

CONTENTS

Part I Corporate Bylaws

- 1.1 Article I – Title, Purposes, Location and Corporate Seals
- 1.2 Article II – Membership
- 1.3 Article III – Membership Dues, Service Fees and Obligations
- 1.4 Article IV – Board of Directors
- 1.5 Article V – Committees
- 1.6 Article VI – Membership Meetings and Elections
- 1.7 Article VII – Administrative Regulations
- 1.8 Article VIII – Disciplinary Procedures
- 1.9 Article IX – Grievance Settlement

Part II Rules of Registration

Breeding Program

- 2.1 Breeding Aim
- 2.2 Breeding Philosophy
- 2.3 Inspection of Breeding Stock
- 2.4 Licensing and Approval of Stallions
- 2.5 Inspection of Mares
- 2.6 Registration of Foals
- 2.7 Keeping of the Studbook
- 2.8 Obligations of the Stallion Owner
- 2.9 Transfer of Ownership
- 2.10 Branding Regulations

CORPORATE BYLAWS AND RULES OF REGISTRATION

AMERICAN HANOVERIAN SOCIETY, INC.

BOARD OF DIRECTORS

President	Edgar Schutte
Executive Vice-President	Barbara Schmidt
Vice President	Rick Toering
Secretary	Nancy Connolly
Treasurer	Doug Langer (Midwest Regional Director)
Past President	n/a
Directors At-Large	Volker Ehlers (West Regional Director) Rachel Ehrlich Kate Palmquist (East Regional Director) Anne Sparks Cathy Tucker-Slaterbeck Meg Williams
AHS Executive Director	Hugh Bellis-Jones

PART I CORPORATE BYLAWS

1. CORPORATE ORGANIZATION

1.1. ARTICLE I - TITLE, PURPOSES, LOCATION AND CORPORATE SEALS

1.1.1. The name of the Corporation shall be the American Hanoverian Society, Inc. (the “AHS”) and shall be operated and conducted as a nonprofit organization in accordance with the laws of the State of Maryland.

1.1.2. The purposes of the AHS are:

“To establish, maintain and operate a nonprofit association of breeders, owners and friends for the promotion and preservation of the warm-blooded Hanoverian horse and the warm-blooded Rhinelander horse on the North American continent; to keep the Hanoverian studbook and the Rhinelander studbook and conduct such respective breeding programs for the AHS membership with the cooperation of the studbooks of origin in Germany; to mark or brand approved stallions, mares and foals with the AHS’s registered brands; to disseminate information to breeders, owners, and friends pertaining to the breeding and raising of Hanoverian and Rhinelander horses; to promote the performance of the Hanoverian and the Rhinelander horse in dressage, eventing, showjumping, combined driving and showhunters and generally to do all things appropriate to encourage a public understanding of the Hanoverian horse and the Rhinelander horse, their breeding and performance.”

1.1.3. The principal place of business of the AHS shall be at the address determined by the Board of Directors of the AHS.

1.1.4. The Executive Director of the AHS shall be in charge of the Seal, and may authorize its use by appropriate individuals. It shall be impressed in the form as follows:



1.1.5. The Corporate Seal may be imprinted appropriately on all forms and stationery.

1.2. ARTICLE II - MEMBERSHIP

1.2.1. CATEGORIES - The membership of the AHS shall consist of Charter, Active, Regular, Introductory, Associate, Junior, Distinguished, Lifetime and Honorary categories as defined in this article.

1.2.1.1. CHARTER MEMBERS - Are Active or Regular members who joined the AHS and paid \$100.00 in 1978.

1.2.1.2. ACTIVE MEMBERS

- A.** Shall consist of either a natural person or an Entity. For purposes of this Article 1.2, an Entity shall include families, fiduciaries, proprietorships, partnerships, unincorporated associations, corporations, limited liability companies, limited liability partnerships, etc., provided that such Entity must designate a single individual to exercise its voting right.
- B.** Residents of Canada who have heretofore been permitted to join as Active members of the AHS may continue to be an Active member of the AHS. Residents of Canada that purchased an AHS-registered horse with a Grandfathered Pedigree (i.e., a pedigree containing a stallion approved by the AHS but not recognized by the HV) are eligible to be an Active member of the AHS and continue to have such horse registered by the AHS.
- C.** Shall have activated an AHS-approved mare by payment of the breeding dues for such mare within the current calendar year.
- D.** Shall receive the AHS Stallion Directory and AHS quarterly magazine as part of their membership.
- E.** Shall be eligible to participate in memberships meetings, hold office, serve on committees, and vote.
- F.** Shall be eligible for all AHS awards programs.
- G.** Shall be eligible to register foals from approved broodmares.

1.2.1.3. REGULAR MEMBERS

- A.** Shall consist of either a natural person or an Entity as defined in 1.2.1.2.A.
- B.** Shall reside in and/or own an AHS-registered horse within the United States or Mexico. Residents of Canada who have heretofore been permitted to join as Active members of the AHS are also eligible to be a Regular member of the AHS consistent with the eligibility requirements defined in 1.2.1.2.B
- C.** Shall receive the AHS Stallion Directory and AHS quarterly magazine as part of their membership.
- D.** Shall be eligible to participate in membership meetings, hold office, serve on committees, and vote.
- E.** Shall be eligible for all AHS awards programs.

1.2.1.4. ASSOCIATE MEMBERS

- A.** Shall consist of either a natural person or an Entity as defined in 1.2.1.2.A who desire to support the breeding and performance purposes of the AHS, but do not wish to participate as Active or Regular members.
- B.** May reside in any area of the world.
- C.** Shall be eligible to participate in memberships meetings but not hold office, serve on committees, or vote.
- D.** Shall receive the AHS quarterly magazine as part of their membership.
- E.** Shall be eligible for all AHS awards programs.

1.2.1.5. INTRODUCTORY MEMBERS

- A.** Shall consist of either a natural person or Entity as defined in 1.2.1.2.A. who: i) has not previously been a member in any capacity of the AHS or other recognized Hanoverian breed society; and ii) who is named as a “Buyer” in an AHS Transfer of Ownership form. The Introductory membership shall begin on the date of the transfer and continue through the end of the first full calendar year, after which the member shall be invited to join as another category of member.
- B.** May reside in any area of the world.

- C. Shall receive the AHS stallion directory and the AHS quarterly magazine as part of their membership.
- D. Shall be eligible for all AHS awards programs.

1.2.1.6. JUNIOR MEMBERS

- A. Shall consist of a natural person under 21 years of age, who elects not to join as an Active or Regular member. Junior memberships expires at the end of the calendar year in which the member reaches the age of 21.
- B. Shall receive the AHS Stallion Directory and AHS quarterly magazine as part of their membership.
- C. Shall be eligible to participate in memberships meetings but not hold office, serve on committees, or vote.
- D. Shall be eligible for all AHS awards programs.

1.2.1.7. DISTINGUISHED MEMBERS – Shall be Active or Regular members who have made extraordinary contributions to the development of the Hanoverian breed or the Rhineland breed and must be elected to this honor by a two-thirds vote of the membership in attendance at an annual meeting. Distinguished members are accorded the same privileges as Active or Regular members but no longer pay membership dues.

1.2.1.8. LIFETIME MEMBERS – Shall be Active or Regular members who elect to pay ten times the annual dues as prescribed for Active or Regular members. Entities are not eligible for Lifetime membership.

1.2.1.9. HONORARY MEMBERS – Shall be individuals who have either meritoriously served the AHS and its purposes or served other organizations promoting equestrian activities in a manner that the Board deems worthy of recognition and must be elected to this honor by a two-thirds vote of the Board of Directors. Honorary members are accorded the same privileges as Active or Regular member but no longer pay membership dues.

1.2.2. APPLICATION PROCEDURES – Application for membership in the AHS shall be made on the form prescribed by the Board of Directors and accompanied by payment of the proper amount of membership dues for the category requested. The Executive Director shall review the application and verify the applicant’s eligibility for the membership category requested.

1.2.3. TERMINATION OF MEMBERSHIP – Membership and all privileges in the AHS shall be terminated for either the failure to pay membership dues as prescribed in Article III of these Regulations or said member ceases to be eligible 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 Articles VIII and IX of these Regulations.

1.3. ARTICLE III – MEMBERSHIP DUES, SERVICE FEES AND OBLIGATIONS.

1.3.1. AMOUNTS – Service fees (e.g. registration, branding, inspection, etc.) and membership dues for each category of member will be set by majority vote of the Board of Directors.

1.3.1.1. All membership dues and service fees are payable in advance of service.

- 1.3.1.2.** Persons who are not current year members of the AHS shall pay twice the amount of any service fees.
- 1.3.2.** **ADMINISTRATION** – Rules, definitions and procedures.
- 1.3.2.1.** Membership dues are payable on or before January 1 each year. Members will be billed for dues at least thirty (30) days before January 1 and reminded of this obligation appropriately. Members become delinquent if such dues are not paid by February 1 each year. As of March 1 each year, if the dues remain unpaid, the membership shall be deemed to have “lapsed” and the AHS shall suspend all membership privileges.
- 1.3.2.2.** A member is considered in “good standing” by fulfilling at all times all financial obligations to the AHS and following its rules. Membership and all its privileges may be suspended by loss of “good standing” status. Failure to pay membership dues, service fees or other debts to the AHS are examples of failure to fulfill financial obligations.
- 1.3.2.3.** Members who have had their membership lapse for nonpayment of dues may be reinstated by paying dues for the current fiscal year. In order to vote, members must be in good standing, including having paid all membership dues, for at least thirty (30) days prior to any regular membership meeting, other referendum, or vote.
- 1.3.2.4.** Membership in the AHS is not transferable.
- 1.4.** **ARTICLE IV – BOARD OF DIRECTORS.**
- 1.4.1.** **COMPOSITION** – There shall be a Board of Directors of the AHS. It shall consist of eleven (11) elected members and the immediate Past President whose term shall not exceed four (4) years. The Officers shall be elected by the Board of Directors and shall consist of the President, Executive Vice-President, Vice President, Secretary, and Treasurer. The President shall serve a term of two (2) years. Other Officers shall serve a term of one (1) year. The Board shall be comprised of eight (8) At-Large Directors and three (3) Regional Directors representing East, Midwest and West of the U.S. (Regions to be defined by the Board). The Executive Director shall be a non-voting member of the Board and shall serve for the duration of his or her employment.
- 1.4.1.1.** **ELIGIBILITY** – In order to be eligible to serve on the Board of Directors, a person must have been an Active or Regular member of the AHS for at least three (3) consecutive years, without lapse in membership as defined in 1.3.2.1, prior to their nomination for office. No member of the AHS Board of Directors may serve at the same time as a board member, judge, learner judge, guest judge, or employee of another warmblood breed society or registry.
- 1.4.1.2.** **LIMITATIONS ON COMPOSITION OF THE BOARD** – No more than four (4) (and preferably three (3) or fewer) Directors may also simultaneously serve on the Mare and Stallion Committee. The Nominations and Membership Committee shall use its best efforts in nominating members to the Board to achieve this balance. In the event that more than four (4) Directors are also members of the Mare and Stallion Committee, then the President shall seek voluntary resignations from such Directors either from the Mare and Stallion Committee

or the Board, and if no such voluntary resignations are received, then the most recently elected of such Directors to the Board must resign from the Board.

- 1.4.2. TERMS OF OFFICE** – Terms of office for each Director shall be for six (6) years. Newly elected Officers shall assume their duties at the Board meeting following their election and after the reading of the minutes of the prior Board meeting. This meeting shall constitute a reorganizational Board meeting. If a Director resigns or can no longer perform his/her function, the Board shall appoint a successor to serve until the next time a regular election is held for the unexpired term of the Board position being filled.
- 1.4.3. DISMISSAL** – Directors may be removed from office by the membership at an annual meeting.
- 1.4.4. MEETINGS.**
 - 1.4.4.1. REGULAR MEETINGS** – The Board may hold a regular meeting immediately preceding and following each annual membership meeting at the place where the meeting is held. The Board shall also hold a semiannual meeting between annual meetings at a time and place convenient to its Directors, including via teleconference, videoconference or other electronic means.
 - 1.4.4.2. SPECIAL MEETINGS** – Upon no less than five (5) days notice to each director either in person, by mail, e-mail, facsimile, telephone or other electronic means, the President can convene a special meeting at such time and place as he/she may deem appropriate, including via teleconference, videoconference, or other electronic means. Furthermore, he/she will convene in similar manner a meeting upon the written request of not less than three (3) members of the Board.
 - 1.4.4.3. REFERENDUM MEETINGS** – By mail, e-mail, facsimile, telephone or other electronic means, the President may refer to the Board questions relating to the affairs of the AHS which in his/her opinion require immediate action. A two-thirds vote of the entire Board is required to take action. The results of such a referendum vote shall be binding on the Board, the AHS, its committees, agents and employees.
- 1.4.5. DUTIES** – The Board of Directors shall:
 - 1.4.5.1.** Transact the general business of the AHS in the interim between annual meetings.
 - 1.4.5.2.** Establish major administrative policies governing the affairs of the AHS and devise and develop policies for the AHS's growth and development.
 - 1.4.5.3.** Provide for the maintenance of a national office and for making such office the center of activities of the AHS, including work of the officers and committees that is deemed expedient.
 - 1.4.5.4.** Provide for the proper care of materials, equipment and funds of the AHS, for the payment of legitimate expenses and for the annual auditing of all account books by a certified public accountant.

- 1.4.5.5. At its discretion appoint an Executive Director and define their duties and fix the compensation for that position.
- 1.4.5.6. Appoint standing committees as provided in these regulations.
- 1.4.5.7. At its convenience and for its purposes, appoint, empower, and/or disband special committees as may be needed.
- 1.4.5.8. Fill any vacancies on the Board in the interim between annual meetings except a vacancy in the office of the President.
- 1.4.5.9. Determine the date and place for holding the annual meeting and those of the Board.
- 1.4.5.10. Record referendum votes of the Board and general membership.
- 1.4.5.11. Upon expiration of their term, promptly surrender all AHS property in their possession.

1.4.6. OFFICERS

1.4.6.1. **TITLES** – The officers of the AHS shall be a President, an Executive Vice-President, a Vice President, a Secretary and a Treasurer.

1.4.6.2. **SUCCESSION ORDER** – In the event of absence or incapacity of the President, the Executive Vice-President shall assume his/her duties. If the President is permanently incapacitated, the Executive Vice-President will serve until a successor is elected at the next Board meeting. The further order of assumption of the President’s duties is Vice President, Secretary and then Treasurer. However, a quorum (1.6.5.) must be present at meetings to conduct business, the first order of which will be to confirm duty realignment by majority vote.

1.4.6.3. **DUTIES OF OFFICERS** – The officers of the AHS shall perform the duties usually performed by such officers, together with such duties as hereinafter described. In particular, the President shall serve as an ex-officio member of all Committees except the Committee on Nominations and Membership.

1.4.6.4. SPECIFIC PROVISIONS

A. The **SECRETARY** shall:

1. Record the minutes of all meetings of the AHS and of the Board of Directors.
2. The Executive Director appointed by the Board shall assume such duties in connection with the work of the Secretary as shall be specified by the Board.

B. The **TREASURER** shall:

1. Serve as Chairperson of the Finance Committee and as liaison between the Board of Directors and the Finance Committee.
2. Periodically report to the Board of Directors at their meetings and to the general membership at its meeting the financial condition of the AHS, including the annual financial statement. The annual financial statement is to include a balance sheet and a statement of income.
3. Present to the Board of Directors and general membership a budget of the proposed and anticipated expenses for the forthcoming fiscal year.

4. Advise the Board of Directors on the financial impact of their actions.
5. Serve as a member of the Executive Committee.

1.5. ARTICLE V – COMMITTEES

- 1.5.1. DUTIES** - Each committee will assume the duties specified in these regulations and any others assigned by the Board of Directors. They shall make appropriate recommendations to the Board for taking corporate action.
- 1.5.2. MEMBERSHIP** – Only Active or Regular members may serve on committees.
- 1.5.3. COMPOSITION** – The Board shall appoint the members of each committee at or immediately after each annual meeting to serve until the next annual meeting, except for those members of the Finance, and Nominations and Membership Committees, which shall be elected as defined in 1.6.4. for terms of six (6) years. Upon application by a committee chairperson, the Board may expand membership of the committee when needed to provide timely, quality performance of duty.
- 1.5.4. ORGANIZATION** – Each committee shall have a chairperson, and if needed a secretary, elected by their fellow committee members. Chairpersons will convene meetings as required and preside at them. The meeting may be at the regular annual meeting or at special times or by referendum vote. The secretary will assist the chairperson in administration, conduct correspondence as needed and keep minutes of the meetings.
- 1.5.5. TRANSFER OF RESPONSIBILITY** – All committee members upon expiration of their term of service will surrender all AHS property in their possession to their newly appointed successor or the committee chairperson.
- 1.5.6. STANDING COMMITTEE NAMES, RESPONSIBILITIES AND MEMBERSHIP** - There are five (5) Standing Committees: Corporate Regulations and Grievances Committee, Mare and Stallion Committee, Nomination and Membership Committee, Executive Committee, and Finance Committee.
- 1.5.6.1. CORPORATE REGULATIONS AND GRIEVANCES**
- A.** This Committee will have at least three members, all appointed by the Board. It has jurisdiction over the AHS *Corporate Bylaws and Rules of Registration* as well as all rules/procedures established by other committees. It will review AHS regulations for appropriateness and make recommendations for change. It will further hear all complaints or grievances about violations alleged to have occurred against the regulations as prescribed in Article VIII and/or Article IX.
 - B.** The Corporate Regulations and Grievances Committee may propose organizational rearrangements of clauses, phrases, paragraphs, sections or articles to improve clarity and appearance of the AHS *Corporate Bylaws and Rules of Registration*.
 1. Errors in spelling and punctuation may be corrected and minor word additions or deletions may be made.
 2. Such changes must not change intent, meaning, or existing practice.

3. Proposals made according to 1.5.6.1.B.1 or 1.5.6.1.B.2 will be submitted to the Board of Directors. If approved by a two-thirds vote of a quorum of the Board, the changes will be published.

1.5.6.2. MARE AND STALLION – This Committee shall consist of at least five members, all appointed by the Board and each having the expertise to perform its duties. It will supervise the registration of horses in accordance with PART II of these regulations. It will provide for any necessary inspection and branding of foals. At his/her discretion, the President may appoint a Studbook Keeper to compile, maintain and supervise the Studbook. The Studbook Keeper may also administratively aid the Chairperson and/or Secretary of the committee.

1.5.6.3. NOMINATIONS AND MEMBERSHIP – This Committee shall consist of five members, three of whom shall be elected as defined in 1.6.4. with the remaining members appointed by the Board.

1.5.6.4. EXECUTIVE COMMITTEE

A. This committee shall consist of the President, the Executive Vice-President, the Vice President, the Secretary, and the Treasurer. The Executive Committee may make its own rules of procedure subject to section 1.4.4.2., 1.4.4.3., and 1.6.1. The President shall be the Chairperson of the Executive Committee.

B. During the intervals between the meetings of the Board of Directors, the Executive Committee shall have and may exercise all powers and authority of the Board of Directors in the management of the business and affairs of the AHS in such manner as the Executive Committee may deem best for the interests of the AHS except with respect to:

1. the amendment or repeal of these *AHS Corporate Bylaws and Rules of Registration* or the adoption of new *AHS Corporate Bylaws and Rules of Registration*; and
2. the amendment or repeal of any resolution or policy of the Board of Directors.

1.5.6.5. FINANCE COMMITTEE – This Committee shall consist of four members. The Chairperson of the Finance Committee shall be the AHS's Treasurer, the AHS's Executive Director shall be a permanent appointee, and of the remaining two members, one will be appointed by the Board of Directors and the remaining member shall be elected as defined in 1.6.4. The Finance Committee shall:

- A.** Oversee the financial activities (funds and assets) of the AHS.
- B.** Oversee the preparation of an annual budget for the operation of the AHS and all of its committees; submit the proposed budget for the next fiscal year to the Board of Directors for preliminary approval by November 1 of each year; and submit the budget to the AHS's general membership for ultimate approval at the AHS's annual meeting.
- C.** Receive and review quarterly financial reports on expenditures and income. If necessary, require an accounting of items not consistent with those previously budgeted.
- D.** Approve travel and meeting expense reimbursement on a quarterly basis. Additionally oversee the control of the issuance and use of the AHS's credit cards.
- E.** Review and re-evaluate periodically the dues and fees structure and other income-producing activities, with the purpose of financing activities as set forth in the AHS's budget.
- F.** Study and oversee the investment of surplus and reserve funds, and advise on changes in investment strategies.

- G. Contract for an annual external audit of the previous fiscal year's accounts and review and report the results of each year's audit to the Board and at the annual membership meeting.
- H. Oversee the AHS's risk management system.
- I. Oversee the administration of employee benefits.

1.5.7. SPECIAL COMMITTEE NAMES, RESPONSIBILITIES AND MEMBERSHIP –

There are currently four (4) Special Committees, which may change from time to time at the Board's discretion and as published by the Board: Awards Program Committee, Annual Meeting Committee, Jumper Breeding Program Committee, and Editorial Advisory Committee.

1.5.7.1. AWARDS PROGRAM – This Committee shall consist of at least three members, all appointed by the Board. This Committee will have jurisdiction over the awards program according to principles established by the Board. It will make all necessary arrangements and decisions in order to ensure its success. Subject to Board approval, it will establish and cause to be published rules to govern the competition and procedures to settle any confusion or disagreement about results.

1.5.7.2. ANNUAL MEETING – This Committee shall consist of at least three members, all appointed by the Board. This Committee will be responsible for planning the annual meeting under the general direction of and approval by the Board.

1.5.7.3. JUMPER BREEDING PROGRAM – This Committee shall consist of at least eight members, all appointed by the Board. At least four (4) members shall represent the AHS, two (2) members from Canada shall represent the two Canadian breeding clubs, one (1) member shall represent the AHS office, and one (1) member shall represent the Hanoverian Verband. This Committee shall work to promote the breeding and recognition of Hanoverian showjumpers on the North American continent, according to policies approved by the Board.

1.5.7.4. EDITORIAL ADVISORY COMMITTEE – This Committee shall consist of three (3) members, all appointed by the Board. In addition, the Executive Director shall be a permanent appointee. The Committee shall oversee the various publications of the AHS, including the website. It will work with the Executive Director or their designee to review all material prior to publication for content and accuracy.

1.6. ARTICLE VI – MEMBERSHIP MEETINGS AND ELECTIONS

1.6.1. PARLIAMENTARY AUTHORITY – *Robert's Rules of Order* shall govern meetings of the AHS.

1.6.2. TIME AND PLACE – An annual meeting of the membership shall be held. The exact time and place shall be designated by the Board and announced by publication in the AHS magazine and/or on the AHS website (see 1.4.4.).

1.6.3. NOMINATIONS – Nominations for Board positions as well as nominations for members to be elected to the Standing Committees shall be made to the Nominations and Membership Committee. Any Active or Regular member of the AHS may nominate no more than one (1) person for each of these positions. After first confirming that each such nominee is willing to

serve if elected, the nomination shall be submitted by the Nomination and Membership Committee to the central office no more than ninety (90) days prior to the annual meeting to determine their eligibility.

- 1.6.4. VOTING** – Directors and the members to be elected to the Standing Committees shall be elected by ballot. Nominees for each Regional Representative Director shall reside in and be elected by eligible members living in the corresponding region. At-Large Directors and members to be elected to the Standing Committees shall be elected from the nominees using preferential voting. Officers of the AHS shall be elected by the Board from the Directors elected to the Board.
- 1.6.4.1. BALLOTS** – The Executive Director or his designee shall prepare the ballots. The ballots may be paper, electronic, or other appropriate balloting mechanism approved by the Board. The ballots may be delivered to eligible members via mail or e-mail, or made available to eligible members via an online or other electronic voting mechanism, in any case, as approved by the Board. An independent agent shall tabulate or otherwise validate the tabulation of the ballots.
- 1.6.4.2. TIME** – The ballots for voting on the election of Directors, and members of the Standing Committees shall be delivered (e.g., post-marked, mechanically or electronically) or otherwise made electronically available to the members no later than sixty (60) days prior to the annual meeting. In order to be tabulated, ballots must be returned (e.g., post-marked, mechanically or electronically) or otherwise electronically submitted no later than thirty (30) days prior to the annual meeting. The results of the election shall be announced at the annual meeting as the first order of the agenda. Candidates shall be notified of the results when tabulation is complete. Elected candidates shall assume authority at the next Board meeting prior to the annual meeting.
- 1.6.4.3. TIE VOTES** – The President shall choose between candidates elected by a tie vote.
- 1.6.4.4. AMENDMENTS TO CORPORATE BYLAWS** – PART I of these *AHS Corporate Bylaws and Rules of Registration* (“Corporate Bylaws”) may be amended only by a direct referendum ballot of eligible AHS members. All proposed amendments shall be sent to the Corporate Regulations and Grievances Committee for study and recommendation to the Board. Upon approval of the majority of the Board, proposed amendments to the Corporate Bylaws shall be delivered (e.g., post-marked mechanically or electronically) or otherwise made electronically available to the membership for a referendum ballot. Referendum ballots must be returned within fourteen (14) days. Amendments to the Corporate Bylaws shall be approved by a two-thirds majority vote of eligible members voting.
- 1.6.4.5. AMENDMENTS TO RULES OF REGISTRATION** – PART II of these *AHS Corporate Bylaws and Rules of Registration* (“Rules of Registration”) may be amended by either (i) a direct referendum ballot of eligible AHS members in the manner set forth in §1.6.4.4 for the Corporate Bylaws, or (ii) for those proposed amendments to the Rules of Registration necessary or desirable for maintaining consistency with the breeding program of the Hanoverian Verband, recommendation of the Corporate Regulations and Grievances Committee and subsequent three-fourths majority vote of the entire Board. Amendments of the Rules of Registration must have prior written approval from the Hanoverian Verband.

- 1.6.5. QUORUM** - A quorum is constituted by:
- 1.6.5.1. MEMBERSHIP MEETINGS** – A majority of the Board, including the President or Executive Vice-President or Vice President, and at least twenty (20) of the eligible voting members of the AHS.
- 1.6.5.2. BOARD OF DIRECTORS** – A majority of the Board, which shall include the President or Executive Vice-President or Vice President; provided, however, that no quorum shall exist if a majority of those Directors present are also members of the Mare and Stallion Committee.
- 1.6.5.3. COMMITTEES** – A majority of the members including the Chairperson of standing or special committees.

1.7. ARTICLE VII – ADMINISTRATIVE REGULATIONS

- 1.7.1. FISCAL YEAR** – The fiscal year of the AHS shall be from October 1 through September 30.
- 1.7.2. DISSOLUTION CLAUSE** – If due to unforeseen circumstances it becomes necessary for the AHS to dissolve itself, the Board with the approval of membership will organize that procedure so that all assets of the corporation will be contributed to properly constituted tax-exempt equine organizations.
- 1.7.3. SOCIETY FORMS** – AHS business is conducted on AHS-prescribed forms. The AHS will provide them upon request from a member.

1.8. ARTICLE VIII – DISCIPLINARY PROCEDURES

- 1.8.1. PROHIBITED CONDUCT** – If the AHS finds that any person has failed to comply with any of these regulations, or has been guilty of misconduct or misrepresentation which in any manner involves the purpose or good name of the AHS, such person may be expelled or suspended from membership, and may be denied the privileges of the AHS and subjected to other penalties as may be deemed appropriate.
- 1.8.2. PROCEDURES**
- 1.8.2.1.** Any party in interest may file with the Secretary of the AHS 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 charges have merit and involve the purpose and integrity of the AHS, the Board shall refer the complaint to the Corporate Regulations and Grievances Committee to investigate the charges.
- 1.8.2.2.** Before the Corporate Regulations and Grievances Committee takes any action against the accused member, he/she shall be furnished a concise statement of the charges by certified mail together with a notice that he/she file a written answer within ten (10) business days of receipt of said notice, or said charges may be taken as true. If a written response is filed by the accused within the ten (10) business day period requesting a hearing, then the Committee

must grant a hearing within ten (10) business days from receipt of response. The decision of the Committee shall be made within ten (10) business days from the day of the hearing or within ten (10) business days of receipt of response if no hearing is requested. The decision of the Committee may be appealed in writing to the Board within ten (10) business days from the date of the receipt of the Committee's decision. Thereafter, a decision of the Board on the appeal shall be made within ten (10) business days and said decision shall be final.

1.9. ARTICLE IX – GRIEVANCE SETTLEMENT

1.9.1. GENERAL – Each member by joining the AHS, or any person registering or applying for registration or transfer of a horse, hereby waives any and all legal claims and causes of action he/she/it may have against the AHS or any of its Officers, Directors, employees, or Committee members, individually or collectively, for any actions taken, or decisions made by those individuals in their position as officials in the AHS. Each such person agrees not to file or initiate any suit, proceeding, claim or pleading (“suit”) in any court, tribunal or board, or with any official in any attempt to enforce any such legal claim and cause of action. Further, they agree to pay any and all reasonable and necessary attorney's fees and expenses and court costs incurred by the AHS pursuant to its enforcement of section 1.9.1 of these Rules and Regulations. These AHS *Corporate Bylaws and Rules of Registration* shall be governed by, construed and enforced in accordance with the laws (other than the law governing conflict of law questions) of the Commonwealth of Kentucky.