

Horse Trials Canada – Information for Members in connection with the Special General Meeting of Members called for Saturday, February 7, 2009

The following information is being provided to the Members of Horse Trials Canada (“HTC”) in connection with the Special General Meeting of Members called for Saturday, February 7, 2009. At that meeting, the Members are being asked to approve a plan for the distribution of the assets and winding up of HTC and to approve an amendment to the organizational by-law of HTC to allow for the distribution and for telephone meetings of Directors. Reference is made to the Notice of Special General Meeting of Members and Agenda to which this information sheet is attached. The actual text of the resolutions to be voted on by the Members is attached to this information sheet.

On November 4, 2007, the Board of Directors of HTC voted to commence the process of winding up HTC. On November 9, 2008, the Board of Directors approved a plan for the distribution of the assets of HTC and the steps to be taken to wind up HTC. Also on November 9, 2008, the Executive Committee of HTC called a Special Meeting of Members for Saturday, February 7, 2009 and approved the form of proxy and the information to be sent to Members in connection with the meeting.

Background

History of Horse Trials Canada

HTC was created in 1969 and was originally called the Canadian Combined Training Association Inc. It was the national governing body of the sport of eventing in Canada. As a “registered Canadian amateur athletic association” (“RCAAA”) it could issue tax receipts for donations. Its Members were (and still are) the members of the various provincial horse trials associations.

In 2003, the national governance of all the equestrian sports was reorganized into Equine Canada. The Canadian Eventing Committee is the part of Equine Canada that now governs the sport of eventing nationally. Equine Canada is also a RCAAA and can issue tax receipts for donations.

Following this reorganization, HTC became and remains to this day virtually inactive.

Recent Review of HTC and Decision to Wind It Up

In 2006, it was determined that a group of representatives (the “ad hoc committee”) from the Canadian Eventing Committee and each of the provincial horse trials associations should look at what to do with HTC. There were questions about whether it had any purpose any more and what to do about its assets. Its assets consist of over \$100,000 in cash that came primarily from levies on its members – similar to the levies now paid to Equine Canada

(Canadian Eventing Committee) through membership in the provincial horse trials associations membership and entries in events.

The ad hoc committee discussed the issues over the course of 2007, keeping the Directors of HTC and the other Directors of their provincial horse trials associations informed.

On November 4, 2007, the Directors of HTC held a meeting at which they determined to proceed with the winding up HTC. The Directors asked the ad hoc committee to work on the details of the wind up plan, including the appropriate distribution of HTC's assets. The ad hoc committee recommended a wind up plan to the Directors, and at a meeting of the Board of Directors of HTC on November 9, 2008, the plan was approved and the Special General Meeting of Members of HTC was called.

Winding Up HTC

The winding up of a company involves the distribution of its assets and the termination of its existence. A winding up generally requires the approval not only of the company's directors and some governmental authorities, but also of its members. Accordingly, this Special General Meeting has been called for the Members of HTC to consider and vote on the proposed winding up of HTC.

Distribution of the Assets of HTC

After HTC makes provision for its remaining obligations, it will have assets of approximately \$150,000. The remaining obligations of HTC include the expenses in connection with the winding up, such as publication of statutory notices, governmental filing fees and legal fees.

The Board of Directors of HTC has approved the distribution of the remaining assets of HTC to the following organizations:

<u>Organization</u>	<u>Amount</u>
Horse Trials Saskatchewan	\$2,000
Manitoba Horse Trials	\$7,000
Horse Trials New Brunswick	\$7,000
Horse Trials Nova Scotia	\$7,000
Horse Trials PEI	\$7,000
Equine Canada (for Canadian Eventing Committee for Safety Related Clinics)	\$15,000
Equine Canada	\$10,000

(for Canadian Eventing Committee for Officials)

Horse Trials British Columbia, Alberta Horse Trials Association, Ontario Horse Trials Association, and A.C.C.C. Quebec/HTC Quebec

after the distributions are paid to the foregoing organizations, the balance of the funds are to be distributed on a pro rata basis, based on membership levels

The provincial associations that are receiving a fixed sum (namely, Horse Trials Saskatchewan, Manitoba Horse Trials, Horse Trials New Brunswick, Horse Trials Nova Scotia, and Horse Trials PEI) would not have received the amounts indicated above if the entire distribution had been done based on membership levels.

For those provincial associations receiving a pro rata share based on membership levels, the share will be based on membership levels as at December 31, 2008, as confirmed by the secretaries of the relevant provincial associations. Based on approximate 2007 membership numbers and assuming remaining assets of approximately \$150,000, this would result in the following approximate amounts being distributed: Horse Trials British Columbia - \$27,800; Alberta Horse Trials Association - \$13,400; Ontario Horse Trials Association - \$44,000; and A.C.C.C. Quebec/HTC Quebec - \$9,600.

As a condition to receiving a distribution, each recipient organization will be required to provide to HTC a plan describing how it intends to spend the funds received, and HTC must be satisfied that the plan will, or is likely to, promote and support the sport of eventing in Canada.

Telephone Meetings of the Board

The current by-laws of HTC do not provide for meetings of the Board to be held by telephone, and the Directors have enacted an amendment to the by-laws to provide for telephone meetings. To continue to be effective, the amendment must be confirmed by the Members. Given that the members of the Board come from across Canada, the ability to hold meetings by telephone is an administrative and cost-saving convenience.

Recommendation of the Board

The Board of Directors of HTC recommends that you vote in favour of the winding up of HTC and the resolutions put before this Special General Meeting.

The governance of the sport of eventing is complex, with different jurisdictions (national, provincial and discipline-related) having different and sometimes seemingly overlapping mandates. The continued existence of HTC adds another layer of complexity. There is no useful role for HTC anymore. It can no longer be the national governing body, as Equine Canada fills that role, and there are already two RCAAAs “in the field” that can issue tax receipts for donation dollars – Equine Canada and Eventing Canada! (Eventing Canada! operates independently from Equine Canada).

The goal in winding up HTC is to simplify the governance of the sport and to put its assets to good use.

Governance of HTC

Board of Directors

HTC is governed by a Board of Directors, the members of which are selected by the provincial horse trials associations. Each province is entitled to a certain number of Directors based on their membership level, all as provided for in the by-laws of HTC. The following 27 people have been selected by the following provinces to form the current Board of Directors of HTC:

Alberta (4 representatives)

George Balogh
Dawne Clark
Margo Gaglione
Sheilah Swanberg

British Columbia (6 representatives)

Trish Bosh
Sarah Bradley
Len Kirby
Sharron Piazza
Lynda Ramsay
Ron Trickett

Manitoba (1 representative)

Danae Martin

New Brunswick (2 representatives)

Donna Lee Cole
Sarah MacQuarrie

Nova Scotia (2 representatives)

Lori Ansems
Kim Elliott-Foster

Ontario (6 representatives)

Michelle Baker
Roseanne Corbett
Glenn McMechan
Robin Winn
Corrie Yeoman
Anne Zander

Prince Edward Island (1 representative)

Liz Spangler

Quebec (4 representatives)

René Dumont
Tany Ewing
Anna Johansson
Tom Todaro

Saskatchewan (1 representative)

Teresa Binetruy

Officers of HTC

The Board of Directors has appointed the following people to fill the following positions:

Chair – Peggy Hambly
President – Kim Elliott-Foster
Vice-President of Administration – Robin Winn
Vice-President – Margo Gaglione
Vice-President - Len Kirby
Vice President – Danae Martin
Treasurer – Tom Todaro
Assistant Treasurer – Kurt Thoms
Secretary – Pam Macintosh

In accordance with the by-laws of HTC, the positions of President, Vice-President and Treasurer must be filed by Directors of HTC.

Executive Committee

The by-laws of HTC provide for an Executive Committee comprised of the Chair, the President, and the four Vice-Presidents of HTC. Under the by-laws, the Executive Committee is empowered to call a Special General Meeting of Members.

Further Information

If any member has questions concerning the information in this information sheet or any of the materials relating to the Special General Meeting, they should contact Robin Campbell at racampbell@rogers.com. Robin acted as the independent facilitator for the ad hoc committee that reviewed the situation regarding HTC and made the recommendation to the Board of Directors of HTC to distribute HTC's assets and wind it up. Robin is also a member of the Board of the Ontario Horse Trials Association.