

NATIONAL REINING HORSE ASSOCIATION BYLAWS

ARTICLE I. TITLE, OBJECTIVES, LOCATION, DEFINITIONS

Section 1. Title. This organization is incorporated under the laws of the State of Oklahoma and shall be known as the National Reining Horse Association, and shall at all times be operated as a not for profit association in accordance with the laws of the State of Oklahoma and the United States of America.

Section 2. Objectives. To promote and encourage development of and public interest in agriculture and ranching through the promotion of public reining horse shows; the development of suitable and proper standards of performance and judging intended to govern all reining horse contests sponsored and approved by the National Reining Horse Association; to encourage the development and breeding of better Reining Horses; and to develop and disseminate informational material deemed desirable to provide contestants and spectators a better understanding of a proper performance of the reining horse in the show arena.

Section 3. Place of Business. The principal office of the Association shall be Oklahoma City, Oklahoma or as the Board of Directors shall designate.

Section 4. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Association, dispose of all the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, as the Board of Trustees shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County exclusively for such purpose or to such organization or organizations of said court determine, which are organized or operated exclusively for such purposes.

Section 5. The following definitions are applied to the use of any title or term herein listed when used throughout the NRHA Bylaws, any NRHA Rules and Regulations, and any Policy or Procedure adopted and published as official by NRHA.

- 1) **Association** – A general reference to NRHA.
- 2) **Board of Directors** – That governing body comprised of all Officers and Directors. Also may be generally referred to as “the Board” or “Board.”
- 3) **Committee Chairs** – Appointed by the President to serve as the presiding member of the respective committee.

- 4) Committee Members** – Selected by the Committee Chair to serve as a voting participant to the respective committee.
- 5) Director** – General Reference to a Director-At-Large and Regional/NAA Director.
- 6) Directors-At-Large** – Those six (6) members elected by the entire membership to two-year terms of service. A Director-At-Large is an Officer of the association and a member of the Executive Committee and Board of Directors.
- 7) Elections Administrator** – Independent company and/or NRHA staff member selected by the Executive Committee to administer annual elections.
- 8) Executive Committee** – President, Vice President and six Directors-At-Large.
- 9) Executive Director** – Individual employed by NRHA to manage the day-to-day activities and ongoing functions of NRHA as described in these Bylaws.
- 10) Ex-Officio Member** – An individual who, by virtue of his/her office or position, has been appointed to be a member of a committee or board.
- 11) Member(s)** – A general reference to those individuals and legal entities that have paid a membership fee to the Association and are further defined in these bylaws, rules and regulations. Unless otherwise described, wherever “member(s)” is found in the bylaws, rules and regulations, it is understood to mean NRHA member or all NRHA members.
- 12) NRHA** – Abbreviation for the National Reining Horse Association.
- 13) Officer** – The President, Vice President, and six Directors-At-Large are officers of the Association.
- 14) President** – Elected initially to the office of Vice President by the membership to serve a two-year term, he/she then progresses to the office of President to serve an additional two-year term.
- 15) Regional Director/NAA Director** -Those members elected to a two-year term by their respective Affiliate Region or NAA country.
- 16) RHSF** – Abbreviation for the Reining Horse Sports Foundation.
- 17) Vice President** – Elected by members for a two-year term after which he/she progresses to the position of President for a two-year term.

ARTICLE II. MEMBERSHIP

Section 1. Membership is open to any individual of good character and reputation that has an interest in reining horses and the promotion of the reining horse. However, membership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee.

Section 2. Members shall be admitted and retained in accor-

dance with the rules and regulations of the National Reining Horse Association.

Section 3. Each member of the Association shall pay annual membership dues to the NRHA. Said dues are due and payable at the commencement of each calendar year. The calendar year of this Association shall be January 1, through December 31 of each year. A youth membership is also available. All membership dues and charges for the *NRHA Reiner* shall be set by the Board of Directors.

Section 4. Life Membership in the National Reining Horse Association is considered an individual membership and is also available. Dues for a life membership shall be set by the Board of Directors.

Section 5. All money paid to NRHA will be required to be in U.S. Funds.

Section 6. No exhibitor or owner may be required to be a member of any organization other than the National Reining Horse Association in order to compete in an NRHA approved reining event or class, with the exception that dual memberships may be required for NRHA/National Equestrian Federation or Federation Equestre Internationale dual approved events, breed association affiliates/alliances dual approved events and memberships in one's own local affiliate for participation in the regional/country NRHA Affiliate Championship circuit series. Although highly encouraged, membership in one's National Association Affiliate shall be strictly voluntary. Non-competitors desiring membership in the NRHA may apply directly to the NRHA Office.

Section 7. A voting Member is a Member who is nineteen (19) years of age or older as of January 1 of the calendar year, and who is a member in good standing prior to receiving notice of a general membership meeting at which association business will take place.

Section 8. Voting by the Membership.

- a) The membership of this Association shall annually and/or biannually elect the officers and directors under the procedures called for within these Bylaws and the *NRHA Handbook*. A majority of the ballots cast shall determine the outcome of officer and director elections. In the case of a tie vote, the Board of Directors shall vote to break the tie.
- b) The members of this Association may vote on such additional issues that appear on the election ballot as follows:
 - i. Bylaw amendments under the procedures governed by Article XII.
 - ii. Other Association issues as determined by the Board of Directors that may be placed on the ballot for the vote of the general membership.
- c) The casting of ballots by members shall be by electronic internet vote established with a commercial internet vot-

ing service selected by the Board of Directors. For members who do not have computer access or elect not to use the electronic internet voting alternative, the Association shall, upon request, provide that member with a mail-in paper ballot.

d) Procedures for the electronic internet vote and the mail-in paper ballot shall be established by the Nominating Committee with approval by the Board of Directors.

e) There shall be no official paper election ballots accepted at the annual General Membership Meeting. All voting by mail-in paper ballots shall be sent directly to an elections administrator appointed by the Executive Committee of the Association.

f) The results of the internet voting shall be combined with the tally of the mail-in ballots and announced by the elections administrator within one (1) week after the cut-off date/time for voting.

ARTICLE III. MEMBERSHIP MEETING

Section 1. The Annual General Membership Meeting of the Association shall be held on a date and at a time and place designated by the Board of Directors. Notice of the annual meeting shall be published in the *NRHA Reiner* magazine and on the Association's website at least 6 months prior to the date of the meeting. A detailed agenda shall be published in the *NRHA Reiner* magazine and on the Association's website at least sixty (60) days prior to the date of the meeting. Members desiring to place items on the agenda or resolutions to be considered at the meeting shall submit same in writing to the Association's office at least 120 days prior to the annual scheduled meeting.

Section 2. Special meeting of the membership may be called by the Board of Directors to be held at a time and place designated by the Board of Directors. Notice for special meetings will be given in the official publication of the Association or through special mailing to each member at least thirty (30) days prior to the meeting. Business transacted at all special meetings shall be confined to the objects stated in the call and notice of the meeting and matters germane thereto.

Section 3. At any meeting of the Association, whether it is a general membership meeting or a special meeting, the members present shall constitute a quorum regardless of the number actually present.

ARTICLE IV. OFFICERS AND EXECUTIVE COMMITTEE

Section 1. The officers of the Association shall be a President, a Vice President, and six (6) Directors-At-Large. These officers shall comprise the Executive Committee of the Association. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors at the Board's sole discretion.

ARTICLE V. ELECTION OF OFFICERS

Section 1. The election of officers (generally referred to as the annual election) shall be held each year during a 30 day period of time designated by the Board of Directors at their first meeting of the year. The term of all newly elected officers of the Association shall commence on January 1 following the elections.

a) So as to have continuity in the officers of the Association, three Directors-At-Large will be elected annually. Every other year a Vice-President shall be elected and the existing Vice President will advance to the President's Chair.

b) The President and Vice President shall serve two-year terms, respectively.

c) A Director-At-Large shall serve a two (2) year term and shall be eligible for nomination and re-election by the general membership at the end of that term.

Section 2. Nominations of candidates for the offices open for election shall be submitted by the Nominating Committee to the Board of Directors no less than one hundred twenty (120) days prior to the start of the annual election. All candidates for officer positions must have a minimum of 1 year previous experience on the NRHA Board of Directors prior to taking office.

Section 3. At the written request of ten (10) members of the Association, a candidate other than those submitted by the above mentioned committee may be placed into nomination and it shall be immediately given to the membership, provided said written requests for nomination is placed in the hands of the NRHA office, not less than ninety (90) days before the annual election.

Section 4. Each member of the Association, in good standing at the time of the election shall be entitled to one (1) vote. Absentee ballots bearing the signature of the member in good standing will be accepted provided they are received by the Elections Administrator not less than fifteen (15) days prior to the designated general membership meeting. There will be no proxy voting accepted by the Association.

Section 5. All voting for officers shall be by mail-in absentee ballot or by electronic internet voting and the results shall be counted and reported by an Elections Administrator appointed by the Executive Committee. The term of all newly elected officers of the Association shall commence on January 1 following the elections.

Section 6. In the event of a tie in the election of officers, the Board of Directors will vote to break the tie.

ARTICLE VI. DUTIES OF OFFICERS AND EXECUTIVE COMMITTEE

Section 1. Executive Committee. The President, Vice President and the six elected Directors-At-Large are the officers of the Association and shall comprise the Executive Committee.

a) The Executive Committee shall be charged with the daily operational responsibilities of the Association as delegated by the Board of Directors and these bylaws, specifically limited to those decisions necessary, on a daily basis or requiring immediate attention, for continuity as established by the Bylaws, Rules and Regulations, Active Resolutions adopted by the Board of Directors and Policies and Procedures approved by the Board of Directors. Any such decision or action taken by the Executive Committee as allowed herein requires a majority approval of the officers who comprise the Executive Committee.

b) Any such actions taken under this Section shall be reported in the Executive Committee minutes and in detail at the next regularly scheduled meeting of the Board of Directors.

c) The Board of Directors has the oversight responsibility for the Executive Committee of this association and can countermand any actions or decisions the Board deems appropriate.

d) The Officers of the Association shall not, without prior Board of Director's approval, bind the Association to any long term contractual obligations. For purposes of these Bylaws, long term contractual obligation is defined as any contractual agreement which requires expenditures of funds on behalf of the Association and shall be in effect for a period in excess of two (2) years. Furthermore, the officers shall not have the authority to bind the Association to any agreement, debt, obligation, or expenditure of Ten Thousand (\$10,000) Dollars or more, without the prior approval of the Board of Directors. No cumulative expenditures totaling Ten Thousand (\$10,000) Dollars or more is permitted to any one (1) person, partnership, corporation, or out of the same transaction during the current fiscal year without prior Board of Directors approval.

Section 2. Duties of the President.

a) The President shall be the Executive Officer of the Association. He shall preside at all meetings of the Board of Directors and membership meetings. Within any limitations imposed by the Articles of Incorporation, these Bylaws, or the Board of Directors, he shall have general power to conduct and manage the affairs and business of the Association and shall see that all orders and resolutions of the Board are carried into effect; subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred upon the President, to any other officer or officers of the Association. He shall be ex-officio a member of all committees, with the exception of the Nominating Committee.

b) The President does not set policy or obligate the organization or its resources independent of the Board of Directors.

c) He shall execute bonds, mortgages, contracts and other

documents approved by the Board of Directors requiring execution on behalf of the Association.

d) The President shall oversee the activity of the Executive Committee, Standing Committees (with the exception of the Nominating Committee) and other Board created committees to assure they are functioning in accordance with the policies and vision set forth by the Board of Directors.

Section 3. It shall be the duty of the Vice-President to perform all of the duties of the President, in the event of his/her absence or incapacity to serve. In the Event that both the President and the Vice President are absent or unable to serve, the Board of Directors shall appoint an Executive Committee member to serve in that capacity until either officer has returned to service.

Section 4. Removal. Any Executive Committee Member may be removed by a majority vote of the Board of Directors whenever in its judgment, the best interests of the Association would be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5. Vacancies. If the office of any officer, or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired time in respect of which such vacancy occurred.

ARTICLE VII. BOARD OF DIRECTORS

Section 1. The business of this Association shall be managed by its Board of Directors. The Board of Directors shall be comprised of the Executive Committee and a number of elected Directors including: Regional Directors as defined in Section 1 a). and National Association Affiliate Directors (NAA Directors) as defined in section 1 c).

a) Regional Directors. The NRHA Board of Directors shall be empowered to create, delete or modify regions which shall encompass specified geographic areas on any Continent with an NRHA membership, the boundaries of which may change from time to time as determined by the Board of Directors of the Association. NRHA members from each Affiliate Region which has achieved an NRHA membership of 500 shall elect at least one director to the NRHA Board of Directors. An additional director shall be elected from the Affiliate Region when total NRHA membership in the region reaches 1,000 members and another seat shall be elected for each additional 500 members. Membership numbers as of December 31 of the prior year will be used to determine current term director seats available for the Affiliate Regions. All newly elected Regional Directors shall serve a term of two years which shall commence on January 1 following the elections. Should a country with an NAA, at any time upon direction by the NRHA Board, be incorporated into an Affili-

ate region, continuation of the NAA designation and participation in the IAP shall be at the discretion of the NRHA Board.

b) Elected Affiliate Regional Directors:

i. Shall be a citizen of a country that is associated with a region from which they are elected.

ii. Shall be a resident of the Region from which they are elected.

iii. Shall be a member in good standing of the NRHA.

iv. Serve an initial term of two years and may be re-elected by NRHA members within their Region for additional two year terms.

v. The nomination of candidates and election procedures of Regional Directors shall be established by the Board of Directors and published within the General Rules and Regulations of the Association *Handbook*.

vi. The NRHA Board of Directors shall be empowered to fill vacancies occurring among the Regional Directors by a majority vote of the remaining Regional Directors and Officers. An individual elected to fill a vacancy shall come from the same Affiliate Region in which the vacancy occurred, shall meet the same qualifying criteria and shall serve the unexpired term of their predecessor.

c) NAA Directors. Each National Association Affiliate (NAA) with 200 members, that is not part of any region shall have the right to one seat (NAA Director) on the NRHA Board provided at least four (4) NRHA approved shows with a full slate of classes were held in that country during the previous calendar year. One additional director seat will be available when that NAA reaches 1,000 members and another seat for each additional 500 members. Membership numbers as of December 31 of the prior year will be used to determine current year director seats available to the NAA country. The term of all newly elected NAA directors shall be two years commencing January 1 following the elections. In the event there is a change in NAA status, the elected Directors will serve the remainder of the term for which they were elected.

d) Elected NAA Directors.

i. The nomination and election of the NAA director(s) shall be administered by the respective NAA under the procedures approved by the NRHA Board of Directors.

ii. NRHA members in good standing, residing in each NAA country shall be allowed to participate in the nomination and election process of the NAA Director(s) from their respective country.

iii. Each year the NAA must advise NRHA of the elected NAA director(s).

iv. Shall be a citizen of the NAA country or a country that is associated with a region from which they are elected.

v. Shall be a resident of the NAA country they are representing.

- vi.** Shall be a member in good standing of the NRHA.
- vii.** Shall be a member in good standing of the NAA.
- viii.** Each NAA's Board of Directors shall be empowered to fill vacancies occurring among that country's NAA Directors. An individual selected to fill a vacancy shall meet the same qualifying criteria and shall serve the unexpired term of their predecessor.

e) Voting for Regional Directors shall be accomplished by electronic internet voting where practical and applicable or by mail-in absentee ballot and the results shall be counted and reported by an Elections Administrator appointed by the Executive Committee.

f) At no time shall there be more than one (1) member of an immediate family (as defined within the General Rules and Regulations of this Association) serving on the Board of Directors of the Association.

g) The President of the Reining Horse Sports Foundation (RHSF) shall be ex-officio a member of the NRHA Board of Directors.

h) In the event of a tie vote, the Board of Directors will vote to break the tie.

Section 2. The Board of Directors shall have general charge of the affairs, finances and property of the Association.

a) The Board of Directors shall make an annual report of the general state of the affairs and finances of the Association to the membership at the Annual General Membership Meeting. A copy of this report shall be published on the "Members Only" page of the Association's website.

b) In addition to the responsibilities charged to the Board of Directors by these Bylaws and any applicable state statutes, the Board of Directors shall be responsible for:

- i.** Clarification of and commitment to the organization's vision and mission.
- ii.** Interpretation of the mission to the general membership through public relationships.
- iii.** Establishment of goals, long-range plans, and strategic guidance.
- iv.** Setting policies and other major guidelines for operation of the organization.
- v.** Ensuring transparency and public accountability.
- vi.** Protecting the organization's financial stability and solvency.
- vii.** Establishing specific orders, resolutions policies and procedures for the Executive Committee and staff to perform and/or apply to daily operations between meetings of the full Board of Directors.

c) If a "Policy Manual" and/or "Procedure Manual" is maintained by the Association, it shall be subject to review and approved by the Board of Directors by January 31 of every even year or more frequently if the Board of Direc-

tors deems necessary. The entire contents of Policy and/or Procedure Manuals shall be accessible by all members and staff of the Association through the “Members Only” section of the NRHA website. There shall be no official policy or procedure represented, recognized or enforced by the Association or any representative thereof, other than those documented in a Policy and/or Procedure Manual. No policy or procedure shall supersede the Bylaws or Rules and Regulations of the Association.

Section 3. In the event the Board of Directors retains a person or qualified firm to be Executive Director of the Association, this person shall not be a member of the Board of Directors. The Board of Directors may retain an Executive Director to perform the function for a contract term not to exceed sixty (60) months. The duties, function, and remuneration for the position of Executive Director will be dictated by the Board of Directors. The Executive Director shall be a position to work in conjunction with the President of the Association and not exclusive thereof.

a) Under the direction of the President of the Association, the Executive Director shall be responsible for the safe keeping and maintenance of the policy and/or Procedure Manual, and the Corporate Record Book which shall contain the Articles of Incorporation, Bylaws, Active Board Resolutions, Rules and Regulations, Special Rules of Order, Standing Rules, official minutes of the Board of Directors and Executive Committee meetings, and quarterly and year-end financial statements, all of which shall be available for reference at each Board of Director’s Meeting and accessible by all members and staff of the Association through the “Members Only” section of the NRHA website.

Section 4. In addition to the powers and authorities these Bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Association and do all such lawful acts that are not prohibited by statute or by these Bylaws.

Section 5. Board of Director Meetings.

a) The Board of Directors of this Association shall have a regularly scheduled meeting during each fiscal quarter. However, in no event should more than 120 days pass before the next regularly scheduled meeting of the Board.

b) The meeting of the Board of Directors may be held at such place within the state of Oklahoma or elsewhere, as the majority of Directors from time to time may determine, or as may be designated in the notice calling the meeting. Any meeting held outside the state of Oklahoma shall be considered solely for the convenience of the Board of Directors and shall not be considered as conducting business in the jurisdiction where the meeting takes place.

c) Special meetings of the Board may be held at any time

and place on the call of the President or of a majority of the Board, in either case upon ten (10) days' notice by first-class prepaid mail, or five (5) days' notice delivered personally or by telephone or electronic mail. Such notice shall state the date, time and place of the meeting and shall be deemed given at the time when personally delivered, deposited in the mail, sent by electronic mail or orally transmitted to recipient via telephone.

d) 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 all members of the Board or committee, as the case may be, consent thereto in writing or by participation, and the writing or acknowledgment of participation are filed with the minutes of proceedings of the Board or committee. Any Director or committee member may waive notice of any meeting. The attendance of a Director or committee member at a meeting shall constitute a waiver of notice of such meeting, except where a Director or committee member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted and the purpose of any regular or special meeting of the Board of Directors shall be specified in a notice, or waiver of notice of such meeting. One or more directors may participate in a meeting of the Board, by means of teleconference or other similar audio/video communications equipment by means of which all persons participating in the meeting can hear and/or see each other.

e) All Resolutions adopted by the Board of Directors shall be identified by both a numerical and subject index and shall be made a part of the Corporate Record Book. Resolutions may be amended or rescinded at a later date upon a two-thirds vote of the Board of Directors. Active resolutions shall be published on the "Members Only" section of the Association's website.

Section 6. Quorum. A quorum for the purposes of these Bylaws is defined as a majority of the members of the Board of Directors. Once it is established that a quorum exists, any question that may come before the meeting shall be decided upon by a simple majority of such quorum, with the exception however, that in extraordinary circumstances, if a majority of the directors to form the initial quorum is not achieved, then the presiding officer may determine if there is a minimum of 36% of the total Board members present, and, if so, continue the meeting and any question coming before the meeting would require a two-thirds majority to act as if the entire board were sitting.

Section 7. Any Board of Director that misses more than two (2) unexcused meetings per year may be removed for cause.

Section 8. By resolution of the Board of Directors, the Direc-

tors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a Director. No such payment shall preclude any Director from serving the Association in any capacity and receiving compensation in addition to his fee of the Director.

Section 9. A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interest of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely on good faith information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- a) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;
- b) Counsel, public accountants or other persons as to matters which Director reasonably believes to be within a professional and expert competence of such person;
- c) A Committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which a Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his reliance to be unwarranted. In discharging the duties of their respective positions, the Director shall at all time use the skill and diligence a person of ordinary prudence would use in similar circumstances. So long as the Director uses such skill and diligence as a person of ordinary prudence would use under similar circumstances, he or she shall not be held personally responsible for any actions taken on behalf of the Association.

Section 10. Removal – Any Officer, Director, or the president of the Reining Horse Sports Foundation may be removed from the Board of Directors by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the association would be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 11. An officer, director, employee, or staff member other than the President, attending an NRHA sponsored or approved event or any other horse show shall not attend in any official capacity unless authorized by the Executive Committee or the

full Board of Directors as the case may be except for any official meeting.

Section 12. Confidentiality. NRHA will protect its own confidential and proprietary information as well as the information entrusted by financial institutions, members and suppliers. Directors, officers, committee chairs/members, employees of NRHA and/or agents acting on behalf of the Association shall maintain in confidence among themselves all confidential and proprietary information and shall not disclose or distribute any confidential or proprietary information except when authorized by the officers of the Association or compelled by statute. All confidential and proprietary information shall be utilized by those entrusted with it or granted access to it, only for the purpose(s) permitted in connection with their service to NRHA. Confidential information shall be those matters involving the following.

- a) Any matter concerning NRHA personnel not otherwise publicly reported;
- b) Issues relating to discipline, grievance and/or granting of Association privileges;
- c) Terms of ongoing contractual negotiations and agreements;
- d) Membership lists and associated personal information;
- e) Communications from legal counsel relating to pending or threatened litigation;
- f) And any other matter that is determined by no less than two-thirds (2/3) majority vote of the Board of Directors to be of a confidential nature. All other matters shall be considered common knowledge among the NRHA membership and staff.

ARTICLE VIII. COMMITTEES

Section 1. Standing Committees. The Association shall have the following Standing Committees which shall report directly to the Board of Directors. Standing Committees shall keep minutes of their meetings and other records appropriate to their purposes and provide a quarterly report of their activities to the Board of Directors. With the exception of the Nominating Committee and the Compensation Committee, summaries of standing committee meetings shall be published in the "Members Only" section of the NRHA website. Standing Committee appointments shall be for the same two-year term as the incoming President.

- a) Nominating Committee. The Nominating Committee shall be comprised of no less than (3) three and no more than (5) five members of the Board of Directors of the Association. Members of this committee shall be appointed by a majority vote of the Board of Directors at the first board meeting of the year. The chairperson of this committee shall be selected from within the committee itself by the committee members. No member of the Executive Committee may serve

on or ex officio as a member of this committee.

i. The Nominating Committee shall develop explicit criteria and qualities for board membership and submit to the full Board for approval.

ii. The Nominating Committee shall be responsible for submitting a list of qualified candidates for the annual election of officers by the general membership, having first determined the candidate meets the eligibility criteria and their willingness to serve as an officer of the association. At least two candidates shall be submitted for the position of Vice President.

iii. The Nominating Committee shall organize and oversee the Regional Director elections. They shall also assist the NAA Director elections to the extent of a written request for assistance is made by an NAA

iv. The Nominating Committee shall develop recommended guidelines for the annual electronic internet vote and mail-in absentee ballots and submit that proposal to the Board of Directors for approval.

v. The Nominating Committee shall be guided by Roberts Rules of Order Newly Revised and the American Bar Association's Guidebook for Directors of Nonprofit Corporations in executing their duties under this article.

vi. Additional duties and responsibilities of the Nominating Committee may be enumerated by Board Resolutions to be filed with the Active Resolutions in the Corporate Record Book.

b) Finance Committee. The Finance Committee shall be comprised of no less than (3) three and no more than (6) six members. Three members shall be Board of Director members and up to three additional members, who possess financial or accounting background, may be appointed from within or outside the board, but shall be NRHA members in good standing. The chairperson and members of this committee shall be appointed by the President of the Association with approval by the balance of the Board of Directors.

i. Duties of the Finance Committee. The Finance Committee shall have responsibility over the Association's auditing, accounting and control functions.

ii. The Finance Committee duties shall include, but are not limited to, choosing services needed in financial management, reviewing financial performance and approving the individual value center budgets prior to submission of the Association's annual budget to the Board of Directors for their approval. The Finance Committee shall monitor cash flow and provide quarterly financial reports to the Board of Directors. The Finance Committee shall be responsible to publish in the Members Only section

of the NRHA website a quarterly financial report within 15 days after review by the Board of Directors and the annual audited financial statement within 4 months after the end of the fiscal year. The Board of Directors may grant extensions to this time in 30 day increments on a case by case basis for reasonable cause when requested by the Finance Committee. The Committee shall ensure that the annual financial statement is presented to the general membership at the next Annual General Membership Meeting.

iii. Additional duties and responsibilities of the Finance Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

c) Compensation Committee. The Compensation Committee shall be comprised of three (3) members of the Executive Committee of the Association. The chairperson and members of this committee shall be appointed by the President of the Association with approval by the Board of Directors.

i. Duties of the Compensation Committee. The Compensation Committee shall have the responsibility to recommend salaries for the Executive Director, the Chief Financial Officer, and any other staff positions as determined by the Board of Directors.

ii. The Compensation Committee's duties shall include completion of an annual performance evaluation on those positions determined in (i) above and make a report including necessary recommendations to the Board of Directors.

iii. Additional duties of the Compensation Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

d) Investment Committee. The Investment Committee of the Association shall be comprised of the Executive Committee with the Reining Horse Sports Foundation President and the Chief Financial Officer of the Association serving as advisors to this committee.

i. The duties of the Investment Committee shall be to evaluate the Association's short-term, mid-term and long-term financial needs relative to the investment of the Association's cash assets and to present an investment policy for approval to the Board of Directors. The Investment Committee shall consult with professional investment counsel in this endeavor. Following approval of the investment policy by the Board of Directors, the investment Committee shall proceed with the investment decisions made, monitor closely the performance of the investments and make necessary adjustments to achieve the overall investment goals of the Association. The Investment

Committee shall keep minutes of their meetings and provide quarterly reports of their activities to the Board of Directors. Summaries of current Investment Committee activity shall be published on the “Members Only” section of the NRHA website.

ii. Additional duties of the Investment Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

e) **Bylaw Committee.** The President, at the beginning of his/her term of office shall appoint a Bylaw Committee, comprised of no less than three (3) and no more than six (6) members. These appointments shall be approved by the Board of Directors. Bylaw Committee duties and responsibilities shall be:

i. To review bylaws and make recommendations to the Executive Committee for maintenance as necessary.

ii. To receive and review all bylaw amendment proposals that may be submitted by any member, committee or board.

iii. To work with the author of any bylaw amendment proposal submitted to determine the desired intent of the proposed amendment and further refine the wording if necessary to achieve the desired result.

iv. To work with the author of any bylaw amendment proposal submitted to assure the language is in proper form as it relates to the governance, operations and functions of the Association.

v. To assure any bylaw amendment proposal being submitted complies with the Articles of Incorporation, Oklahoma State Statutes, Federal law, and does not conflict with Roberts Rules of Order Newly Revised or any Special Rules of Order of this Association.

vi. To recognize duplicate or similar bylaw amendment proposals submitted and work with their authors to consolidate, modify or otherwise reduce the number of proposals addressing the same or similar issue.

vii. To collect from the authors or proponents of the proposed bylaw amendment, a statement in support of the amendment that presents the benefit(s) of this amendment to the Association and, with the approval if its authors, edit this statement so that it is suitable for publication and presentation to the voting membership.

viii. To accept from opponents of the proposed bylaw amendment, a statement against the amendment that presents the negative impact this amendment would make upon the association and, with the approval of its authors, edit this statement so that it is suitable for publication and presentation to the voting membership.

ix. To compile proposed bylaw amendments and statements for and against each into a publication or presen-

tation format that can be attached to an email, reproduced in the *NRHA Reiner*, posted on the NRHA website, and incorporated into electric and paper ballots.

x. The Bylaw Committee shall work from an unbiased position toward any proposed bylaw amendment received. They shall not edit any proposed amendment or statement except with the permission of the author, nor shall they continue edits after the author has approved a final version of the proposed amendment or statement. The committee does not have the authority to approve or deny the submission of any proposed amendment unless its intent or the result of its application is contrary to the NRHA Articles of Incorporation, Oklahoma State Statutes, or Federal law.

xi. Additional duties of the Bylaw Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

Section 2. Additional Committees. The Board of Directors may authorize additional committees to be utilized for assistance in the operation and management of the Association. Such committees shall be formed by board resolution which shall define the committee name, the purpose of the committee and committee guidelines to be followed. This resolution shall become an Active Resolution to be filed in the Corporate Record Book and may be modified or rescinded by the Board of Directors.

a) Upon direction of the Board of Directors, the President shall appoint a committee Chairperson of such committee. Regional or NAA Directors shall be given first consideration for Chairperson positions.

b) The Chairperson shall appoint the members of their respective committee. The Committee shall consist of the Chairperson, a Vice-Chairperson and a minimum of three (3) additional members. All appointments shall be made for a two (2) year term which shall coincide with the term of the incoming President. Should a Chairperson vacancy occur for any reason, the President shall appoint a new Chairperson to fill the remainder of the term, giving first consideration to those current members of the respective committee. If a vacancy appears among committee members, the chairperson shall appoint a new member to fill the remainder of the term. All chairperson and committee member appointments are subject to the approval of the Executive Committee.

c) Responsibilities, tasks, and projects may be assigned to a committee by the President, Executive Committee or Board of Directors. The committee Chairperson shall preside over the activities of the Committee.

d) Committees shall each be assigned a member of the Association staff to serve the committee in a liaison capacity. The Staff Liaison shall be a non-voting support person func-

tioning under the direction of the committee Chairperson.

e) Committees shall keep minutes of their meetings and provide quarterly reports of their activities to the Board of Directors. When Committees are engaged in matters that involve presenting a recommendation to a higher authority, they shall submit a Committee Recommendation Report on the issue at hand to the respective higher authority. This report shall become a part of and published with the permanent minutes of the meeting in which it is presented. Summaries of current individual committee activity shall be published on the NRHA website.

f) No person shall be involved, as chairperson or member, with more than three (3) Additional Committees simultaneously during their term in office.

g) Officers may only be involved in committees ex-officio as a member with the exception that no officer shall serve on or ex-officio as a member of the Nominating Committee.

h) Advance selection of committee chairs and committee members shall be accomplished during the last quarter of the preceding term year by the incoming Executive Committee in order to accomplish education and orientation for all newly elected chairpersons prior to the first official board meeting of the new calendar year.

Section 3. Task Force. The Board of Directors, President, or Executive Committee may commission a Task Force which shall be utilized for a specific purpose of limited scope and duration.

a) The Task Force shall be active only until the assigned task is completed and a formal written report has been prepared at which time the Task Force shall be dissolved.

b) A Task Force shall consist of at least five (5) but no more than nine (9) members and one (1) Chairperson, all appointed by the President. Should a chairperson vacancy appear for any reason, the President shall appoint a new Chairperson for the duration of the Task Force, giving first consideration to those current members of the Task Force. If a vacancy appears among members, the President may appoint a new member for the duration of the Task Force.

c) All appointments shall be subject to the approval of the Board of Directors.

d) The task, project, and responsibility of the Task Force shall be directed by the authority calling for the appointment of the Task Force.

e) The Chairperson shall preside over the activities of the Task Force.

f) A Task Force shall be assigned a member of the Association staff to serve in a liaison capacity. The Staff Liaison shall be a non-voting support person functioning under the direction of the Chairperson.

g) The Task Force shall keep minutes of their meetings and

provide a monthly report of their activities to the Board of Directors. Findings and recommendations of the Task Force shall be published in the “Member’s Only” section of the Association’s website unless it has been determined by a two-thirds majority vote of the Board of Directors that the activities, findings and recommendations of subject Task Force are to be considered confidential.

ARTICLE IX. NRHA AFFILIATES

Section 1. NRHA recognizes the following types of Affiliates:

a) National Association Affiliates

- i.** Only one affiliate per country will be recognized as a “National Association Affiliate.”
- ii.** Must have twenty-five (25) members in good standing with the NRHA.
- iii.** At least four (4) NRHA approved shows with full slates of classes must be held within each respective country, during the previous calendar year.
- iv.** Each National Association Affiliate must submit annually a summary report of its past and current year activities and future plans to promote reining and NRHA in their respective country. If the NAA participates in the International Affiliate Program as outlined in General Rules and Regulations, they must report financial information on the distribution of IAP rebates.

b) Breed Association Affiliates

- i.** Must have ten (10) members that are in good standing with the NRHA.

c) Regional Affiliates

- i.** Must have twenty-five (25) members that are in good standing with the NRHA.
- ii.** No more than one (1) Regional Affiliate will be sanctioned within a 50-mile radius. Affiliates in good standing have first priority.
- iii.** If annual dues are not received by the NRHA office by March 1 of the current year and the affiliate did not hold Reining events the previous year, that geographical area will become available for the formation of a new affiliate.

Section 2. Each NRHA affiliate must have on file with the NRHA a properly executed NRHA Agreement of Affiliation as prepared by the Affiliate Committee and approved by the NRHA Board of Directors. Additionally, the affiliate must also send to the National Reining Horse Association annual dues to be set by the Board of Directors and otherwise comply with the NRHA Rules and Regulations.

Section 3. An affiliate in good standing has the right to recommend to the Board of Directors, one representative whose name will be published in the *NRHA Reiner* magazine.

Section 4. All NRHA Affiliate officers must be members in good standing with NRHA.

Section 5. Affiliation with the NRHA is a privilege, not a vested right, and is granted or rejected at NRHA's discretion on an annual basis according to its procedures and requirements.

Section 6. All affiliate associations are required to have Bylaws. If an affiliate does not have a specific set of Bylaws written on its behalf, it must adopt the Bylaws of the NRHA. All affiliates are required to have either their Bylaws, together with any and all amendments, or a proper resolution adopting the NRHA Bylaws for itself on file with the NRHA. All affiliates are required to follow the rules as set forth in the *NRHA Handbook*. Prior to becoming an affiliate, the Bylaws of the new affiliate must be approved by the Executive Committee. Any subsequent changes in the Bylaws of the affiliate must also be approved by the Executive Committee.

Section 7. No affiliate association shall have, in any manner, the authority, express or implied, to act for, or bind, the NRHA in any manner.

Section 8. NRHA does not assume responsibility for the acts or omissions of its affiliate associations, their officers, directors, employees, or any other of their representatives.

Section 9. Within one year, Affiliates will be expected to develop and maintain a website for the purpose of communicating with their members and with NRHA. All sites will be linked to the website.

ARTICLE X. PARLIAMENTARY AUTHORITY

Section 1. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt. Any Special Rules of Order must be approved within a bylaw amendment pursuant to Article XII.

ARTICLE XI. ANNUAL STATEMENTS

Section 1. An annual audit of the NRHA financial statements shall be performed by an independent certified public accounting firm at the close of each fiscal year. Results of said audit will be reported at the next general meeting of the membership following the completion of said audit and published on the NRHA website within four months after the close of the fiscal year or within any extension that may be granted by the Board of Directors pursuant to ARTICLE VIII, Section 1. B) ii. Such accounting firm shall be an independent as defined by the AICPA (American Institute of Certified Public Accountants) Independence guidelines.

ARTICLE XII. INDEMNIFICATION

Section 1. The Association shall indemnify each of its directors, officers, employees and committee members whether or not then in service as such, against all reasonable expenses actually and necessarily incurred by him or her in connection with

the defense of any litigation to which the individual may have been a party because he or she was a director, officer or employee of the Association. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Association for negligence or misconduct in the performance of his or her duties, or was derelict in the performance in his or her duty as a director, officer or employee by reason of willful misconduct, bad faith, gross negligence, or reckless disregard of the duties of his or her office or employment. The right to indemnity for expense shall also apply to expense of suits which are comprised or settled if the court having jurisdiction of this matter shall approve such settlement.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights which such director, officer or employee may be entitled.

ARTICLE XIII. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or their designees, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. This authority in no way conflicts with the authority of the President to enter into agreements as set forth under the obligations and duties of an officer.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

Section 1. All checks or demands for money and notes of the Association shall be signed by such officer or officers or their designees, as the Board of Directors may from time to time designate.

Section 2. Whenever written notice is required to be given to any person, it shall be given in writing to and delivered by first-class, prepaid mail, telecopy, personal delivery, overnight courier, or electronic mail. Any notice given must be given to the

last address, telecopy number or electronic mail address of the member shown on the Association's records. Notice shall be deemed given at the time of delivery through the means of delivery utilized, and, if for meetings, shall state the date, place and hour of the meeting and purpose or purposes for which the meeting is called.

Section 3. Whenever any written notice is required by statute, or by the Bylaws of this Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether if before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a person, at any meeting, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the expressed purpose of objecting to a transaction of any business because the meeting was not lawfully called or convened.

Section 4. Minutes and Financial Reports. The minutes of all Board of Director meetings, Executive Committee meetings, and committee meetings shall be published on the NRHA "Members Only" section of the NRHA website. Included in those minutes shall be the attendance, absence or excused absence of members of the respective board or committee. Voting results for rule changes shall be recorded and reported so that the general membership can see how their elected representatives are voting. Only the Board of Directors and Executive Committee meeting minutes shall be published in the *NRHA Reiner*. Issues relative to disciplinary proceedings of individual members shall be handled pursuant to Section C-H of the General Rules and Regulations of the *NRHA Handbook* and the details of those proceedings shall not be published. Minutes of meetings called for within this section shall be published no more than 120 days after the respective meeting for which they pertain

ARTICLE XV. AMENDMENTS

Section 1. Amendments to the Bylaws may be submitted by any member, committee or board and must be properly stated on the official Bylaw Amendment Form, signed by two members, and submitted to the NRHA office at least 120 days prior to the date of the annual elections established by the Board of Directors. Written notice of the proposed amendments shall be listed in detail on the NRHA website and in the NRHA official publication or by a special mailing to the membership at least thirty (30) days prior to the annual elections. These amendments will be considered and voted on during the annual elections, and must be passed by two-thirds of the members voting.