

## **RULES APPLICABLE TO ALL COMMITTEES OF THE BOARD ("COMMITTEE RULES")**

Article 6 of By-law No.1 of Horse Racing Ontario ("HRO") provides some general rules and procedures for Committees of the Board (each a "**Committee**"). The following Rules are supplemental to, and not in replacement of, the requirements set out in Article 6.

### **1. Role of Committees**

The duties of each Committee are solely advisory in nature. It is the responsibility of the board of directors of HRO (the "**Board**") to make the final decisions on all matters that affect HRO. The role of each Committee is to provide tactical guidance, recommendations and support to the Board and HRO management.

### **2. Committee Membership and Reporting**

#### **(a) Committee Composition**

As set out in Section 6.2 of By-law No. 1, each Committee will be comprised of not less than three (3) and not more than five (5) individuals, of whom at least one (1) shall be a director, and the balance of whom shall be selected by the Board in the manner determined by the Board from time to time.

#### **(b) Term of Committee Members**

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or, in the case of those Committee members who are directors of HRO, ceases to be a member of the Board.

#### **(c) Committee Chairs**

The Chair of each Committee shall, unless designated by the Board, be selected by the members of the relevant Committee provided that such Chair must be a director of HRO.

#### **(d) Qualification of Committee Members**

At least one member of each Committee shall have relevant prior experience in the dominant subject matter of the Committee.

#### **(e) Code of Conduct**

All members of all Committees shall be required to sign and abide by the Code of Conduct for Committee Members.

#### **(f) Reports to the Board**

A representative from each Committee will report on the Committee's past proceedings and any applicable recommendations made subsequent to the last scheduled meeting of the Board as required from time to time.

### 3. **Quorum & Meeting Procedure**

#### (a) Quorum

As set out in section 6.5 of By-Law No.1, unless otherwise determined by the Board, each Committee has the power to fix its quorum (provided such quorum shall never be less than a majority of its members), to elect its chair and to regulate its procedure.

#### (b) Participation in Meetings by Electronic Means

As stated in section 6.4 of By-Law No.1, the provisions of section 5.4 of By-Law No.1 apply to meetings of Committees with regards to conducting meetings through electronic means: a member may participate in a meeting by electronic means, if all Committee members have consented, and the communication method permits all participants to communicate adequately with each other.

#### (c) Frequency of Meetings

The Committee shall meet as many times per year as the Chair may determine, or as the Board may direct, and otherwise as necessary to carry out its duties and responsibilities, but shall not meet less than once per year.

#### (d) Voting at Meetings

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution before the Committee. In case of an equality of votes, the Chair shall be entitled to a second or casting vote.

#### (e) Meeting Minutes

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. The minutes of all meetings of each Committee shall be circulated to the members of the Board. The relevant Committee shall endeavour to approve all minutes prior to such minutes being circulated to the Board; provided that if not approved by the date of the next following Board meeting, such minutes shall be circulated in their then current draft form.

#### (f) Attendance of Non-Committee Members

The Chair may invite to a meeting any officers, directors or employees of HRO, legal counsel, advisors and other persons whose attendance the Chair considers necessary or desirable in order for the Committee to carry out its responsibilities, provided that such persons shall be advised of and agree to the necessity of maintaining the confidentiality of Committee proceedings.

#### (g) Committee Meeting Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committees shall be the same as those applicable to meetings of the Board, unless otherwise determined by the Board, or by the Committee (subject to the approval of the Board).

(h) **Committee's Access to Information**

In discharging its mandate, each Committee shall have full access to all books, records, facilities and personnel of HRO as required in order for such Committee to fulfill its mandate; provided that (i) such access shall at all times be subject to the confidentiality provisions of the Code of Conduct signed by all Committee members, and (ii) such access shall always be made through the Chair of the Committee and shall not interfere with any of the day-to-day operations of HRO.

4. **Independent Advisors**

The Committee shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The Committee shall obtain approval from the Board for any compensation required by any such advisors prior to contracting for such advisors' services.

5. **Annual Review of Rules**

Each Committee shall review these Committee Rules annually and present any recommended amendments to the Board for consideration and prior approval.

6. **Not Legally Binding**

These Committee Rules are a statement of broad policies and are intended as a component of the flexible governance framework within which the Committees assist the Board in directing the affairs of HRO. While they should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of HRO's articles and by-laws, they are not intended to establish any legally binding obligations.

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## COMMITTEES OF THE BOARD

### Standardbred HIP Administration Committee (“SHIPAC”)

#### MANDATE

The SHIPAC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Providing oversight and strategic direction for the development and implementation of elements related to the Standardbred Horse Improvement Program (the “**SHIP**”).
2. Working with HRO to review the SHIP’s annual performance metrics against goals and objectives of the program.
3. Providing guidance to HRO on annual budgets, program elements, program eligibility requirements, and program criteria documents for the SHIP.
4. Developing both performance targets and benchmarks for the SHIP.
5. Advising HRO on the implications of applicable market/industry changes for the Ontario racing and breeding sectors.
6. Providing recommendations for marketing and communication campaigns to promote the SHIP.

## COMMITTEES OF THE BOARD

### Thoroughbred HIP Administration Committee (“THIPAC”)

#### MANDATE

The THIPAC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Providing oversight and strategic direction for the development and implementation of elements related to the Thoroughbred Horse Improvement Program (the “**THIP**”).
2. Working with HRO to review the THIP’s annual performance metrics against goals and objectives of the program.
3. Providing guidance to HRO on annual budgets, program elements, program eligibility requirements, and program criteria documents for the THIP.
4. Developing both performance targets and benchmarks for THIP.
5. Advising HRO on the implications of applicable market/industry changes for the Ontario racing and breeding sectors.
6. Providing recommendations for marketing and communication campaigns to promote the THIP.

## COMMITTEES OF THE BOARD

### Quarterhorse HIP Administration Committee (“QHIPAC”)

#### MANDATE

The QHIPAC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Providing oversight and strategic direction for the development and implementation of elements related to the Quarterhorse Improvement Program (the “**QHIP**”).
2. Working with HRO to review the QHIP’s annual performance metrics against goals and objectives of the program.
3. Providing guidance to HRO on annual budgets, program elements, program eligibility requirements, and program criteria documents.
4. Developing both performance targets and benchmarks for the QHIP.
5. Advising HRO on the implications of applicable market/industry changes for the Ontario racing and breeding sectors.
6. Providing recommendations for marketing and communication campaigns to promote the QHIP.

## COMMITTEES OF THE BOARD

### Stakeholder and Government Relations Committee (“SGRC”)

#### MANDATE

The SGRC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Promoting and furthering the interests of horse racing in Ontario by fostering trusted partnerships with government and by advocating for public policy that supports HRO’s industry objectives.
2. Providing annual recommendations to the Board on current and future communication strategies with regards to stakeholders that include political, regulatory, the general public, industry representatives, and other relevant parties.
3. Guiding HRO’s development of marketing, advertising, promotional strategies, and other programs focused on promoting Ontario’s horse racing industry and to educate the public and other stakeholders on the industry’s positive contributions to Ontario’s economy.
4. Providing guidance to the Board on HRO’s communications and marketing budgeting and expenditures.
5. Ensuring that management updates applicable web pages and any other portal used to communicate and store publically disclosed policies, procedures and other relevant material so that they continue to be current.





## **COMMITTEES OF THE BOARD**

### **Equine Welfare Advisory Committee (“EWAC”)**

#### **MANDATE**

The EWAC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Advising HRO members on the applicable legislative and regulatory requirements for equine welfare.
2. Ensuring HRO management promptly communicates legislative or regulatory changes to HRO members.

## COMMITTEES OF THE BOARD

### Horseplayers / Customer Advisory/ New Products, Technology and Revenue Committee (“HCNC”)

#### MANDATE

The HCNC’s mandate is to assist the Board in fulfilling its responsibilities with respect to:

1. Increasing confidence in and acceptance of HRO’s Board as representative of Ontario’s horse racing industry.
2. Improving collaboration and decision-making within HRO through incorporating a broader range of perspectives from both horseplayer and racetrack customers.
3. Facilitating the research of new racing-related gaming products, and exploring revenue generation opportunities that may exist within the existing regulatory and legislative framework.
4. Creating new revenue sources for the horse racing sector that are not reliant on government funding.
5. Advising on the management of external IT service provider(s) relating to equipment, network, email, cloud services, support/helpdesk, backup and recovery, security and facility access.
6. Providing oversight of industry outreach for both educating potential customers and researching new product revenue streams

