such corporation, including any action brought by the Association or any such corporation. If and to the extent that the Act requires court approval or any such indemnity, the Association shall apply to the Court for all approvals of the Court which may be required to make, any indemnity referred to in this Section effective and enforceable. The Association shall be deemed to have contracted, on the terms of

the foregoing indemnity, with the Director of the Association and each Director of such corporation on his being elected or appointed.

(b) Subject to the Act and these By-Laws the Directors shall cause the Association to indemnify:

- (i) any officer or former officer (but in the case of an officer of a corporation other than a subsidiary of the Association only if he acted as such at the request of the Association);
- (ii) and any employee, former employee, or agent or former agent designated by the Directors.

Of the Association or of a corporation which is or was a subsidiary of the Association or of any other corporation of which the Association is or was a shareholder (notwithstanding he is also a Director) and his heirs and personal representatives against all costs, charges and expenses whatsoever (including, without limiting the generality of the foregoing, those specifically referred to in Section 18(a) above) incurred by him or them resulting from his acting as an officer, employee or agent of the Association shall be deemed to have contracted on the terms of the foregoing indemnity, with each such officer or former officer on his being appointed.

- (a) The failure of a person to comply with the Act or of the Constitution or these By-Laws shall not, of itself, invalidate any indemnity to which such person is entitled under this Section 18.
- (b) The Directors may cause the Association to purchase and maintain insurance for the benefit of the Association and/or any person referred to in this Section 18 against such liabilities and in such amounts as the Board may from time to time determine.

