

**Constitution of the
CANADIAN SOCIETY FOR THE ANDALUSIAN HORSE
(the "Corporation")**

Name

1.1 The name of the Corporation is **CANADIAN SOCIETY FOR THE ANDALUSIAN HORSE.**

Province or Territory

2.1 The province in Canada where the registered office is situated is British Columbia.

Minimum and maximum number of directors

3.1 The minimum number of directors for this Corporation is three (3) and the maximum number of directors is eight (8).

Statement of the purpose of the Corporation

4.1 The primary purposes of the Corporation are:

1. To promote the welfare of animals for the benefit of the public by:
 - a. Rescuing abandoned, abused, neglected, unwanted, and surrendered Andalusian horses; and,
 - b. Operating an Andalusian horse adoption/rehoming program.
2. To advance education by providing presentations, workshops, and webinars on the subjects of horse stewardship, ethical horse breeding practices, humane horse training methods, and the cultural and historical importance of the ancient Andalusian Horse; and,
3. To undertake activities ancillary and incidental to the attainment of the above- mentioned charitable purposes.

Restrictions on the activities that the Corporation may carry on

5.1 There are no restrictions on the activities that the Corporation may carry on.

Classes of membership

6.1 The Corporation is authorized to establish one (1) class of members. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

Statement regarding the distribution of property remaining on liquidation

7.1 Any property remaining on liquidation of the Corporation, after discharge of liabilities, shall be distributed to one or more qualified donees within the meaning of subsection 248(1) of the *Income Tax Act*.

Additional Provisions

- 8.1** The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in furtherance of its purposes.
- 8.2** Directors shall serve without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such, provided that a director may be reimbursed for reasonable expenses incurred in performing his or her duties. A director shall not be prohibited from receiving compensation for services provided to the Corporation in another capacity.

**Bylaws of the
CANADIAN SOCIETY FOR THE ANDALUSIAN HORSE
(the "Corporation")**

PART 1 – DEFINITIONS AND INTERPRETATION

Definitions

- 1.1** In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:
- "**Act**" means the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 including the Regulations made pursuant to *the Act*, and any statute or regulations that may be substituted, as amended from time to time;
- "**articles**" means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- "**board**" means the board of directors of the Corporation and "director" means a member of the board;
- "**by-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;
- "**meeting of members**" includes an annual meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members;
- "**ordinary resolution**" means a resolution passed by a majority (for example more than 50%) of the votes cast on that resolution;
- "**Regulations**" means the regulations made under *the Act*, as amended, restated or in effect from time to time; and
- "**special resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

Interpretation

- 1.1** In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified above, words and expressions defined in *the Act* have the same meanings when used in these by-laws.

Banking Arrangements

- 1.2** The banking business of the Corporation shall be transacted at such bank, trust company or other firm or Corporation carrying on a banking business in Canada as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

Execution of Documents

- 1.3** Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two (2) of its officers. In addition, the board may, from time to time, direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

Financial Year End

- 1.4** The financial year end of the Corporation shall be December 31st in each year.

Annual Financial Statements

- 1.5** The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) 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.

By-laws and Effective Date

- 1.6** Subject to the articles, the board of directors may, by resolution, make, amend or repeal any by-laws that regulate the Activities or affairs of the Corporation. Any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of *the Act* because such by-law amendments or repeals are only effective when confirmed by members.

Invalidity of any Provisions of these By-laws

- 1.7** The invalidity or unenforceability of any provision of these by-laws shall not affect the validity or enforceability of the remaining provisions of these by-laws.

Indemnification

- 1.8** The Corporation may 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.

The Corporation may not indemnify an individual 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 their conduct was lawful.

PART 2 – MEMBERS

Membership Conditions

- 2.1** There shall be one class of members in the Corporation. Membership in the Corporation shall be available only to individuals interested in furthering the Corporation's purposes and who have applied for and been accepted into membership in the Corporation. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

Pursuant to subsection 197(1) (Fundamental Change) of *the Act*, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

Membership Dues

- 2.2** The annual membership dues shall be determined by the directors at each annual general meeting of the Corporation.

Discipline of Members

- 2.3** The board shall have authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Corporation;
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the board in its sole discretion;
- (c) for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the board determines that a member should be expelled or suspended from membership in the Corporation, the president shall provide twenty (20) days notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the president in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the president, the president may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this section, the board will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the

submissions. The board's decision shall be final and binding on the member, without any further right of appeal.

Termination of Membership

2.4 A person's membership in the Corporation is terminated if

- (a) the member dies or resigns;
- (b) the member is expelled or their membership is otherwise terminated in accordance with the articles or by-laws;
- (c) the member's term of membership expires; or
- (d) the Corporation is liquidated and dissolved under *the Act*;

Effect of Termination of Membership

2.5 Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

PART 3 –MEETING OF MEMBERS

Director Must Chair

3.1 A director present must preside as chair of a general meeting.

Place of Members' Meeting

3.2 Meetings of the members may be held at any place within Canada determined by the board.

Persons Entitled to be Present at Members' Meetings

3.3 The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, the directors and the public accountant of the Corporation and such other persons who are entitled or required under any provision of *the Act*, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

Quorum at Members' Meetings

3.4 A quorum at any meeting of the members shall be a majority of the members entitled to vote at the meeting. 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.

Votes to Govern at Members' Meetings

3.5 At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by *the Act*, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.

Participation by Electronic Means at Members' Meetings

- 3.6** If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by *the Act*. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with *the Act*, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

Members' Meeting Held Entirely by Electronic Means

- 3.7** If the directors or members of the Corporation call a meeting of members pursuant to *the Act*, those directors or members, as the case may be, may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Voting while participating electronically

- 3.8** Unless the by-laws otherwise provide, any person participating in a meeting of members under subsection 159(4) or (5) of *the Act* and entitled to vote at that meeting may vote, and that vote may be held, in accordance with the regulations, if any, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

Notice of Members Meeting

- 3.9** Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting 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.

Pursuant to subsection 197(1) (Fundamental Change) of *the Act*, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

Members Calling a Members' Meeting

- 3.10** The board of directors shall call a special meeting of members in accordance with Section 167 of *the Act*, on written requisition of members carrying not less than 5% of the voting rights. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

Proxy Voting at Members' Meetings

- 3.11** Proxy voting is not permitted. Pursuant to subsection 197(1) (Fundamental Change) of *the Act*, a special resolution of the members is required to make any amendment to the by-laws of the Corporation to change this method of voting by members not in attendance at a meeting of members.

Omissions and Errors

3.12 The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

Calling Annual General Meetings

3.13 The directors of the Corporation shall call an annual meeting of members

- (a) not later than 18 months after the Corporation comes into existence; and
- (b) subsequently, not later than 15 months after holding the preceding annual meeting but no later than the prescribed period after the end of the Corporation's preceding financial year.

PART 4 – DIRECTORS

Qualifications of Directors

4.1 The following persons are disqualified from being a director of the Corporation:

- a) a person who is less than 18 years of age;
- b) a person who has been declared incapable by a court in Canada or in another country;
- c) a person who is not an individual;
- d) a person who has the status of a bankrupt;
- e) a person has never been convicted of an offence in connection with the promotion, formation or management of a Corporation or unincorporated entity, or of an offence involving fraud, unless a pardon was granted or issued, or a record suspension was ordered, under the Criminal Records Act (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect; or
- f) a person that is not a member in good standing of the Corporation.

Number of Directors

4.2 The minimum number of directors for this Corporation is three (3) and the maximum number of directors is eight (8). The board shall be comprised of the fixed number of directors as determined from time to time by the members by ordinary resolution or, if the ordinary resolution empowers the directors to determine the number, by resolution of the board.

Duties of Directors and Officers

- 4.3** Every director and officer of the Corporation in exercising their powers and discharging their duties shall
- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Director — Reasonable Diligence

- 4.4** A director is not liable under section 145 or 146 of the *Act*, and has complied with his or her duties under subsection 148(2) and (3) of *the Act*, if the director exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on
- (a) financial statements of the Corporation represented to the director by an officer of the Corporation or in a written report of the public accountant of the Corporation fairly to reflect the financial condition of the Corporation; or
 - (b) a report of a person whose profession lends credibility to a statement made by that person.

Term of Office of Directors

- 4.5** The directors shall be elected to hold office for a term expiring not later than the close of the third annual meeting of members following the election.

Removal of Directors

- 4.6** The members of the Corporation may by ordinary resolution at a special meeting remove any director or directors from office.

Reimbursement

- 4.7** A director or an officer must not be remunerated for being or acting as a director or an officer but a director or an officer must be reimbursed for all expenses necessarily and reasonably incurred by the director or the officer while engaged in the affairs of the Corporation.

PART 5 –MEETING OF DIRECTORS

Calling of Meetings of Board of Directors

- 5.1** Meetings of the board may be called by an officer of the board or any two (2) directors at any time; provided that for the first organization meeting following incorporation, such meeting may be called by any director or incorporator. If the Corporation has only one director, that director may call and constitute a meeting.

Notice of Meeting of Board of Directors

- 5.2** Notice of the time and place for the holding of a meeting of the board shall be given in the manner provided in the section on giving notice of meeting of directors of this by-law to every director of the Corporation not less than 21 days before the time when the meeting is to be held.

Votes to Govern at Meetings of the Board of Directors

- 5.3** At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

Committees of the Board of Directors

- 5.4** The board may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to *the Act*, with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors.

PART 6 – OFFICER POSITIONS

Qualifications of Officers

- 6.1** A person who is not qualified to be a director of the Corporation under section 4.1 of this bylaw is also not qualified to be an Officer of the Corporation.

Description of Offices

- 6.2** The offices of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:
- (a) President – The president shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The president shall have general supervision of the affairs of the Corporation and have the power to veto any proposed resolutions from the directors and/or members.
 - (b) Secretary – The secretary shall attend and be the secretary of all meetings of the board, members and committees of the board. The secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the secretary shall give, or cause to be given, as and when instructed, notices to members, directors, the public accountant and members of committees.
 - (c) Treasurer – The treasurer shall keep accounting records in respect of the Corporation's financial transactions, prepare the Corporation's financial

statements, and file any required reporting respective to maintaining the status of the Corporation.

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board or president requires of them. The board may from time to time and subject to *the Act*, vary, add to or limit the powers and duties of any officer.

Appointment of Officers

6.3 The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to *the Act*, delegate to such officers the power to manage the affairs of the Corporation. A director may be appointed to any office of the Corporation. An officer may, but need not be, a director unless these by-laws otherwise provide. Two or more offices may be held by the same person.

Officer — Reasonable Diligence

6.4 An officer has complied with his or her duties under subsection 148(1) and (2) of *the Act* if the officer exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on a report of a person whose profession lends credibility to a statement made by that person.

Vacancy in Office

6.5 The board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

- (a) the officer's successor being appointed,
- (b) the officer's resignation,
- (c) such officer ceasing to be a director (if a necessary qualification of appointment),
or
- (d) such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

Term of Office of Executive

6.6 The executive shall be elected to hold office for a term expiring not later than the close of the third annual meeting of members following the election.

PART 7 – ELECTION OF DIRECTORS

Election of Directors

7.1 Members shall, by ordinary resolution at every third annual meeting at which an election of directors is required, elect directors to hold office for a term expiring within the prescribed period.

An election may be by acclamation; otherwise, it must be by majority vote of the members to declare the candidate elected to office.

Election or Appointment as Director

7.2 An individual who is elected or appointed to hold office as a director is not a director, and is deemed not to have been elected or appointed to hold office as a director, unless

- (a) the individual was present at the meeting when the election or appointment took place and did not refuse to hold office as a director; or
- (b) the individual was not present at the meeting when the election or appointment took place and
 - (i) consented to hold office as a director in writing before the election or appointment or within the prescribed period, or
 - (ii) has acted as a director after the election or appointment.

PART 8 – GENERAL

Mediation and Arbitration

8.1 Disputes or controversies among members, directors, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this by-law.

Dispute Resolution Mechanism

8.2 In the event that a dispute or controversy among members, directors, officers, committee members or volunteers of the Corporation arising out of or related to the articles or by-laws, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of the members, directors, officers, committee members, employees or volunteers of the Corporation as set out in the articles, by-laws or *the Act*, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

1. The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the board of the Corporation) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties. The number of mediators may be reduced from three to one or two upon agreement of the parties.
2. If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the provincial or territorial legislation governing domestic arbitrations in force in the province or territory where the registered office of the

Corporation is situated or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.