

**HORSE RACING ONTARIO**

**BY-LAW NO. 1**

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**HORSE RACING ONTARIO**  
**(the "Corporation")**

**BY-LAW NO. 1**

A by-law relating generally to the transaction of the activities and affairs of the Corporation.

**Article 1**  
**Interpretation**

1.1 **Interpretation**

In this by-law, in addition to any other words or phrases defined in the text of this by-law:

- (a) **"Act"** means the *Canada Not-for-profit Corporations Act* (Canada), S.C. 2009, c. C-23, and the regulations made under it, each as amended or re-enacted from time to time;
- (b) **"articles"** includes the articles of incorporation or continuance of the Corporation, as amended from time to time;
- (c) **"board"** means the board of directors of the Corporation and **"director"** means a member of the board;
- (d) **"by-law"** means any by-law of the Corporation in effect from time to time;
- (e) **"meeting of members"** means an annual or special meeting of members of the Corporation;
- (f) **"ordinary resolution"** means a resolution passed by a majority of the votes cast on that resolution;
- (g) **"soliciting corporation"** means a corporation referred to in subsection 2(5.1) of the Act;
- (h) **"special resolution"** means a resolution passed by a majority of not less than two thirds of the votes cast on that resolution;
- (i) unless otherwise specified, all words and expressions contained in this by-law and that are defined in the Act have the meanings given to them in the Act;
- (j) any reference to gender includes all genders and words importing the singular number include the plural and vice versa; and
- (k) the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this by-law.

1.2 **Conflicts with the Act**

If any provision in this by-law (or any other by-law) contravenes any provision in the Act, the provision in the Act will govern.

**Article 2**  
**Activities of the Corporation**

**2.1 Registered Office**

Unless changed in accordance with the Act, the registered office of the Corporation will be in the province in Canada specified in the articles.

**2.2 Financial Year**

The financial year of the Corporation will be as determined by the board from time to time.

**2.3 Banking Arrangements**

Banking transactions will be made with the bank(s) or other financial institution(s) approved by the board from time to time, and banking transactions will be made on the Corporation's behalf by the director(s), officer(s) or other person(s) designated, directed or authorized by the board from time to time and to the extent so designated, directed or authorized.

**2.4 Execution of Contracts, Documents and Instruments in Writing by the Corporation**

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by: any two directors; or any one director together with either the Chair or the President; or the Chair and the President together. In addition, the board may from time to time authorize any officer or officers of the Corporation, any director or directors of the Corporation, or any other person or persons, either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing, and direct the manner in which those contracts, documents or instruments in writing may or will be signed.

**2.5 Execution of Documents in Counterparts**

Any articles, notice, resolution, requisition, statement or other document required or permitted to be executed or signed by more than one individual for the purposes of the Act may be executed or signed in several documents of similar form, each of which is executed or signed by one or more of the individuals, and those documents, when duly executed or signed by all individuals required or permitted, as the case may be, to do so, will be deemed to constitute one document for the purposes of the Act.

**2.6 Electronic Documents**

The Corporation may create and provide electronic documents in accordance with the Act.

**2.7 Annual Financial Statements**

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

### **Article 3** **Borrowing**

#### **3.1 Borrowing**

Without limiting the powers of the board as provided in the Act, unless the articles or by-laws otherwise provide, the board may from time to time on behalf of the Corporation, without authorization of the members:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

#### **3.2 Delegation of Borrowing Powers**

Unless the articles or by-laws otherwise provide, the board may, by resolution, delegate any or all of the powers referred to in section 3.1 of this by-law to a director, a committee of the board or an officer of the Corporation.

### **Article 4** **Directors**

#### **4.1 Powers and Duties of Directors**

Subject to the Act, the articles and the by-laws, the directors shall manage or supervise the management of the activities and affairs of the Corporation. Every director of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director of the Corporation shall comply with the Act, the articles and the by-laws.

#### **4.2 Number of Directors**

4.2.1 As a minimum and maximum number of directors is provided for in the articles, the members may, from time to time by ordinary resolution, fix the number of directors of the Corporation and the number of directors to be elected at annual meetings of the members or delegate those powers to the board, but no decrease in the number of directors will shorten the term of an incumbent director. As the Corporation is a soliciting corporation, the board must consist of not fewer than three directors, at least two of whom shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4.2.2 Subject to the Act, a special resolution of the members (or of each applicable class or group of members, if so required by the Act) is required to make any amendment to the articles or by-laws to increase or decrease the minimum or maximum number of directors fixed by the articles.

#### 4.3 **Qualifications**

No person may be a director if that person (i) is less than eighteen years of age, (ii) has been declared incapable by a court in Canada or in another country, (iii) is not an individual, or (iv) has the status of a bankrupt. A director of the Corporation is not required to be a member of the Corporation. Honorary or *ex officio* directors may not be appointed or otherwise serve as directors of the Corporation. No person shall act for an absent director at a meeting of the board. As the Corporation is a soliciting corporation, at least two of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

#### 4.4 **Election and Term**

Subject to the Act, the members of the Corporation shall, by ordinary resolution at each annual meeting of members at which an election of directors is required, elect directors to hold office for a term expiring within three (3) years. It is not necessary that all directors elected at a meeting of members hold office for the same term. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following the director's election. A director who ceases to hold office upon the expiry of his or her term but who remains qualified to serve as a director is eligible for re-election. If directors are not elected at a meeting of members, the incumbent directors continue in office until their successors are elected.

#### 4.5 **Ceasing to Hold Office**

A director automatically ceases to hold office at the earliest of (i) his or her death, (ii) his or her being found by the board to be not in compliance with the board's then current code of conduct, (iii) his or her removal from office by the members of the Corporation in accordance with section 4.6 of this by-law, (iv) his or her becoming disqualified for election as a director, or (v) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in the resignation, at the later time. For purposes of subsection (ii) of this section 4.5, a director shall be deemed to have been found to be not in compliance with the then current code of conduct by the passage of a resolution of the board at a properly constituted meeting of the board, at which two-third (2/3) of the directors participating in the meeting vote in favour of such resolution.

#### 4.6 **Removal of Directors**

The members of the Corporation may by ordinary resolution at a special meeting of members remove any director or directors from office, but a director elected by a class or group of members that has an exclusive right to elect the director may only be removed by an ordinary resolution of those members. A vacancy created by the removal of a director may be filled at the meeting of the members at which the director is removed or, if not so filled, may be filled by the board in accordance with the Act. Subject to the Act, if all of the directors of the Corporation have resigned or have been removed without replacement, a person who manages or supervises the management of the activities or affairs of the Corporation is deemed to be a director for the purposes of the Act.

#### 4.7 **Vacancies**

Notwithstanding any vacancy among the directors, the remaining directors may exercise all the powers of the directors so long as a quorum of the number of directors remains in office.

#### 4.8 **Remuneration and Expenses of Directors**

Subject to the articles, the board may fix the reasonable remuneration of the directors of the Corporation. A director may receive reasonable remuneration and expenses for any services to the Corporation that are performed in any other capacity. A director may receive indemnification for their expenses incurred on behalf of the Corporation as a director.

**Article 5**  
**Meetings of Directors**

**5.1 Transaction of Affairs**

The powers of the board may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board.

**5.2 Quorum**

Subject to the articles, a majority of the number of directors determined in accordance with section 4.2 of this by-law constitutes a quorum for the transaction of affairs at any meeting of the board, and, despite any vacancies on the board, a quorum of directors may exercise all the powers of the board.

**5.3 Place of Meetings**

Unless the articles otherwise provide, the board may meet at any place.

**5.4 Meetings by Electronic Means**

A director may, in accordance with the Act, and if all the directors of the Corporation consent, participate in a meeting of the board or of a committee of the board by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director so participating in a meeting is deemed for the purposes of the Act to be present at that meeting.

**5.5 Calling of Meetings**

Meetings of the board may be called at any time by the Chair of the board (if any), the President (if the President is a director), a Vice-President who is a director or any two directors.

**5.6 Notice of Meetings**

Unless the articles otherwise provide, notice of the time and place of the meeting must be sent to every director not less than 48 hours before the time when the meeting is to be held. Notice of an adjourned meeting of directors need not be given if the time and place of the adjourned meeting is announced at the original meeting. A notice of a meeting of the board need not specify the purpose of or the business to be transacted at the meeting unless the Act requires that purpose or business to be specified.

**5.7 Waiver of Notice**

A director may waive notice of a meeting of the board, and attendance of a director at a meeting of the board is a waiver of notice of the meeting, except if the director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**5.8 Omission of Notice**

The accidental omission to give notice of any meeting of the board or any irregularity in the notice of any meeting or the non-receipt of any notice by any director will not invalidate any resolution passed or any proceeding taken at that meeting.



## 5.9 **Voting at Meetings**

Questions arising at any meeting of the board will be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting will be entitled to a second or casting vote. Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## 5.10 **Chair and Secretary**

The Chair of the board will, when present, preside as chair at meetings of the board. If the Chair of the board is absent or unable or unwilling to preside as chair, the directors present shall choose one from among them to preside as chair for that meeting. The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of the board. If the Secretary is absent or unable or unwilling to act as secretary, the chair of the meeting shall appoint a person who need not be a director to act as secretary for that meeting.

## 5.11 **Adjournment**

The chair of a meeting of the board may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If there is a quorum at the adjourned meeting, the meeting will be considered duly constituted and the board may deliberate and transact business in accordance with the procedures established at the original meeting. The directors constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the original meeting will be deemed to have ended immediately after its adjournment.

## 5.12 **Conflicts of Interest**

A director of the Corporation who is a party to, or who is a director or an officer, or an individual acting in a similar capacity, of a party to, or who has a material interest in a party to, a material contract or material transaction, whether made or proposed, with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. No such director shall vote on any resolution to approve the contract or transaction except as permitted under the Act.

## 5.13 **Written Resolution In Lieu of Meeting**

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of the board, is as valid as if it had been passed at a meeting of the board or a committee of the board.

# **Article 6** **Committees of the Board**

## 6.1 **Committees of Directors**

The board may appoint from their number one or more committees of directors, however designated. Subject to the Act, the board may delegate to those committees the powers and responsibilities resolved by the board, including making recommendations to the board for its consideration. The business and operations of the Corporation shall be supported by a robust committee structure.

## 6.2 Committee Structure

Without limiting the provisions of Section 6.1 and subject to the other provisions of this by-law, initially the directors shall establish the following committees comprised of directors and others, as determined by the directors:

- (a) a standardbred HIP administration committee;
- (b) a thoroughbred HIP administration committee;
- (c) a quarterhorse HIP administration committee;
- (d) a stakeholder and government relations committee;
- (e) a racetrack operations committee;
- (f) an equine welfare advisory committee;
- (g) a customer advisory, new products, technology and revenue committee; and
- (h) an executive committee.

Each such committee will be comprised of not less than three (3) and not more than five (5) individuals, of whom at least one (1) shall be a director. Subject to Section 6.3, the Chair of each committee shall be a director who is approved by the board.

## 6.3 Executive Committee

The executive committee that is established by the board will have the following mandate and authority:

- (a) act to supervise implementation of the board's strategic planning and core principles;
- (b) act to supervise, implement and enforce the board's fiduciary and code of conduct responsibilities and principles;
- (c) oversee regular performance review of board members;
- (d) act with full authority of the board in emergencies and between full board meetings;
- (e) oversee the chief executive officer evaluation process;
- (f) propose the Chair, any lead director and the chief executive officer for approval by a majority of the full board;
- (g) approve the strategic plan, all program initiatives and changes to either for consideration by the full board;
- (h) approve any reallocation of funding for consideration by the full board;
- (i) approve any new member categories or director organizational entitlements;
- (j) assist the Chair in establishing agendas for board meetings;
- (k) approve any committee Chairs for consideration by the full board;
- (l) approve and appoint committees for consideration by the full board;
- (m) approve annual budgets for consideration by the full board;

- (n) approve executive compensation and report thereon to full board; and,
- (o) working with the AGCO, the CPMA, and other stakeholders to promote integrity within the industry by collaborating on strategies to increase the perception of fairness as it applies to the racing products.

#### 6.4 **Transaction of Business**

The powers of a committee of the board may be exercised at a meeting at which a quorum is present. Unless the articles otherwise provide, meetings of committees of the board may be held at any place.

#### 6.5 **Meetings by Electronic Means**

The provisions of section 5.4 of this by-law apply to meetings of committees of the board.

#### 6.6 **Procedures**

Unless otherwise determined by the board, each committee of the board has the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

### **Article 7** **Officers**

#### 7.1 **Designation and Appointment**

Subject to the articles, the board may designate the offices of the Corporation, appoint as officers persons of full capacity, specify their duties and, subject to the Act, delegate to them powers to manage the activities and affairs of the Corporation. Subject to the articles, a director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person.

#### 7.2 **Powers and Duties**

Every officer of the Corporation shall:

- (a) perform all powers and duties incident to his or her respective office and such other powers and duties respectively as may from time to time be assigned to him or her by the board;
- (b) in exercising his or her powers and discharging his or her duties, act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (c) comply with the Act, the articles and the by-laws of the Corporation, and all policies established by the board.

#### 7.3 **Term of Office**

An officer ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the board, (iii) his or her ceasing to be a director if being a director is a necessary qualification of that officer's appointment, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in that resignation, at the later time, (v) the appointment of his or her successor, or (vi) the close of the first meeting following his or her appointment at which the board annually appoints the officers of the Corporation.

#### 7.4 **Vacancies**

If the office of any officer of the Corporation becomes vacant for any reason, the board may appoint a person to fill that vacancy.

#### 7.5 **Chair of the Board**

The Director elected by the members as the independent director of the Corporation shall be appointed as the Chair of the board, and will preside as chair at meetings of the board and meetings of members in accordance with sections 5.10 and 10.11 of this by-law, respectively. The Chair of the board will have such other powers and duties as the board determines from time to time.

#### 7.6 **President**

If appointed, the President will have general powers and duties of supervision of the activities and affairs of the Corporation. The President will have such other powers and duties as the board determines from time to time. If no Treasurer or Secretary is appointed, the President will also have the powers and duties of the office of Treasurer or Secretary, as the case may be.

#### 7.7 **Secretary**

If appointed, the Secretary (i) will act as secretary at meetings of the board and meetings of members in accordance with sections 5.10 and 10.11 of this by-law, respectively, (ii) shall give or cause to be given notices for all meetings of the board, any committee of the board and the members when directed to do so, and (iii) will have charge of the minute books of the Corporation and the other corporate records required to be maintained under the Act, except when another officer or agent has been appointed for that purpose. The Secretary will have such other powers and duties as the board determines from time to time.

#### 7.8 **Treasurer**

If appointed, the Treasurer, subject to any resolution of the board (i) shall keep or cause to be kept the accounting records required to be kept by the Corporation in accordance with the Act, and (ii) will be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The Treasurer will have such other powers and duties as the board determines from time to time.

#### 7.9 **Remuneration and Expenses of Officers**

Subject to the articles, the board may fix the reasonable remuneration of the officers of the Corporation. An officer may receive reasonable remuneration and expenses for any services to the Corporation that are performed in any other capacity. An officer may receive indemnification for their expenses incurred on behalf of the Corporation as an officer.

#### 7.10 **Conflicts of Interest**

An officer of the Corporation who is a party to, or who is a director or an officer, or an individual acting in a similar capacity, of a party to, or who has a material interest in a party to, a material contract or material transaction, whether made or proposed, with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act.

**Article 8**  
**Protection of Directors and Officers**

**8.1 Indemnification**

8.1.1 Subject to the Act, the Corporation shall indemnify a present or former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

8.1.2 Subject to the Act, the Corporation may, if authorized by the board, advance money to an individual referred to in subsection 8.1.1 for the costs, charges and expenses of a proceeding referred to in that subsection. The individual shall repay the money if the individual does not fulfill the conditions set out in clauses 8.1.3(a) and 8.1.3(b).

8.1.3 The Corporation shall not indemnify an individual under subsection 8.1.1 unless the individual:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

8.1.4 The Corporation shall also indemnify an individual referred to in subsection 8.1.1 in such other circumstances as the Act permits or requires. Nothing in this by-law limits the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

**8.2 Insurance**

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in subsection 8.1.1 of this by-law against any liability incurred by that individual, (i) in the individual's capacity as a director or an officer of the Corporation, or (ii) in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

## **Article 9** **Membership**

### **9.1 Eligibility**

Any persons interested in furthering the purposes of the Corporation who satisfy the conditions of membership set out in section 9.2 of this by-law are eligible to be members of the Corporation.

### **9.2 Classes and Conditions of Membership**

Subject to the articles, membership will be open to the persons or entities who have applied for and been admitted to membership in accordance to the conditions set out in this Section 9.2. The Corporation will have two (2) classes of members as set out in the articles. The following conditions of membership for each class will apply:

- (a) The Racetrack Members' membership class will only be open to any owner or operator of a horse racing track in the Province of Ontario that (i) is licensed by the Alcohol and Gaming Commission of Ontario to conduct live racing, (ii) has conducted live racing at such horse racing track during the immediately preceding 12-month period, (iii) has and is in good standing under all regulatory approvals required by such person to conduct live horse races or pari-mutuel wagering in Ontario, and (iv) has applied for and been admitted to the Racetrack Members' membership class in accordance with section 9.3 of this by-law.
- (b) The Industry Association Members' membership class will only be open to any industry association which is based in Ontario and which has the support of horse racing as its primary objective and such other industry association or associations as may from time to time be identified by the board of directors as a qualifying industry association, and which has applied for and been admitted to the Industry Association Members' membership class in accordance with section 9.3 of this by-law.

It is a condition of membership of every member of all classes of members that such member:

- (i) enter into a membership agreement with the Corporation and the other members, and at all times comply with its obligations set out in, and otherwise be in good standing under, such membership agreement (as determined by the board from time to time); and
- (ii) is not bankrupt or insolvent,

together with such other conditions of membership as may be established by the board from time to time, subject to section 9.9(b) of this by-law.

Notwithstanding anything to the contrary in this section 9.2, the members may, by special resolution, waive any of the foregoing conditions for membership.

### **9.3 Application for Membership**

A person may apply to become a member of the Corporation by submitting to the board a signed membership agreement, in the form established by the board from time to time. Subject to the articles, an applicant who satisfies the conditions of membership set out in section 9.2 of this by-law for the class of membership for which the applicant is applying will become a member of the Corporation in that class on

the date its signed membership agreement is accepted by resolution of the board or at such other time and in such other manner as may be determined by the board from time to time.

#### **9.4 Voting Rights of Members**

Subject to the articles:

- (a) the Racetrack Members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Racetrack Member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class; and
- (b) the Industry Association Members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Industry Association Member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class.

#### **9.5 Transfer of Membership**

Memberships are not transferable.

#### **9.6 Term of Membership**

The term of membership will be annual, and shall, unless otherwise terminated in accordance with the articles or by-laws (including, for certainty, provided that the member continues to satisfy the conditions of membership in section 9.2 of this by-law), be automatically renewed each year (in which case such term of membership will be deemed not to have expired) until terminated in accordance with the article and by-laws.

#### **9.7 Termination of Membership**

Unless the articles otherwise provide, a membership is automatically terminated when (a) the member resigns; (b) the member is expelled or their membership is otherwise terminated in accordance with the articles or by-laws, including when the member ceases to meet the conditions of membership in respect of the class of which they were a member, unless the members otherwise determine by a special resolution; (c); the Corporation is liquidated and dissolved under the Act; (d) the member becomes bankrupt or insolvent; (e) the member ceases to carry on business in the normal and ordinary course; or (f) in the case of a Racetrack Member, (1) the member ceases to conduct live horse racing at one or more of its racetracks in Ontario or (2) any regulatory approvals required by the member to continue to conduct live horse races or pari-mutuel wagering in Ontario is withdrawn or terminated, in both cases unless the members otherwise determine by a special resolution. Unless the articles otherwise provide, the rights of a member, including any rights in the property of the Corporation, cease to exist on termination of the membership. If a member resigns as a member of the Corporation, that member will remain liable for payment of any outstanding amounts that are owed to the Corporation by such member at the time of such member's resignation, including annual dues or membership fees payable by such member in accordance with section 9.8 of this by-law.

#### **9.8 Annual Dues or Membership Fees**

The board may from time to time fix the annual dues or membership fees payable by members of the Corporation and determine the manner of payment. Each member shall pay the annual dues or membership fees in the manner, at the times and in the amounts as may be determined by the board from time to time.

## 9.9 **Amendments Affecting Membership**

A special resolution of the members (or of each applicable class or group of members, if so required by the Act) is required to make any amendment to the articles or by-laws to:

- (a) create a new class or group of members,
- (b) change a condition required for being a member,
- (c) change the designation of any class or group of members or add, change or remove any rights and conditions of any such class or group,
- (d) divide any class or group of members into two or more classes or group and fix the rights and conditions of each class or group,
- (e) add, change or remove a provision respecting the transfer of a membership, or
- (f) add, change or remove any other provision that is permitted by the Act to be set out in the articles.

## **Article 10** **Meetings of Members**

### 10.1 **Annual Meetings**

The board shall call an annual meeting of members not later than eighteen months after the Corporation comes into existence and, subsequently, not later than fifteen months after the last preceding annual meeting but not later than six months after the end of the Corporation's preceding financial year, for the purpose of placing before the annual meeting the financial statements, reports and any further information required by the Act to be placed before the annual meeting, electing directors, appointing a public accountant and transacting any other business that may be properly brought before the meeting.

### 10.2 **Special Meetings**

The board may at any time call a special meeting of members, and a special meeting of members may be held in conjunction with an annual meeting of members.

### 10.3 **Place of Meetings**

Meetings of members will be held at such place within Ontario, Canada as the board determines. Alternatively, a meeting of members may be held at a place outside Canada if the place is specified in the articles or all the members entitled to vote at that meeting agree that the meeting is to be held at that place. A member who attends a meeting of members held outside Canada is deemed to have agreed to it being held outside Canada except when the member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

### 10.4 **Quorum**

A quorum at any meeting of members will be three (3) persons present in person who are members entitled to vote at that meeting or who represent by proxy such members and who collectively represent not less than fifty percent (50%) of all of the members who are entitled to vote at that meeting; provided that not less than fifty percent (50%) of the members who are Racetrack Members are present or represented by proxy at that meeting. If the Corporation has only one member in any class of members, the member present in person or who submits a vote in accordance with section 10.13 of this by-law constitutes a



meeting of that class. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of members, the members present may adjourn the meeting to a fixed time and place but may not transact any other business.

**10.5 Written Resolution in Lieu of Meeting**

Subject to the Act, a resolution in writing signed by all the members of the Corporation entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of members.

**10.6 Participation in Meeting by Electronic Means**

Any person entitled to attend a meeting of members may participate in the meeting, in accordance with the Act, by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility, and a person so participating in a meeting is deemed for the purposes of the Act to be present at the meeting.

**10.7 Meeting Held by Electronic Means**

If the board or members of the Corporation call a meeting of members under the Act, those directors or members, as the case may be, may determine that the meeting will be held, in accordance with the Act, entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**10.8 Notice of Meetings**

10.8.1 Subject to section 10.9 of this by-law, the Corporation shall give members entitled to vote at a meeting of members notice of the time and place of the meeting in one or more of the following manners:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting at the member's latest address as shown in the records of the Corporation, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) subject to subsection 10.8.2, by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

10.8.2 If a member requests that notice of a meeting of members be given by non-electronic means, the Corporation shall send the notice to that member in the manner described in clause 10.8.1(a).

10.8.3 The Corporation shall send the public accountant and the board notice of the time and place of any meeting of members during a period of 21 to 60 days before the day on which the meeting is to be held.

10.8.4 Notice of a meeting of members at which special business (as defined in the Act) is to be transacted must state the nature of that business in sufficient detail to permit a member to form a reasoned judgment on the business and state the text of any special resolution to be submitted to the meeting.

**10.9 Waiver of Notice**

Any person who is entitled to notice of a meeting of members may waive notice, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**10.10 Persons Entitled to Attend**

The only persons entitled to attend a meeting of members are those entitled to vote at that meeting, the directors and the public accountant of the Corporation and others who, although not entitled to vote, are entitled or required under the Act, the articles or the by-laws to be present at the meeting. Any other person may be admitted only with the consent of the chair of the meeting.

**10.11 Chair and Secretary**

10.11.1 The Chair of the board will, when present, preside as chair at meetings of members. If the Chair of the board is absent or unable or unwilling to preside as chair, the persons present and entitled to vote at the meeting shall choose a director present at the meeting to be the chair for that meeting, and if no director is present or if all the directors present decline to take the chair, then the persons present and entitled to vote shall choose one of their number to be the chair for that meeting.

10.11.2 The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of members, but if the Secretary is not present at a meeting, the chair of the meeting shall appoint a person who need not be a member to act as secretary at that meeting.

**10.12 Voting at Meetings**

10.12.1 Subject to section 10.13 of this by-law, voting at a meeting of members will be by show of hands, except if a ballot is demanded by a member entitled to vote at the meeting or a proxyholder of such a member. Such a member or proxyholder may demand a ballot either before or after any vote by show of hands. A demand for a ballot may be withdrawn.

10.12.2 On a show of hands, every person present at the meeting who is a member entitled to vote at the meeting or a proxyholder of such a member will have one vote. If a ballot is taken on a question, every person who is a member entitled to vote at the meeting or a proxyholder of such a member will have, subject to the Act or the articles, one vote.

10.12.3 No member may vote, either in person or by proxy, at a meeting of members unless the member has paid all dues or fees, if any, then payable by the member.

10.12.4 If at any meeting a ballot is demanded on the election of a chair or on the question of adjournment, it will be taken immediately without adjournment. If at any meeting a ballot is demanded on any other question, including the election of directors, the vote will be taken by ballot in the manner and at the time (at once, later in the meeting or after adjournment) as the chair of the meeting directs. The result of a ballot on a question will be the decision of the members on that question.

10.12.5 Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10.12.6 Unless otherwise required by the Act or the articles, questions arising at any meeting of the members will be decided by a consensus of the members present at the meeting. A consensus will be considered to have been reached when no member objects to the question on the floor before the meeting. Should the chair of the meeting determine, after a reasonable effort to achieve consensus has been made, that a consensus will not be reached regarding a particular question, then the chair shall refer the question to be determined by a majority of the votes cast on the question, where each member has one vote. In case of an equality of votes, either on a show of hands or on a ballot, the chair of the meeting will be entitled to a second or casting vote.

10.13 **Absentee Voting**

10.13.1 Members of the Corporation not in attendance at a meeting of members and who are entitled to vote at that meeting may vote by appointing in writing a proxyholder, and one or more alternate proxyholders, who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the requirements set out in Act.

10.13.2 Subject to the Act, a proxy may be in the following form:

The undersigned member of <> hereby appoints <> of <> or failing him, <> of <> as the proxy of the undersigned to attend and act at the <> meeting of the members of the said Corporation to be held on the <> day of <>, <>, and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournment thereof.

DATED the <> day of <>, <>.

\_\_\_\_\_  
Signature of Member

Print Name of Member:

10.13.3 The board may from time to time make regulations regarding the lodging of proxies at a place other than the place at which a meeting of members is to be held and for particulars of those proxies to be provided before the meeting to the Corporation or any agent of the Corporation for the purpose of receiving those particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting, and votes given in accordance with those regulations will be valid and will be counted. The chair of any meeting of members may, subject to any such regulations, in its discretion, accept any legible form of communication as to the authority of any person claiming to vote on behalf of and to represent a member notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with the communication accepted by the chair of the meeting will be valid and will be counted.

10.13.4 Subject to the Act, a special resolution of the members (or of each applicable class or group of members, if so required by the Act) is required to make any amendment to the articles or by-laws to change the method of voting by members not in attendance at a meeting of members.

10.14 **Adjournment**

The chair of a meeting of members may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If a meeting is adjourned for less than 31 days, it is not necessary that any person be

notified of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of members is adjourned by one or more adjournments for an aggregate of more than 30 days, notice of the adjournment must be given to members entitled to vote at the meeting, the board and the public accountant in the manner referred to in section 10.8 of this by-law (subject to the provisions respecting waiver of notice of a meeting in section 10.9). If a meeting is adjourned and no notice is required, any business that may have been brought before or dealt with at the original meeting in accordance with the notice calling that meeting may be brought before or dealt with at the adjourned meeting. Any adjourned meeting will be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at that meeting. The persons constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the original meeting will be deemed to have ended immediately after its adjournment.

#### 10.15 **One Member**

If the Corporation has only one member in any class of members, the member present in person or who submits a vote in accordance with section 10.13 of this by-law constitutes a meeting of that class.

### **Article 11** **Books and Records**

#### 11.1 **Corporate Records**

In addition to any other requirements set out in the Act, the Corporation shall prepare and maintain at its registered office or at any other place in Canada designated by the board (or, subject to the Act, at a place outside Canada), records containing:

- (a) the articles and the by-laws, and amendments to them;
- (b) the minutes of meetings of members and any committee of members;
- (c) the resolutions of members and any committee of members;
- (d) a register of directors that complies with section 11.3 of this by-law;
- (e) a register of officers that complies with section 11.4 of this by-law; and
- (f) a register of members that complies with section 11.5 of this by-law,

each in accordance with the Act.

#### 11.2 **Directors' Records**

The Corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings of the board and any committee of the board as well as resolutions adopted by the board or any committee of the board. These records must be kept at the registered office of the Corporation or, subject to the Act, at any other place that the board thinks fit.

#### 11.3 **Register of Directors**

The register of directors maintained by the Corporation must contain the following information: (a) the name of each director; (b) the current residential address of each director; (c) an email address if the director has consented to receiving information or documents by electronic means; and (d) for each person named in the register, the date on which that person became a director and, if applicable, the date on which that person ceased to be a director.

**11.4 Register of Officers**

The register of officers maintained by the Corporation must contain the following information: (a) the name of each officer; (b) the current residential address of each officer; (c) an email address if the officer has consented to receiving information or documents by electronic means; and (d) for each person named in the register, the date on which that person became an officer and, if applicable, the date on which that person ceased to be an officer.

**11.5 Register of Members**

The register of members maintained by the Corporation must contain the following information: (a) the name of each member; (b) the current residential or business address of each member; (c) an email address if the member has consented to receiving information or documents by electronic means; (d) for each person named in the register, the date on which that person became a member and, if applicable, the date on which that person ceased to be a member; and (e) the class or group of membership of each member, if any.

**11.6 Form of Records**

All registers and other records required by the Act to be prepared and maintained may be in any form, provided that the records are capable of being reproduced in intelligible written form within a reasonable time.

**Article 12**  
**Notices**

**12.1 Method of Giving Notices**

12.1.1 This section 12.1 does not apply to notices of meetings of members sent to members under section 10.8 of this by-law.

12.1.2 A notice or other document required by the Act, the articles or the by-laws to be sent to a member or director may be sent by prepaid mail addressed to, or may be delivered personally to,

- (a) the member at the member's latest address as shown in the records of the Corporation; and
- (b) the director at the director's latest address as shown in the records of the Corporation or in the last notice that was sent by the Corporation in accordance with the Act and received by the Director.

12.1.3 A notice or other document sent by prepaid mail to a member in accordance with clause 12.1.2(a) or to a director in accordance with clause 12.1.2(b) is deemed to be received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the member or director did not receive the notice or document at that time or at all.

**12.2 Sending Notices by Electronic Means**

12.2.1 This section 12.2 does not apply to notices of meetings of members sent to members under section 10.8 of this by-law.

12.2.2 Subject to subsection 12.2.3, a notice, document or other information may be sent to an addressee (i) by fax, (ii) by electronic mail, or (iii) in another form of electronic document.

12.2.3 A notice, document or other information may be sent to an addressee by fax, by electronic mail or in another form of electronic document only if the addressee has consented in writing and all other requirements under the Act in respect of the creation and provision of electronic documents have been complied with. An addressee may revoke consent in writing. If an addressee revokes consent to receive notices, documents or other information in an electronic document (including by fax or electronic mail), the Corporation shall send notices, documents and other information to that addressee in the manner described in section 12.1.

### 12.3 **Waiver of Notice**

Where a notice or other document is required by the Act to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to the notice.

## **Article 13** **Enactment, Amendment and Repeal of By-Laws**

### 13.1 **Approval and Confirmation**

Unless the articles or the by-laws otherwise provide, the board may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Corporation, except in respect of matters referred to in the Act that require a special resolution of the members of the Corporation. If the board makes, amends or repeals a by-law, the board shall submit the by-law, amendment or repeal to the members at the next meeting of members, and the members may, by ordinary resolution, confirm, reject or amend that by-law, amendment or repeal.

### 13.2 **Effective Date**

Subject to this Article 13, a by-law or an amendment or repeal of a by-law is effective from the date of the resolution of the board, and if it is confirmed, or confirmed as amended, by the members of the Corporation it remains effective in the form in which it was confirmed. A by-law or an amendment or repeal of a by-law ceases to have effect if it is not submitted by the board to the members of the Corporation as required under the Act or if it is rejected by the members. If a by-law or an amendment or repeal of a by-law ceases to have effect, a subsequent resolution of the board that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the members of the Corporation.

**MADE** by the board on the \_\_\_\_ day of May, 2018.