

STANDBRED
CANADA

**MANUAL for
STANDBRED CANADA
Directors,
Officers &
Committee Members**

As at September 17, 2013

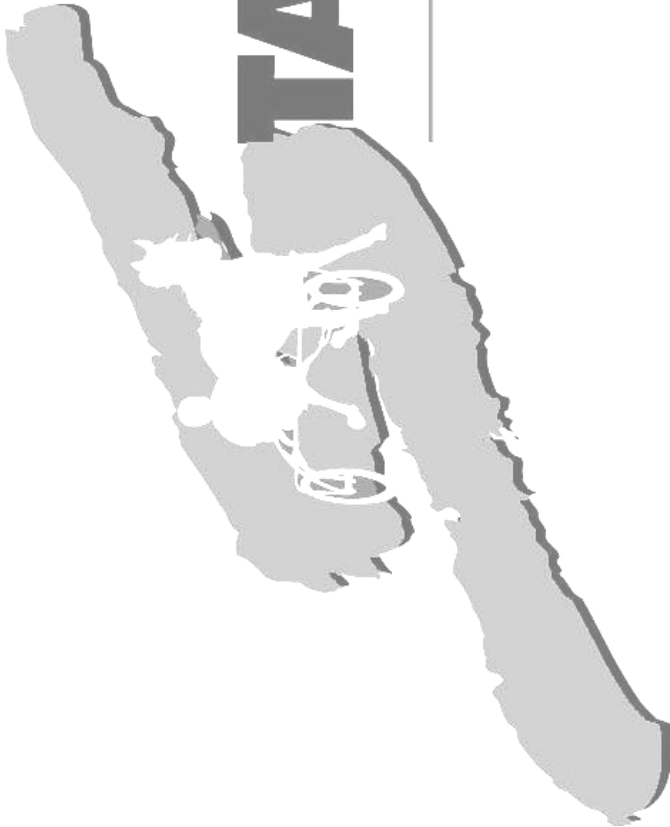


TABLE OF CONTENTS

INTRODUCTION 3

STRUCTURE

Ownership & Accountability 4

Delegated Authority 5

Organizational Chart 6

VALUES & PRACTICES

Mission, Mandate, Vision & Strategic Objectives 7

Roles & Responsibility of a Director 8

Code of Ethics 9

Confidentiality 10

Code of Conduct 11

Conflict of Interest 13

Social Media Policy 15

Suspended/Expired Directors 18

ADMINISTRATION

Travel, Meetings & Business Expenses 19

Termination of Office 22

Human Resources Policy & Procedures Manual 23

FINANCE/ACCOUNTING

Fees & Other Revenues 24

Budget 25

Financial Reporting 26

Signing Authority 27

Insurance 28

Investment 29

Audit 30

APPENDICES

A - Organizational Chart 31

B - Terms of Reference – Board of Directors 32

C - Terms of Reference – Executive Committee 33

D - Terms of Reference – Breeders Committee 34

E - Terms of Reference – Audit Committee 35

INTRODUCTION

The positions covered by this handbook include:

- All members of the Board of Directors who are elected or appointed in accordance with the By-Laws;
- All individuals who are nominated and approved by the Board as Committee members; and
- All employees who are appointed as Officers, namely President & Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

Directors and members of any Committee shall serve without remuneration, with reimbursement for reasonable expenses incurred in the performance of his/her Association duties.

Reference is made to the Association's By-Laws & Regulations for additional and specific information regarding election, appointment, and remuneration of Directors, Committee members and Officers.

STRUCTURE

Ownership & Accountability

The Association is operated by a Board of 15 Directors consisting of:

- 5 Breeder Directors
- 5 Active Directors
- 5 Racetrack Directors

The Board has the power to make, enforce, amend, rescind, repeal, or modify rules and regulations that apply to the conduct of harness racing, the breeding of Standardbred horses and the licensing of members, including the power to impose penalties and/or suspend or revoke any membership pursuant to Article 2.4 of Standardbred Canada By-Laws.

The Board will meet not less than four (4) times in any calendar year.

Standing committees as well as special committees will be established by the Board at its first meeting of the calendar year. Standing committees are as follows:

- Executive Committee
- Breeders Committee
- Audit Committee

The Executive Committee will possess and exercise all of the powers of the Board between meetings of the said Board, except as specifically limited by a resolution of the Board or the Act.

The Board is empowered to propose amendments to the membership on By-Law #1 and is empowered to make amendments to Regulation #1 and #3 when necessary.

The Breeders Committee is empowered to propose amendments to the membership to By-Law # 2 and is empowered to make amendments to Regulation #2 when necessary

The Audit Committee shall advise the Board on the integrity of

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

Reference is made to the Appendices for the Terms of Reference of the Board and Standing Committees.

STRUCTURE

Delegated Authority

The Board delegates authority for the day-to-day operation of the Association to the President & Chief Executive Officer, a staff position responsible for the administration, organization, efficiency and discipline of the various operations and services of Standardbred Canada.

The Board, through the Executive Committee, will hire, negotiate the employment contract, establish annual compensation, and monitor the performance of the President & Chief Executive Officer.

The President & Chief Executive Officer may suspend or cancel the membership of any member who is in arrears of any fees owing to the Association.

The Board will elect a Chair from the Directors at its first meeting of the calendar year. The Chair will chair all Executive Committee, Board and Member meetings and is responsible for ensuring the implementation of all Executive Committee and Board resolutions. The Chair is an ex-officio member of all other committees of the Board.

Each committee Chair will provide leadership in developing and implementing a Terms of Reference for the committee to include function, membership, board and staff liaisons, responsibilities and authorities.

The Chair of each committee will report committee activities and recommendations to the Board.

STRUCTURE

Organizational Chart

An organizational chart has been developed for Standardbred Canada showing the functional responsibility of all positions and departments and the lines of communication, accountability and authority.

The Organizational Chart is made known to staff. The President & Chief Executive Officer is responsible for keeping the Organizational Chart current, making recommendations and ensuring revisions as necessary.

Reference is made to the Association's Organizational Chart in the appendix.

VALUES & PRACTICES

Mission:

Driving Harness Racing

Mandate:

Promoting and protecting the Standardbred breed and the persons who breed, own or race Standardbred horses through:

- a) the registration and identification of Standardbred horses and the keeping of pedigrees;
- b) the maintenance, preservation and dissemination of records regarding the breeding and racing of Standardbred horses;
- c) the promotion of harness racing and Standardbred horses.

Vision:

We will be recognized by our members & stakeholders as the industry leader, guiding the Standardbred breed and harness racing to thrive & prosper.

STRATEGIC OBJECTIVES:

Organizational Advancement

We will improve our efficient service delivery under a responsible governance structure.

Government Relations

We will build bridges with all levels of government to affect change and further the development of our industry.

Industry Advancement

We will lead discussion, build consensus and drive actions that advance our industry.

Revenue Growth

Using our strengths, we will fortify our financial position through innovative projects.

VALUES & PRACTICES

ROLE & RESPONSIBILITY OF A DIRECTOR

Authority

- Directors act as leaders and stewards of the Association.

Term

- Directors are elected by the membership to the Board.
- The term of office of Directors elected to the Board shall be three (3) calendar years commencing immediately after the election and expiring on the date of the next election.
- Directors shall not be elected to serve more than three (3) consecutive three-year-terms, but shall otherwise be eligible for re-election.

Requirements

- Maintain current membership in good standing (refer to policy on Suspended/Expired Directors)
- Attend Board Meetings and the Annual Meeting of Members.
- Serve on at least one standing or special committee.
- Commit to the effective operation of the Association.
- Be informed of the services provided by Standardbred Canada.
- Access to electronic means of communication with the Association.
- Be aware and declare any conflict of interest that may affect the Association.
- Be informed of the state of the industry.
- Work in good faith with other Directors and Management in pursuit of the Association's goals.
- Respect the principles of confidentiality, sensitive financial information and personnel matters.
- Agree to and sign the Association's Conflict of Interest and Confidentiality statements.

Responsibilities

- Prepare for and participate in the discussions and the deliberations of the Board.
- Take responsibility for making decisions on issues, policies and other matters.
- Approve amendments to the By-Laws and recommend ratification by the general membership.
- Approve regulations that supplement the Association's By-Laws.
- Approve the Strategic Plan.
- Approve the annual operating budget.
- Promote Standardbred Canada membership through attendance at industry functions, networking, etc.
- Seek potential candidates for nomination in the election of Director process.
- Participate in a performance evaluation of each Board meeting as a Board and as an individual Director.

VALUES & PRACTICES

Code of Ethics

All Directors, Officers and/or Committee Members will commit to the principles of this Code of Ethics to their best ability, and comply with the provisions of the Act and the By-Laws & Regulations and exercise the powers and discharge the duties of their office honestly, in good faith and in furtherance of the objects of Standardbred Canada.

A Director, in addition to the Role & Responsibility of a Director as set out on pages 8 and 9, Officer and/or Committee Member will:

- (1) Ensure and maintain the highest levels of conduct, competence and discretion in support of the aims or objectives of the Association;
- (2) Actively take part in the Committee work of Standardbred Canada and participate during his/her term of office on any Committee(s) to which he/she has been elected or appointed;
- (3) Endeavour to be present and to participate in the Annual Meeting of Members;
- (4) Practice respect and regard for other Directors, Members of the Association, staff and business associates;
- (5) During meetings, maintain a cooperative work ethic, encourage participation and demonstrate a willingness to reach a consensus;
- (6) Treat information obtained in the course of business as confidential; and avoid, or disclose any conflict of interest which might influence personal actions or judgments;
- (7) Refrain from personal gain through improper use of the Standardbred Canada's platform and resources and, in addition, refrain from inappropriately using their position to secure special privileges, gain or benefit for themselves, their employees or the Association;
- (8) Not receive gifts in the form of cash, commissions, loans, shares in profit, securities, or their equivalent, where such offer of gifts could/may constitute bribery under the Criminal Code of Canada. Such gifts should be brought to the attention of the President & Chief Executive Officer or Chair and returned immediately to the donor;
- (9) Not knowingly violate or cause to be violated any legislated act, Regulation or By-law which relates to the management of the Association.

VALUES & PRACTICES

Confidentiality

Whereas the activities and actions of the Directors, Officers and Committee Members could reflect upon Standardbred Canada, these persons should keep in mind that their activities and actions should always be beyond reproach. To maintain a professional and credible position within the industry, it is important that Directors, Officers and Committee Members not engage in any activities that could potentially cause embarrassment, loss or legal action against the Association or membership.

Serious problems could be caused for Standardbred Canada by unauthorized disclosure of internal information about the Association. Directors, Officers and Committee Members shall ensure that confidential matters coming to their attention in their capacity as Director/Officer/Committee Member are not disclosed by them except as required by the Board or by the Chair or as required in the performance of regular Association duties.

This prohibition applies specifically (but not exclusively) to inquiries about the Association which may be made by the press and other industry organizations. All such communications on behalf of the Association must be approved by the Chair of the Board, or in the case of his/her absence, the President & Chief Executive Officer.

VALUES & PRACTICES

Code of Conduct

The Board and its committees are committed to effective decision-making and, once a decision has been made, speaking with one voice. Towards this end, Board and committee members will:

- 1) At Board/committee meetings:
 - a) Speak from board/committee member and community interests.
 - b) When voicing one's own opinion use language such as "my own thinking on this is that..." rather for than speaking for a group of members.
 - c) Express additional or alternative points of view and invite others to do so too.
 - d) Make informed decisions that are in the best interest of the Association as a whole.
 - e) On important issues, be balanced in one's effort to understand others and to make oneself understood.
- 2) Refrain from "lobbying" other board/committee members outside of meetings that might have the effect of creating factions and limiting free and open discussion.
- 3) Once made, support, indeed defend, board/committee decisions, even if one's own view is a minority one.
- 4) Not disclose or discuss differences of opinion on the board/committee outside of board/committee meetings, especially with staff, volunteers or clients. (For this reason information on who votes for and against any particular motion will not be recorded in meeting minutes unless requested by a Board/committee member).
- 5) Respect the confidentiality of information on sensitive issues, especially in personnel matters.
- 6) Refrain from speaking for the organization unless authorized to do so.
- 7) Board members must avoid conflict of interest with respect to their fiduciary responsibilities.
 - a) There must be no self-dealing or any conduct of private business or personal services between any board/committee member and SC except as procedurally controlled to assure openness, competitive opportunity and equal access to inside information.

- b) When the Board/committee is to decide upon an issue about which a Director/committee member has an unavoidable conflict of interest, that board/committee member shall absent herself or himself without comment not only from the vote but also from the deliberation.
 - c) Board/committee members must not use their positions to obtain employment for themselves, family members, or close associates.
 - d) Board/committee members will annually disclose their involvement with other organizations or associations that might produce a conflict.
 - e) Should a Board/committee member wish to be considered for employment, they must resign from the Board/committee.
- 8) Refrain from giving direction, as an individual board/committee member, to the Executive Director or any member of staff.

VALUES & PRACTICES

Conflict of Interest

Conflict of interest is defined as situations in which an individual uses information, influence or resources of Standardbred Canada primarily for personal benefit or for the benefit of related individuals, or to benefit organizations which they belong to, without prior disclosure or affiliation.

Directors, Officers and Committee Members should conduct themselves as to avoid conflict of interest between their personal interest and those of Standardbred Canada as a whole.

Where such instances arise:

- Directors and Committee Members should disclose to the Chair or Chair of the Committee, any actual, potential, or perceived conflict of interest; and
- Directors and Committee Members shall not take action, make or participate in decisions and/or exercise influence over the outcome.

Directors or Committee Members shall not seek employment as a staff member with Standardbred Canada without first resigning from the Board.

A Director or Committee Member who is a party to a material or service contract or a proposed material or service contract with Standardbred Canada shall:

- Disclose in writing to the Association or request to have entered in the minutes of meetings of the Board of Directors or applicable Committee, the nature and extent of his interest or potential conflict of interest;
- Abstain from any discussion on the contract or proposed contract;
- Abstain from voting on the contract or proposed contract;
- Refrain from serving on any Committee of the Board (Standing or Ad Hoc) where the conflict of interest may occur.

Potential Conflict of Interest:

A Director or Committee Member of Standardbred Canada shall not:

- Engage in any business or transaction or have a financial or other personal interest which is incompatible with the discharge of his/her responsibilities;
- Place himself/herself in a position to derive any direct or indirect benefit or interest from any Standardbred Canada contracts about which the individual can influence decisions;
- Demand, accept, offer, or agree to accept from a person who has dealings with Standardbred Canada, a direct or indirect commission, reward, advantage or benefit of any kind, unless such a benefit is within the bounds of propriety and not such as to bring suspicion upon the Director/Committee Member's objectivity, whether to be received by the Director/Committee Member, by a member of the

- Director/Committee Member's family, or by a third party whom the Director/Committee Member wishes to benefit;
- Benefit or cause friends or relatives or other outside parties to benefit from the use of information acquired during the course of the Director/Committee Member's official responsibilities;
 - Accord, in the performance of responsibilities, preferential treatment to relatives or friends or to other outside parties in which the Director/Committee Member or relatives or friends have an interest, financial or otherwise.

Investigation:

In any instance where real, perceived or potential Director misconduct or conflict of interest situations arise, the Chair of the Board or Chair of the Committee will discuss the matter with the Director/Committee Member to gain his/her viewpoint, provided that the Chair deems there is a need for investigation. The matter will then be referred to the Governance Committee for review and recommendation to the Executive Committee. Appropriate action will be taken after consultation and concurrence with the Executive Committee. Such procedure shall be in accordance with natural justice.

Procedure for Reviewing Misconduct or Conflict of Interest Allegations:

Upon receipt of a complaint regarding an alleged misconduct or conflict of interest, the following procedures shall be used to investigate the allegation.

- (1) The Chair will gather all information pertinent to the allegation which may include interviews, written statements, document review and legal counsel review, to determine if further investigation should be undertaken;
- (2) If, in the opinion of the Chair, no further investigation is deemed necessary, he/she shall forward his/her report directly to the Board;
- (3) If, in the opinion of the Chair, further investigation is required, the allegation, along with all information gathered, shall be referred to the Governance Committee;
- (4) The Governance Committee will review the allegations and make a recommendation to the Executive Committee;
- (5) The Executive Committee will consider the recommendation and take appropriate action in accordance with Standardbred Canada's by-laws and policies.

VALUES & PRACTICES

Social Media Policy

Directors, Officers and committee members are to obtain the approval of the Chair (or his/her designate) prior to utilizing social media or social networking sites on behalf of Standardbred Canada (SC). These persons are required to comply with SC procedures when utilizing social media tools or sites. Violation of this policy and procedures may result in disciplinary action up to and including dismissal from their services as well as criminal or civil action (as per applicable laws).

Scope

Standardbred Canada may utilize online communication tools and social media platforms to engage its members, the industry and other stakeholders. All persons representing SC are responsible for what they write or present on social media and social networking sites. The scope of this policy and related procedures apply to the following:

1. All blogs, wikis, forums, and social networks hosted or sponsored by SC.
2. Personal blogs or online platforms that contain postings about SC's services, employees, Board, Officers, committee members, partners or supporters.
3. Postings about SC's services, employees, Board, Officers, committee members, partners or supporters on external blogs or web platforms such as wikis, forums, or social networking sites such as, but not limited to, Twitter and Facebook.
4. Transmission of electronic information related to SC, communications with SC staff, Directors, committee members, other volunteers, members or stakeholders important to SC's interests.
5. Use of electronic communication tools such as smart phones, cell phones etc. used for texting or instant messaging with staff, Directors, committee members, other volunteers, members or colleagues.
6. Participation in any video related to SC's services, employees, Board, Officers, committee members, partners or supporters, whether you create a video to post or link to on your blog, you contribute content for a video, or you appear in a video created by another person, employee or by a third party.

Personal Social Networking Sites and Social Media Profiles

1. Standardbred Canada respects Directors', Officers' and committee members' rights to free speech. They are free to express themselves and their opinions as long as they do so responsibly and clearly represent themselves as individuals and not as representatives of SC.
2. All persons representing SC are responsible for what they write or present on their own personal social media sites. Every person is to understand that they can be sued by other organizations or by any individual that views their personal social media posts as defamatory, harassing, libelous, or creating a hostile work environment.
3. Online conduct can impact the reputation of SC in the community. Standardbred Canada recognizes that many of its Directors, Officers and committee members use social media such as, but not limited to, Facebook, Twitter, LinkedIn, YouTube and Pinterest. Standardbred Canada may, at any time without notice, review the public social networking sites of these persons.
4. Persons creating and using Standardbred related web sites/social media are not permitted to present themselves, their ideas, statements, opinions or perceptions as those of SC.
5. A Director/Officer/committee members' use of their personal social media could become a problem if it:
 - Interferes with the work of the individual or the association;
 - Is used to discriminate or harass others;
 - Creates a hostile work environment;
 - Divulges confidential or private information about the association;
 - Harms the goodwill and reputation of SC; or
 - Creates a potential or perceived conflict of interest

Director/Officer/committee members are encouraged to use social media within the following limits and procedures. If a volunteer is uncertain about the appropriateness of a social media posting they should check with the Chair (or his/her designate).

1. Director/Officer/committee members are free to have their own personal social network sites or profiles however they must recognize they are legally liable for anything they write or present online.

2. Director/Officer/committee members must not post any content on their personal sites/profiles which could be considered as professionally inappropriate in connection to their work with SC.
3. All association policies that regulate off-duty conduct apply to social media activity including, but not limited to, procedures related to harassment, code of conduct, discrimination, and protecting confidential and/or association information.
4. Director/Officer/committee members can be disciplined up to and including being dismissed from their services for commentary, content, or images that are slanderous, defamatory, pornographic, proprietary, harassing, libelous, contravenes policy or, that create a hostile work environment.
5. Director/Officer/committee members are not to post any comment or picture involving an employee or another Director/Officer/committee member of SC without their expressed consent.
6. All postings on social media must comply with SC's policies and procedures related to confidentiality and privacy.
7. If a Director/Officer/committee member is unsure about the confidential nature of information they are to consult with the Chair (or his/her designate).

Logos and branding

Standardbred Canada holds the right to SC logos and branding. This material is copyright and is the property of SC. Unless written approval/authorization is provided in advance, Director/Officer/committee members do not have permission to use the SC logos and branding.

VALUES & PRACTICES

Suspended Directors/Committee Members

Suspended Directors/committee members should not be able to participate in meetings or receive meeting material until in good standing but should not be replaced.

The Corporate Secretary should inform the Chair upon gaining knowledge of the suspension.

Expired Directors/Committee Members

The Corporate Secretary should inform the Chair and give notice to the Director/committee member that membership must be reinstated within 10 days.

Expired Director: If the membership is not reinstated within 10 days, the Corporate Secretary shall notify the Chair of the Board. The Chair shall advise the Board of the Director's removal.

Expired Committee member (non-Director): If the membership is not reinstated within 10 days, the Corporate Secretary shall notify the committee Chair who shall make a recommendation to the Chair of the Board for removal.

ADMINISTRATION

Travel, Meetings & Business Expenses

Standardbred Canada will reimburse Directors, Officers and/or Committee Members of the Board for reasonable expenses associated with attendance at meetings and functions to conduct Standardbred Canada business.

ELIGIBLE EXPENSES:

1. Travel

The following are allowable expenses for transportation required while performing the business of the Association:

- (a) economy air;
- (b) train, including first class (if journey exceeds two hours);
- (c) bus;
- (d) private automobile – at a per kilometer rate as approved by the Board of Directors;
- (e) taxi – and other local transportation services;
- (f) expenses associated with the use of a rented automobile, where economically applicable, for travel to and from the function when use of a private automobile is not feasible (use of a rented automobile for personal business is not an allowable expense);
- (g) parking – as required, associated with the use of an automobile;
- (h) travel expenses incurred by a spouse, for the Annual Meeting of Members only, unless otherwise approved by the Chair of the Board.

Travel expenses claimed must reflect travel via the most expeditious means, consistent with convenience and economy. If a more time consuming mode of travel is selected voluntarily by the member, the maximum entitlement under this policy is the equivalent of those reasonable expenses had airfare been selected.

2. Meals

Reimbursement for meals (excluding alcoholic beverages) is an allowable expense. Meal expenses should be reasonable. Directors, Officers and Committee Members are expected to use discretion in this regard.

Claims for meals for persons other than the member or for group meals, are expected to bear a beneficial relationship to the business of the Association. Names of all participants should be included with the expense claim.

3. Hotels

Hotel accommodation will be paid in accordance with room rates charged, for members traveling on Association business. A rate for hotels will be established by the Board of Directors and the current rate will be an acceptable current rate.

4. Tips

Tips are based on pre-tax charges and are to be included with the service to which they relate and must be noted on the original receipt.

5. Telephone Calls & Other Telecommunication

The cost of necessary telephone calls occasioned by absence from home base is an allowable expense while the member is on Association business.

6. Committee Expenses and Activities

With reference to their approved budget, Committee Chairs should economize where possible taking into consideration date, location and frequency of meetings.

INELIGIBLE EXPENSES

The following expenses are not reimbursable:

- Personal and recreational entertainment expenses (i.e.: pay TV, movies, sports events);
- Alcoholic beverages;
- Personal clothing, including rental of tuxedo;
- Laundry;
- Personal hygiene items such as toothpaste, hair spray, mouthwash, lotion etc., unless required as a result of lost or delayed luggage;
- Personal business telephone calls;
- Sports and health club fees;
- Parking violations and other expenses resulting from unlawful conduct;
- Other expenses deemed unreasonable or unnecessary in the course of carrying out the business of the Association;
- Meals, and other expenses, incurred by a spouse or companion, unless spouse or companion is requested or approved by the Board to attend specific Association business function.

EXPENSE CLAIMS

For reimbursement of travel, meeting & business expenses, the Director, Officer or Committee Member must submit Standardbred Canada's Travel Expense Report listing all expenses.

To be reimbursed for expenses, actual receipts must be provided. Credit card receipts only are not sufficient for reimbursement.

Travel expense reports should be submitted to the Chief Financial Officer within one (1) month of incurring the expenses.

ASSOCIATION PAID EXPENSES:

For company paid travel and related expenses, the member must submit a Standardbred Canada Travel Expense Report, with actual receipts, to the Chief Financial Officer within one (1) month of incurring the expenses.

APPROVAL:

Expenses will be approved as follows:

Expenses Incurred by	Approved by
Registrar.....	President & CEO or CFO
Corporate Secretary as staff member	President & CEO
Corporate Secretary as a Director	Chair or President & CEO
President & CEO	Chair or CFO
Director	Chair or President & CEO
Chair	Vice-Chair or CFO

ADMINISTRATION

Termination of Office

In accordance with Article 4.5 of the By-Laws, a Director ceases to hold office:

- (a) Upon death
- (b) Upon resigning as a Director in writing
- (c) If he/she is removed from office as provided for in Article 4.10 of the By-Laws
- (d) If the Director is absent from three (3) consecutive Board of Director meetings
- (e) If the Board decides, on a motion passed by two-thirds of the Directors present and voting, that a Director is in contravention of the Values and Practices Policy at a meeting called for that purpose.

A Director may be removed by a majority vote of members present at a special members meeting. Only members eligible to elect the said Director pursuant to Article 4.3 shall be:

- (a) counted in determining whether there is a quorum for such a meeting
- (b) entitled to vote on the removal of a Director

An Officer or Committee Member, who is a member-at-large, may be removed by a majority vote of the Board of Directors.

ADMINISTRATION

Human Resources Policy & Procedures Manual

Human resources policies and procedures for staff are administered under the authority of the President & Chief Executive Officer on behalf of the Board of Directors. A Human Resources Policy and Procedures Manual has been approved for uniform application throughout the Association.

In accordance with the employee Human Resources Policy & Procedures Manual, any action such as employee termination, discipline, fraud or theft and personal harassment will be brought to the attention of the Board by the President & Chief Executive Officer or Chair, as deemed appropriate dependant on the situation.

The President & Chief Executive Officer is responsible for the review, development and revisions, if necessary, of policies and procedures to meet the Association's goals and objectives. The President & Chief Executive Officer obtains appropriate approvals and monitors deviations from procedures in terms of policy intent.

It is the responsibility of Managers to implement these policies and procedures and ensure adherence to the Manual's directions.

It is the responsibility of all Staff to comply with the Human Resources policies of the Association.

FINANCE & ACCOUNTING

Fees & Other Revenues

All persons 75 years of age or more who have continuously been active members in good standing of this Association, for 15 years or more, shall be granted Honorary membership. Honorary members are not required to pay an annual membership fee.

The Association, as an incorporated not-for-profit organization, will provide a stable financial position for the membership of Standardbred Canada, taking into consideration the rulings by governing bodies having jurisdiction, financial responsibility and such other criteria that affect the Standardbred community.

FINANCE & ACCOUNTING

Budget

An annual budget is prepared by management and submitted to the Board for approval prior to the beginning of each fiscal year.

The President & Chief Executive Officer, Chief Financial Officer and Department Managers are given the flexibility to make the best use and to derive the greatest benefits from their allocated financial resources and have the authority to spend within approved budgets.

The President & CEO as well as Management shall adhere to the policy on Delegation of Authority and Capital & Operating Expenditures items as approved by the Board. The policy outlines the responsibilities for those individuals within Standardbred Canada who have the authority to expend or release funds and sign agreements on behalf of the Association.

FINANCE & ACCOUNTING

Financial Reporting

It is the responsibility of the Chief Financial Officer to:

- (1) Ensure that full and accurate accounts of all assets, liabilities, receipts and disbursements of the Association are kept;
- (2) Disburse the funds of the Association as directed by the Board and shall render true and accurate accounting of all transactions;
- (3) Review the Financial Statements of the Association and provide comments to the Audit Committee and the Board.

FINANCE & ACCOUNTING

Signing Authority - Cheques

Cheques are normally signed by the Chief Financial Officer and the President & Chief Executive Officer.

In circumstances when one of the Chief Financial Officer and the President & Chief Executive Officer are not available, the Corporate Secretary, the Manager of Sales & Stakes, Chair of the Board, or Vice-Chair of the Board are authorized to sign cheques as signing officers.

The Chief Financial Officer who is the first signing officer will check for proper approval and documentation and will query payments if they appear unreasonable. In the absence of the Chief Financial Officer, the President & Chief Executive Officer becomes the first signing officer and takes on this role.

Signing Authority – Contracts/Leases

The President & CEO as well as Management shall adhere to the policy on Delegation of Authority and Capital & Operating Expenditures items as approved by the Board.

All budgeted contracts or leases must be signed as follows:

Total Dollar Value	Signing Authority
Up to \$30,000.....	Department Manager responsible for service or President & CEO
Over \$30,000	President & C.E.O

Approval authority for general capital and operating expenditures within a budget approved by the Board is delegated to the President & Chief Executive Officer who may further delegate transaction approval authority to the Department Manager.

The President & Chief Executive Officer is authorized to approve an unbudgeted capital or operating item up to and including \$25,000. The aggregate total of all unbudgeted capital and operating expenditures cannot exceed \$100,000 in one fiscal year without Board approval.

FINANCE & ACCOUNTING

Insurance

Indemnity Insurance:

The Association will purchase and maintain liability insurance for the benefit of Directors, Officers and Committee Members of Standardbred Canada. The Chief Financial Officer maintains the additional details and limitations.

Accidental Death & Dismemberment Insurance:

All Directors, Officers and Committee members, while in office, are provided with Accidental Death and Dismemberment insurance as follows:

All Officers & Executive Committee Members - \$200,000

Other Directors/Committee Members - \$100,000

Out-of-Province Insurance:

Directors, Officers and Committee Members are provided with Out-of-Province health insurance coverage, subject to the insurance carrier's eligibility requirements. Spouses and dependant children are also covered in the policy. Under the current policy, individuals age 70 or over are not eligible for coverage.

For additional details and policy limitations, contact the Chief Financial Officer.

FINANCE & ACCOUNTING

Investments

All monies of the Association not immediately required for the business of the Association shall be invested as per the Investment Policy Statement that is approved by the Board.

The Investment Policy shall be regularly reviewed by the Audit Committee and recommended to the Board for approval.

All securities shall be purchased and registered in the name of Standardbred Canada at such financial institution or institutions in Ontario as the investment policy outlines.

The Board delegates authority to the Chief Financial Officer to invest surplus monies within the parameters as established by the investment policy.

FINANCE & ACCOUNTING

Audit

The Association's fiscal year shall end on the 31st day of October.

The Audit Committee will review and assess the process of appointing the external auditor and the fee.

The Board will recommend the appointment of auditors and review their fee arrangements.

An auditor will be appointed at the Annual Meeting of Members to audit the accounts of the Association for report to the members at the next annual members meeting.

The remuneration of the auditor is fixed by the Board.

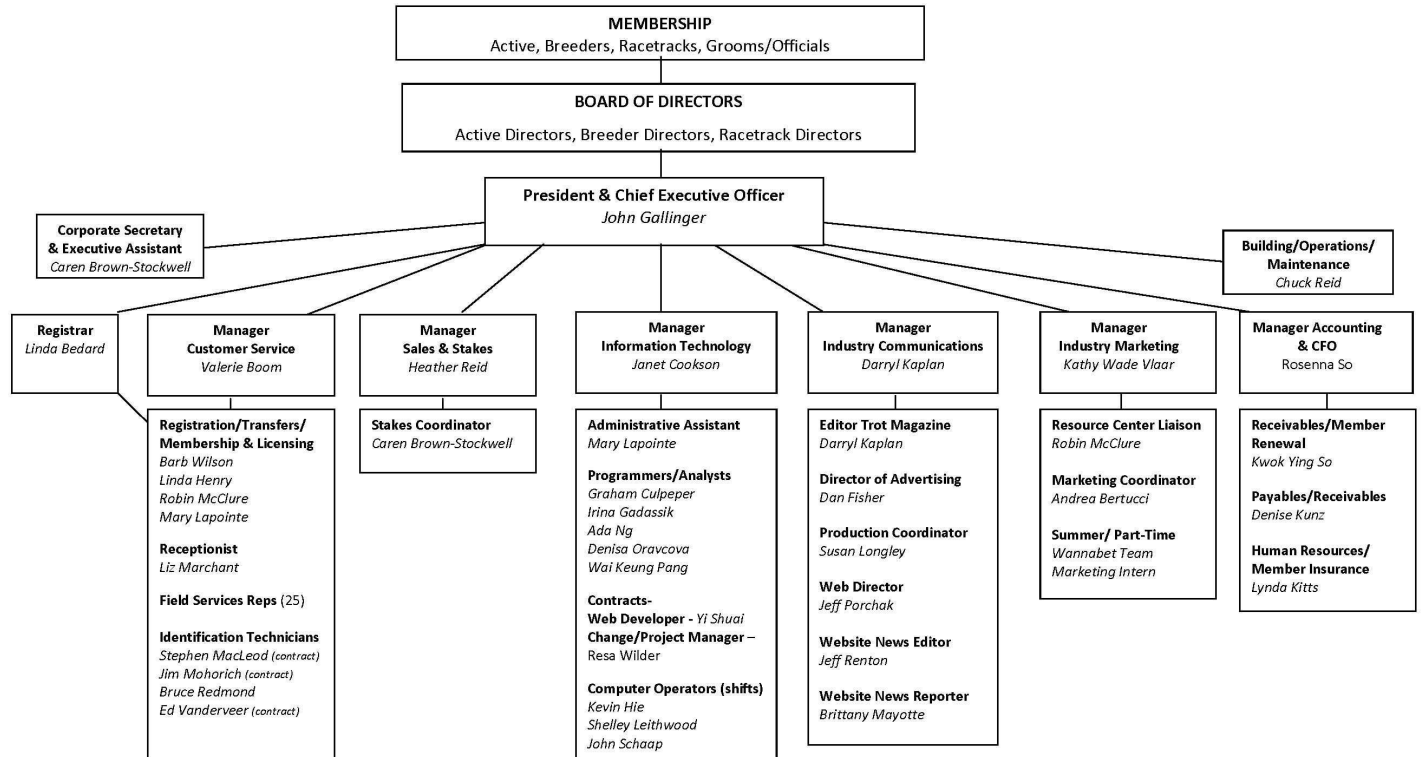
APPENDIX A

Organizational Chart



September 2013

ORGANIZATIONAL CHART



APPENDIX B

Board of Directors Terms of Reference

Function

To act as stewards of the organization. It has oversight responsibility for the development and implementation of the organization's mission, strategy and governance practices. To ensure accountability and ethical behaviour and to monitor and evaluate organizational performance.

Membership

Twenty-nine (29) directors duly elected by the membership to the Board of Directors for three (3) years as empowered by Section 4.3 of By-Law # 1.

Reports to

Membership.

Staff Liaison

President & Chief Executive Officer.

(This is the only staff position which has direct liaison with the Board members. The Board must not intrude on the prerogatives and responsibilities of management. Any day-to-day management function must not be performed, even partially, by any member of the Board of Directors)

Responsibilities & Authorities

1. Approving and monitoring the organizations:
 - Standardbred Canada's Mission, Strategic Plans and Governance practices
 - Ethical Values through The Code of Conduct policy
 - Operating Performance through the review of financial results, budget plans and management controls
2. Assessing and Evaluating:
 - Board and Committee Effectiveness
 - Chief Executive Officer (via Executive Committee)
 - Succession Plans
 - Compliance with government requirements
3. Overseeing external communications

Approved: January 2013

APPENDIX C

Executive Committee Terms of Reference

Function

The Executive Committee shall possess and exercise all of the powers of the Board between meetings of the said Board, except as specifically limited by a resolution of the Board or the Act.

Membership

The Chair of the Board; Vice Chair, Chair of Breeders Committee, 3 Directors elected from Board which will include the past Chair as one of its members for the year following the election of a new Chair.

Reports to

The Board of Directors.

Board Liaison

The Chair of the Board or in absence, the Vice Chair.

Staff Liaison

President & CEO.

Responsibilities/Activities & Authorities

1. The Executive Committee possesses and exercises all of the powers of the Board, except as specifically limited by a resolution of the Board, or the Act.
2. Selection and remuneration and annual appraisal of the President & Chief Executive Officer.
3. Determination with management on the draft budget philosophy and priorities at the beginning of the budget process.
4. Reviewing the draft budget with management prior to presentation to the Audit Committee.
5. In the case of an appeal of denial of membership, reasons for such decision must be given in writing by the Executive Committee.
6. Review alleged conduct unbecoming of a Director and make recommendations to the Board if they feel further disciplinary action is required

Approved: January 2013

APPENDIX D

Breeders Committee Terms of Reference

Function

Oversees By-Law # 2 and Regulation #2 concerning the registration and identification of the Standardbred horse in Canada.

Serves the Breeder Members of Standardbred Canada by carrying out necessary business to actively promote and protect the well being of the Standardbred breeding industry of Canada.

Liaison between Standardbred Canada and the members on issues affecting them.

Membership

The Chair of the Board and all Breeder Directors.

Reports to

Board of Directors.

Board Liaison

Chair of the Breeders Committee.

Staff Liaison

President & CEO.

Responsibilities/Activities & Authorities

1. Appoints sub-committees as necessary.
2. Reviews requests for registration that do not fulfill the normal standards of registration.
3. Reviews recommendations from Stakes, Sales and other Committees.
4. Formalizes appropriate actions or recommendations to management with regard to ad hoc committees.
5. Reviews and recommends appropriate amendments to By-Law #2 and submits proposed amendments to By-Law #2 to the Breeder Members for voting annually.
6. Reviews, recommends and approves amendments to the Regulations in support of Articles within By-Law #2.

Approved: January 2013

APPENDIX E

Audit Committee Terms of Reference

Function

To advise the Board on the effectiveness and integrity of:

1. its financial management
2. its compliance with all legal and regulatory requirements
3. the independence and performance of the external auditors

Membership

The Board shall appoint to the Audit Committee not less than five (5) members of Standardbred Canada who are independent of management. Three (3) committee members shall be 'non-Directors' and two (2) committee members shall be Board members.

The term of the non-Director committee members shall be two (2) years. The term of the committee members who are Board members shall be one (1) year.

There shall be a maximum of two (2) consecutive terms for each non-Director committee member. There shall be a maximum of four (4) consecutive terms for each Board member.

Reports to

Board of Directors.

Board Liaison

Chair of the Audit Committee.

Staff Liaison

President & Chief Executive Officer.

Responsibilities/Activities & Authorities

1. To advise the Board and management about strengths and weaknesses of financial controls and practices and compliance with all legal and regulatory requirements.
2. To review and advise the Board on the following: financial statements, current accounting policies and practices, the annual budget process and the audit process.
3. To review and assess the process of appointing the external auditor and appropriate fee.
4. To review and assess the adequacy of the Audit committee mandate annually and recommend changes to the Board for their consideration.

Approved: November 2012