

# BYLAWS OF THE KWPN OF NORTH AMERICA

## **Article I – Title, Purpose, Location and Corporate Seal**

### Section 1 - Title -

The name of the Corporation shall be The Dutch Warmblood Studbook in North America, Inc. through and including December 31, 2005, at which time the name of the Corporation shall become “KWPN of North America, Inc.” (the “Organization.”) The Organization shall at all times be operated and conducted as a non-profit organization in accordance with the laws of the State of Nevada under Internal Revenue Code Section 501(c) (5).

### Section 2 - Purpose -

The purpose of the Organization shall be to promote KWPN Dutch Warmblood horses; to provide registration and related services, inspections and evaluations of breeding stock (keuringen); to maintain a Studbook and registry; to stimulate and regulate any and all other matters such as may pertain to the registrations and breeding regulations of this breed in North America; and to operate under a License Agreement between the KWPN and the Organization.

### Section 3 - Location -

The principal place of business of the Organization shall be at the address determined by the Board of Directors, but its members and directors may reside anywhere, and business may be carried on at any place convenient to such members and directors as may be participating.

### Section 4 Corporate Seal -

The seal of the Organization shall be in the charge of the Secretary of the Organization and shall be in the form impressed hereon immediately below:

## **Article II – Membership**

### Section 1 - Categories -

the membership of the Organization shall include but not be limited to Full, Associate, Youth and Lifetime membership categories as defined in this article.

#### Full Members -

Shall consist of either natural persons or entities (such as individuals, families, fiduciaries, proprietorships, partnerships, unincorporated associations, corporations, limited liability companies, limited liability partnerships, etc). An entity must designate one individual to exercise its voting right.

Shall receive the Organization’s publications without cost and may attend Annual Meetings.

Is eligible to hold office, serve on the Board of Directors or Members’

Committee, serve on committees, and to vote.

May participate in breeding as stallion or mare owners, register foals and participate in keuringen.

Will qualify for awards given to horses competing in sport or in-hand.

#### (b) Associate Members -

Shall consist of either natural persons or entities as mentioned above. An Associate Member shall receive the Organization’s publications without cost, may attend Annual Meetings, will qualify for awards given to horses competing in sport or in-hand, but may not participate in voting and is not eligible to register a foal, transfer ownership or participate in a keuring.

#### (c) Youth Members -

Shall bear all of the same conditions and privileges as the Full member, but shall not have reached their 21st birthday by December 1 of the membership year.

#### (d) Lifetime Members -

Upon payment of ten times the annual dues as prescribed for Full members, shall become a Lifetime member and bear all of the same conditions and privileges as a Full member.

### Section 2 - Application Procedures -

Application for membership in the Organization shall be made in the form prescribed by the Board of Directors and accompanied by the payment of the proper amount of dues for the category requested. Applications for membership may be subject to review by the Members’ Committee, which shall then determine the eligibility of the applicant for the membership category requested.

Section 3 - Termination of Membership - Membership and all privileges in the Organization shall be terminated for either the failure to meet obligations as prescribed in Article III of these Bylaws or cessation of eligibility for membership in accordance with the eligibility requirements set forth in this, Article II, or for cause, on the grounds and in accordance with the procedure specified in Article VIII.

### Section 4 -

Members of the Organization shall be admitted, retained and expelled in accordance with such rules and regulations as the Board of Directors may, from time to time, adopt.

### Section 5 -

The regular Annual Meeting of the members shall be held at such time and place as

may be fixed by resolution of the Board of Directors for the purpose of education, camaraderie, and the transaction of business as may be brought before the meeting by the Board of Directors.

Prior notice to members of any annual, regular or special meeting of members will be published in a timely manner prior to the date the Annual Meeting shall be held. Notice shall be deemed to be delivered when such notice shall be deposited in the United States mail addressed to the member at his address as it appears on the records of the Organization, with postage prepaid.

### Section 6 -

The Secretary of the Board of Directors of the Organization shall act as Secretary of all meetings of the members but in his absence the Directors may appoint any person to act as Secretary of the meeting.

### Section 7 -

The dues amount for each member or classification of members established by the Board shall be set by a majority vote of the Board of Directors.

### Section 8 -

A Member is ‘in good standing’ by fulfilling all financial, reporting and stallion activation obligations to the Organization. Membership and all its privileges are suspended by loss of ‘good standing’ status. Failure to pay fees, dues or other debts or failure to make required reports to the Organization are examples of failure to fulfill obligations. Members who have been suspended from subscription for nonpayment of dues may be reinstated by paying dues for the current fiscal year. Members who have been suspended for failure to make reports required by the Organization may only be reinstated upon application to the Board and confirmation by the Board that the failure to report did not result in any horse not qualifying for activation or registration. Restoration of privileges and services may be delayed for thirty (30) days after payment or submission of the required report.

### Section 9 -

Memberships to the Organization are non-transferable.

### Section 10 -

The Board reserves the right to refuse, terminate or reinstate a membership for good cause.

### Section 11 -

Members shall only be entitled to vote on business of the Organization brought before the Annual Meeting by the Board

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of Directors and only those present in person may vote, there being no proxy voting allowed.

## **Article III – Dues, Fees and Obligations**

### **Section 1 - Amounts**

Services and dues for each category of member will be set by majority vote of the Board of Directors.

All dues/ fees are payable in advance of service.

Dues for lifetime members are set at ten (10) times the rate for Full members, payable once,

### **Section 2 - Administration -**

Rules, definitions and procedures.

Dues are payable on or before January 1<sup>st</sup> of each year and become delinquent if not paid by March 1<sup>st</sup>.

A member is considered in 'good standing' by fulfilling at all times all financial and reporting obligations to the Organization and following its rules. Membership and all of its privileges are suspended by loss of "good standing" status.

Thirty days notice/grace period will be given delinquent members before suspension is enforced. Similarly, thirty days must pass after payment of an overdue amount before privileges and services can be restored since time is needed to process payment.

Members who have been suspended from membership for nonpayment of dues may be reinstated by paying dues for the current fiscal year. However, in order to vote, dues must be paid no later than thirty days before the date set for vote by the Board of Directors. New members must be in good standing for at least thirty days before they can vote.

## **Article IV – Board of Directors**

**Section 1 - Composition –** There shall be a Board of Directors of the Organization. It shall consist of no less than five and no more than seven, members nominated by the Members' Committee and approved by the Board. The Officers of the Board shall be members of the Board, shall be elected yearly by the Board and shall consist of Chairperson, Vice Chairperson, Secretary and Treasurer.

### **Section 2 - Eligibility -**

In order to be eligible to serve on the Board of Directors, a person must be an Full or Lifetime member of the Organization for the past three consecutive years prior to their nomination for office,

must be a member in good standing, and must be over the age of 21. Other eligibility criteria may be determined from time to time by the Members' Committee.

### **Section 3 - Appointment to the Board -**

Potential Board members shall be nominated for Board seats by the Members' Committee based on criteria decided by the Members' Committee. Nominations must be received by the Board by November 15<sup>th</sup> of the year preceding the beginning of the potential Board member's term. The Board shall receive a nomination from the Members' Committee, and either approve or disapprove the nomination by majority vote of the Board, by December 15<sup>th</sup> of the year preceding the beginning of the potential Board member's term. If the Members' Committee and the Board of Directors cannot agree on replacement Board members, thereby causing a Board comprised of less than five members, the Board shall appoint sufficient members to bring the total number to five. These Board appointed Board members shall serve only until the next nomination and approval cycle.

### **Section 4 - Terms of Office -**

Beginning in 2006, terms of office for members of the Board of Directors shall be for four (4) years, without a limit as to the number of terms served. Terms of office shall be staggered with elections occurring every 2 years.

For the term beginning January 1, 2006, no less than two, and no more than three Board members shall serve for a term of two years in addition to the one current term that is will expire on December 31, 2007, so that every two years approximately half of the members of the Board are nominated and approved for Board service. Newly elected Officers shall assume their duties at the Board meeting of their election after the reading of the minutes of the prior Board meeting. If a Director resigns or can no longer perform his/her function, the Members' Committee shall nominate a successor, subject to Board approval, to serve until the next time a regular nomination by the Members' Committee is held for the unexpired term of the Board position being filled.

### **Section 5 - Dismissal -**

Directors may be removed from office by a majority vote of the Board for malfeasance, or for not attending at least 50% of the validly called meetings in one year.

## **Section 6 - Meetings -**

(a) Regular Meetings – The Board shall manage its meeting schedule by vote of its members and as called by either the Chairperson or the Secretary, except that the Board shall meet at least once every six months, with one meeting held during the time of the Organization's Annual Meeting. Meetings may take place in person or by telephone, and may be called by either the Chairperson or Secretary upon at least seven days' written notice (by mail, e-mail or fax transmission) to each member of the Board. A valid Board meeting shall require a quorum. A quorum is defined to be at least 50% of the Board's members in attendance at the beginning of the meeting. Board meetings shall be directed by the Chairperson (or in the absence of the Chairperson, the Vice Chairperson) in accordance with Robert's Rules of Order. The Board shall also hold a semi-annual meeting between Annual Meetings at a time and place convenient to the Board members.

(b) Special Meetings – Upon no less than seven days notice to each director either in person, by mail, e-mail or wire, the Chairperson can convene a special meeting at such time and place as he/she may deem appropriate. Furthermore, he/she will convene in similar manner a meeting upon the written request of not less than three members of the Board.

(c) Action Without Meeting - Unless otherwise restricted by these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or such committee.

## **Section 7 - Duties -**

The Board of Directors shall:

Transact the general business of the Organization.

Have and may exercise all powers and authority in the management of the business and affairs of the Organization in such manner as the Board may deem best for the interests of the Organization.

Establish major administrative policies governing the affairs of the Organization and devise and develop policies for the

Organization's growth and development.

Provide for the maintenance of a national office and for making such office the center of activities of the Organization, including work of the officers and committees that is deemed expedient.

Provide for the proper care of materials, equipment and funds of the Organization, for the payment of legitimate expenses and for the annual auditing of all account books by a certified public accountant.

At its discretion appoint an Office Manager or other employed officers and define the duties and fix the compensation for these positions.

Appoint standing committees as provided in these regulations. Board committees shall be organized, and committee members selected from among the Board members, at the discretion of the Board and by vote of the Board on a yearly basis.

Appoint special committees as may be needed.

Determine the date and place for holding the Annual Meeting.

Record referendum votes of the Board and general membership.

Upon expiration of their term, promptly surrender all Organization property in their possession.

#### Section 8 - Officers, Titles -

The officers of the Board shall be Chairperson, Vice Chairperson, Secretary and Treasurer.

#### Section 9 - Succession Order -

In the event of absence or incapacity of the Chairperson, the Vice Chairperson shall assume chair duties. If permanent, he/she will serve until a successor is elected by the Board at the next yearly election of Board Officers. The further order of assumption of the Chairperson's duties is Vice Chairperson, Secretary and then Treasurer. However, a quorum must be present at meetings to conduct business, the first order of which will be to confirm duty realignment by majority vote.

#### Section 10 - Duties of Officers -

The officers of the Organization shall perform the duties usually performed by such officers, together with such duties as hereinafter described.

#### Specific Provisions -

##### (a) The Chairperson shall:

Preside at all Board meetings according to Robert's Rules of Order.

Present to the Board prior to Board meetings an agenda.

Execute contracts on behalf of the Board of Directors upon proper authorization from the Board.

Perform other duties prescribed by the Board of Directors.

##### (b) The Vice Chairperson shall:

When the Chairperson is absent, unable to act, or refuses to act, the Vice Chairperson shall perform the duties of the Chairperson.

Perform other duties prescribed by the Board of Directors.

##### (c) The Secretary shall:

Record the minutes of all meetings of the Board of Directors.

Preserve all papers, letters and transactions of the Organization and have charge of the Corporate Seal.

Perform other duties prescribed by the Board of Directors.

##### (d) The Treasurer shall:

Periodically report to the Board of Directors at its meetings and to the general membership at its Annual Meeting the financial condition of the Organization, to include the annual financial statement. The annual financial statement is to include a balance sheet and a statement of income.

Present to the Board of Directors a budget of the proposed and anticipated income and expenses for the forthcoming year.

Advise the Board of Directors on the financial impact of their actions.

Perform other duties prescribed by the Board of Directors.

#### Section 11 - Compensation of Directors -

The Board of Directors may from time to time, in its discretion, fix the amounts which shall be payable to directors and to members of any committee of the Board of Directors for attendance at the meetings of the Board of Directors or of such committee and for services rendered to the Organization.

### Article V – Members' Committee

#### Section 1 - Membership -

Only Full or Lifetime members may serve on the Members' Committee.

#### Section 2 - Composition and Election.

The Members' Committee shall be comprised of five members. There will be one from Canada and four from the United States. Nominees for the Committee will be voted on by the membership.

Terms of service shall be four years, without a limit as to the number of terms served. Terms of office shall be staggered,

with new members joining the Committee at two year intervals on even years. However, the term beginning January 1, 2006, two members shall serve for a term of two years, and three members shall serve for a term of four years, based on votes received during the initial election held in October, 2005 (of the five new Committee members, those two with the fewest votes shall serve initial two year terms.) If a Committee member resigns, or can no longer perform his or her duties as a committee member, such that the Committee is comprised of fewer than five members, the Board shall appoint a successor to complete the term of the departed Committee member. The Board shall prepare ballots for election of members nominated to the Members' Committee, conduct the elections, and verify the results based on the tabulation of the vote conducted by an independent agent.

#### Section 3 - Duties and role of the Members' Committee -

To act as the nomination committee for the positions on the Board of Directors. To seek, to accept members' nominations and to interview prospective Board members.

To make appropriate recommendations to the Board for taking corporate action.

To represent the wishes of the membership and to communicate this with the Board.

To assist the Board in special committee work.

To assist in the coordination and organization of annual keuringen and meetings.

To identify marketing and advertising needs across the membership base.

To identify education needs and topics for the membership.

To assist in the awards program and identify shows across the U.S. and Canada that should be recognized in the awards program.

To act as a liaison between the membership and the Board.

To assist and act upon member grievances and suggestions.

To appoint a Chairperson and Secretary from among its members.

#### Section 4 - Meeting Schedule and Agenda -

The Committee shall manage its meeting schedule by vote of its members and as called by either its Chairman or Secretary, except that the Committee shall hold at least one meeting each year during the time of the Organization's Annual Meeting, and during years requiring nom-

inations for seats to the Organization's Board of Directors, at least once during the months of September, October and November. Meetings may take place in person or by telephone and may be called by either the Chairman or the Secretary upon at least seven days' written notice (by mail, e-mail or fax transmission) to each member of the Committee. A valid Committee meeting shall require a quorum. A quorum is defined to be at least 50% of the Committee's members in attendance at the beginning of the meeting. Members' Committee meetings shall be directed by the Chairman (or in the absence of the Chairman, the Secretary) in accordance with Robert's Rules of Order. Committees shall be organized, and the committee members selected from among Committee members, at the discretion of the Committee and by vote of the Committee on a yearly basis.

## **Article VI – Membership Meetings and Elections**

**Section 1 - Parliamentary Authority -**  
The rules contained in Robert's Rules of Order shall govern meetings of this Organization in all cases to which they are applicable and in which they are not inconsistent with these regulations.

**Section 2 - Time and Place -**  
An Annual Meeting of the membership shall be held. The exact time and place shall be designated by the Board and be announced and published.

**Section 3 - Nominations -**  
Nominations for Board positions shall be made to the Members' Committee. Any Full member of the Organization may nominate no more than one person for each open Board position. After first confirming that each such nominee is willing to serve if selected and approved by the Board, the nomination shall be decided upon by the Members' Committee, and any nomination approved by the Members' Committee shall be forwarded to the Board of Directors for its approval.

Nominations for Members' Committee positions shall be submitted to the central office at least 90 days prior to the election date for Members' Committee elections set by the Board of Directors.

**Section 4 - Exclusions -**  
A member may not serve on both the Board of Directors and the Members' Committee simultaneously. Members of the Board and the Members' Committee may not serve simultaneously on an inspection jury in North America.

**Section 5 - Voting -**  
Tabulation of votes for Members' Committee positions, or for membership voting on Amendments or changes to the Bylaws as provided in Article X, shall be carried out using preferential voting according to Robert's Rules of Order.

**Section 6 - Time -**  
The ballots for voting on the election of nominations for the Members' Committee shall be mailed to the members and post marked no later than September 1. In order to be counted, ballots must be returned and post marked no later than October 1. The results of the election shall be announced within two weeks post election date. Candidates shall be notified of the results when tabulation is complete.

**Section 7 - Quorum -**  
A quorum is constituted by:

(a) Membership meetings – A majority of the Board, including the Chairperson or Vice Chairperson, and at least twenty of the eligible voting members of the Organization, must be present. Proxies will not be permitted.

(b) Board of Directors – At least 50% of the Board, including the Chairperson or Vice Chairperson.

(c) Members' Committee – At least 50% of the members including the Chairperson or Secretary.

## **Article VII - Administrative Regulations**

**Section 1 - Fiscal year -**  
The fiscal year of the Organization shall be from January 1 through to December 31.

**Section 2 - Dissolution Clause -**  
if due to unforeseen circumstances it becomes necessary for the Organization to dissolve itself, the Board, with the prior approval of the Members' Committee, will organize the procedure so that all assets of the Organization will be contributed to properly constituted tax exempt equine organizations.

**Section 3 - Certification/Forms Management -**  
All Organization business is conducted by Board approved and Organization prescribed forms. The Organization will provide supplies upon request from a member. Except for blank registration certificates, they may be duplicated by members to fill an urgent need.

## **Article VIII – Discipline Procedures**

**Section 1 - Prohibited Conduct -**  
If the Organization finds that any person has failed to comply with any of these Bylaws, or has been guilty of misconduct or misrepresentation which in any manner

involved the purpose or good name of the Organization, such person may be expelled or suspended from membership, and may be denied the privileges of the Organization and subjected to such other penalties as may be written within its powers to impose.

**Section 2 - Procedures -**  
Any party in interest may file with the Secretary of the Organization, or upon a majority vote of the membership, the Organization may, upon information and belief, file with the Secretary, a plain and concise statement specifying the alleged acts of misconduct or misrepresentation of a member. The Secretary shall refer copies of said statement, together with any other pertinent information to the Board of Directors. If a majority of the Board concludes that the charge, if true, involves the purpose and integrity of the Organization, the Board shall refer the complaint to the Members' Committee to investigate the charges. The Members' Committee shall report its findings and recommend action, if any, to the Board of Directors for resolution.

## **Article IX Indemnification.**

The Organization shall indemnify a director, officer, committee member, employee or agent of the Organization who was, is, or may be named as a defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Organization. However, the Organization shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the best interests of the Organization. The Organization shall not indemnify a person who is found liable to the Organization, or is found liable to another on the basis of improper conduct.

## **Article X Amendments or Changes to the Bylaws.**

The Bylaws may be altered, amended, or repealed, or new Bylaws may be adopted, only by the approval of the Board of Directors; and the approval of the Members' Committee; and the approval of a majority of Full and Lifetime members voting at an Annual Meeting. The notice of any meeting of the Board of Directors, the Members' Committee or Annual Meeting at which the Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted, shall include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended or repealed.