

Bylaws of British Columbia Craft Brewers Guild (the “Society”)

1.0 DEFINITIONS AND INTERPRETATION

1.1 In these Bylaws:

- (a) **“Act”** means the *Societies Act* of British Columbia as amended from time to time;
- (b) **“Board”** means the directors of the Society acting as authorized by the constitution and these bylaws in managing or supervising the management of the affairs of the Society and exercising the powers of the Society
- (c) **“Brewery”** or **“Breweries”** means a commercial brewing operation that:
 - (i) holds a Manufacturer License;
 - (ii) operates with at least a two (2) vessel, commercial brewhouse;
 - (iii) ferments onsite with at least one fermenter; and
 - (iv) has an annual production volume of at least 45 HL in aggregate volume brewed on site, or such other minimum production threshold established by the British Columbia Liquor Distribution Branch from time to time;
- (d) **“Bylaws”** means these Bylaws as altered from time to time;
- (e) **“Management Committee”** consists of individuals appointed by the Board who:
 - (i) shall be responsible for exercise of the powers so delegated;
 - (ii) shall conform to any rules imposed on them by the Board;
 - (iii) shall report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held next after it has been done; and
 - (iv) shall uphold and abide by the Constitution and Bylaws of the Society;
- (f) **“Manufacturer License”** means a valid brewery Manufacturer License issued by the British Columbia Liquor and Cannabis Regulation Branch;
- (g) **“Special Resolution”** means any of the following:
 - (i) a resolution passed at a general meeting by at least 2/3 of the votes cast by the voting members, whether cast in person or by proxy;
 - (ii) a resolution consented to in writing by all of the voting members; or
 - (iii) a resolution passed by at least 2/3 of the votes cast in respect of the resolution by indirect or delegate voting or voting by mail or another means of communication, including by fax, email or other electronic means.

- 1.2 The definitions in the Act apply to these Bylaws.
- 1.3 If there is a conflict between these Bylaws and the Act or the regulations under the Act, the Act or the regulations, as the case may be, prevail.
- 1.4 Words importing the singular include the plural and vice versa; and words importing a person include a person of any gender and a corporation.

2.0 CHARITABLE PURPOSES

- 2.1 The purposes of the Society shall be carried out without pecuniary gain to its members and no dividends shall be declared or paid; any profits or accretions to the Society shall be used in the promotion of the purposes of the Society.
- 2.2 On the winding up or dissolution of the Society, the assets remaining after the payment of all costs, charges and expenses properly incurred in the winding up, including the remuneration of a liquidator, and after payment to employees of the Society of any arrears of salaries or wages, and after the payment of any other debts of the Society, shall be paid, transferred or delivered pro rata to the members of the Society.

3.0 MEMBERS

- 3.1 The members of the Society are those Breweries who were members at the time these Bylaws became effective, and those persons who subsequently have become members in accordance with these Bylaws and, in either case, have not ceased to be members, but for greater certainty, Breweries who were members at the time these Bylaws became effective will not cease to be members hereinafter solely as result of no longer meeting the requirements of Section 3.2;
- 3.2 Membership in the Society shall be restricted to Breweries that:
 - (a) hold a Manufacturer Licence;
 - (b) produce less than 200,000 HL annually, worldwide, including affiliated and associated companies;
 - (c) are at least 51% BC owned; and
 - (d) have an annual production of contract-brewed beer, whether manufactured on-site for third parties, associates or affiliates, or brewed off-site by one of these parties for the Brewery, that does not constitute more than 50% of the Brewery's annual production.
- 3.3 A Brewery may apply to the Board for membership in the Society, and if the Brewery meets the criteria set out in Section 3.2 hereof and the Board believes that the Brewery aligns with the values of the Society, including those set out in the Constitution, and will not now or hereinafter bring discredit on the Society, cause discord within the membership, or bring the British Columbia craft beer industry into disrepute, then that Brewery shall become a member of the Society on the Board's acceptance of the application.
- 3.4 Every member shall uphold the constitution and comply with these Bylaws.

- 3.5 The amount of the annual membership dues, if any, must be determined by the Board.
- 3.6 Every member, except a member not in good standing, is a voting member.
- 3.7 A member is not in good standing if the member fails to pay the member's annual membership dues, if any, or any other subscription or debt due and owing by him to the Society, and the member is not in good standing for so long as those dues remain unpaid.
- 3.8 A member who is not in good standing:
- (a) may not vote at a general meeting, and
 - (b) is deemed not to be a voting member for the purpose of consenting to a resolution of the voting members.
- 3.9 A person shall cease to be a member of the Society:
- (a) upon the delivery of written resignation by the member to the Secretary of the Society;
 - (b) on dissolution;
 - (c) on being expelled in accordance with the bylaws,
 - (d) upon the member's contravention of the Society's Constitution or Bylaws;
 - (e) upon termination the Member's membership by the Board; or
 - (f) on having been a member not in good standing for 6 consecutive months.
- 3.10 If, in the opinion of and after due consideration by the Board, a Member, or any of a Member's owners, operators, directors or employees conduct themselves in such a manner as to bring discredit on the Society, cause discord within the membership, bring the British Columbia craft beer industry into disrepute, or that is not aligned with or does not uphold the values of the Society, including those contained in the Constitution, that Member may be asked to resign. If, after a resignation request is made, a Member refuses to resign then the Board may terminate that Member's membership in a manner consistent with Section 3.11 of these bylaws.
- 3.11 No Member shall have his membership terminated under Section 3.10 of these Bylaws without first having been given the opportunity to be heard by the Board. Before the membership of a Member may be terminated that Member shall receive at least seven days' notice in writing of the date, time and location of a meeting of the Board at which he may be heard. Such notice shall contain a statement of the reasons alleged for termination of membership.
- 3.12 A member may be expelled by a Special Resolution of the members or by Special Resolution of the Board.
- 3.13 The notice of a Special Resolution for expulsion shall be accompanied by a brief statement of the reason or reasons for the proposed expulsion.

4.0 MEETINGS OF MEMBERS

- 4.1 General meetings of the Society must be held at the time and place the Board determines.
- 4.2 Written notice of the date, time and location of a general meeting must be sent to every member at least 14 days before the meeting but not more than 60 days before the meeting. "Written" means any mode of representing or reproducing words in written form, including printing, lithography, typewriting, photography, electronic mail, and fax.
- 4.3 At a general meeting, the following business is ordinary business:
- (a) adoption of rules of order;
 - (b) consideration of any financial statements of the Society presented to the meeting;
 - (c) consideration of the reports, if any, of the directors or auditor;
 - (d) election or appointment of directors;
 - (e) appointment of an auditor, if any;
 - (f) business arising out of a report of the directors not requiring the passing of a Special Resolution.
- 4.4 A notice of a general meeting must state the nature of any business, other than ordinary business, to be transacted at the meeting.
- 4.5 The following individual is entitled to preside as the chair of a general meeting:
- (a) the individual, if any, appointed by the Board to preside as the chair;
 - (b) if the Board has not appointed an individual to preside as the chair or the individual appointed by the Board is unable to preside as the chair:
 - (c) the president,
 - (d) the vice-president, if the president is unable to preside as the chair, or
 - (e) one of the other directors present at the meeting, if both the president and vice-president are unable to preside as the chair.
- 4.6 If there is no individual entitled under these Bylaws who is able to preside as the chair of a general meeting within 15 minutes from the time set for holding the meeting, the voting members who are present must elect an individual present at the meeting to preside as the chair.
- 4.7 Business, other than the election of the chair of the meeting and the adjournment or termination of the meeting, must not be transacted at a general meeting unless a quorum of voting members is present.
- 4.8 The quorum for the transaction of business at a general meeting is 3 voting members.

- 4.9 If, within 30 minutes from the time set for holding a general meeting, a quorum of voting members is not present,
- (a) in the case of a meeting convened on the requisition of members, the meeting is terminated, and
 - (b) in any other case, the meeting stands adjourned to the same day in the next week, at the same time and place, and if, at the continuation of the adjourned meeting, a quorum is not present within 30 minutes from the time set for holding the continuation of the adjourned meeting, the voting members who are present constitute a quorum for that meeting.
- 4.10 If, at any time during a general meeting, there ceases to be a quorum of voting members present, business then in progress must be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- 4.11 The chair of a general meeting may adjourn the meeting from time to time and from place to place, but no business may be transacted at the continuation of the adjourned meeting other than business left unfinished at the adjourned meeting.
- 4.12 It is not necessary to give notice of a continuation of an adjourned general meeting or of the business to be transacted at a continuation of an adjourned general meeting except that, when a general meeting is adjourned for 30 days or more, notice of the continuation of the adjourned meeting must be given.
- 4.13 The order of business at a general meeting is as follows:
- (a) elect an individual to chair the meeting, if necessary;
 - (b) determine that there is a quorum;
 - (c) approve the agenda;
 - (d) approve the minutes from the last general meeting;
 - (e) deal with unfinished business from the last general meeting;
 - (f) if the meeting is an annual general meeting:
 - (i) receive the directors' report on the financial statements of the Society for the previous financial year, and the auditor's report, if any, on those statements;
 - (ii) receive any other reports of directors' activities and decisions since the previous annual general meeting;
 - (iii) elect or appoint directors, as needed;
 - (iv) appoint an auditor, if any;
 - (g) deal with new business, including any matters about which notice has been given to the members in the notice of meeting; and
 - (h) terminate the meeting.

- 4.14 At a general meeting, voting may be by a show of hands, an oral vote, or another method that adequately discloses the intention of the voting members, in each case as directed by the chair of the meeting, except that if a secret ballot is directed by the chair of the meeting, voting must be by a secret ballot.
- 4.15 Voting at a general meeting may also be by indirect or delegate voting or voting by mail or another means of communication, including by fax, email or other electronic means.
- 4.16 No resolution proposed at a meeting need be seconded and the chairperson of a meeting may move or propose a resolution.
- 4.17 In the case of an equality of votes the chairperson shall not have a second or casting vote in addition to the vote to which he or she may be entitled as a member and the proposed resolution shall not pass.
- 4.18 A corporate member may vote by its authorized representative who is entitled to speak and vote, and in all other respects exercise the rights of a member and that representative shall be reckoned as a member for all purposes with respect to a meeting of the Society.
- 4.19 The chair of a general meeting must announce the outcome of each vote and that outcome must be recorded in the minutes of the meeting.
- 4.20 Voting by proxy is permitted, unless restricted by the Board prior to the general meeting. A proxy holder is not required to be a member of the Society.
- 4.21 A matter to be decided at a general meeting must be decided by ordinary resolution unless the matter is required by the Act or these Bylaws to be decided by Special Resolution or by another resolution having a higher voting threshold than the threshold for an ordinary resolution.

5.0 DIRECTORS

- 5.1 The Society must have seven directors. The Board will consist of:
 - (a) a minimum of two directors who are owners, operators, directors or employees of a member Brewery that produces over 10,000 HL of beer per year; and
 - (b) a minimum of two directors who are owners, operators, directors, or employees of a member Brewery that produces under 9,999 HL of beer per year.
- 5.2 Each Director must:
 - (a) be either the owner, operator, director, or employee of a member Brewery that is in good standing;
 - (b) uphold and abide by the Constitution and Bylaws of the Society;
 - (c) not be the owner, operator, director or employee of a Brewery that produces more than 50% of their Brewery's annual production via contracting brewing, either on-site for third parties, affiliates or associates, or offsite by one of these parties for the Brewery.

- 5.3 No more than one Director from each Brewery can be appointed or elected to the Board at a time, and if the Brewery from which a Director is appointed or elected is affiliated, associated or shares ownership with another Brewery, these affiliated, associated or shared-ownership Breweries cannot concurrently have a Director on the Board, such that no group of affiliated, associated or shared-ownership Breweries can ever have more than one Director on the Board at any given time.
- 5.4 The term of office of a person elected as a Director shall be two years, unless otherwise determined by the Board in its discretion before the election of that person. For purposes of calculating the duration of the Director's term of office, the term shall be deemed to commence at the close of the annual general meeting at which such Director was elected and, unless terminated earlier, will end at the close of the annual general meeting in the year in which the Director's term expires.
- 5.5 At the expiry of a Director's two year term, those members entitled to vote for the election or appointment of Directors will, at an annual general meeting in the year in which the Director's term expires, elect or appoint the Board contemplated in Section 5.1 for two year terms. If no successor is elected the person previously elected or appointed continues to hold office.
- 5.6 The Board may, at any time, appoint a member as a director to fill a vacancy that arises on the Board as a result of the resignation, death or incapacity of a director during the director's term of office.
- 5.7 A director appointed by the Board to fill a vacancy ceases to be a director at the end of the unexpired portion of the term of office of the individual whose departure from office created the vacancy.
- 5.8 A person is not qualified to be a director of the Society if they are:
- (a) not at least 18 years of age;
 - (b) found by any court, in Canada or elsewhere, to be incapable of managing the individual's own affairs;
 - (c) an undischarged bankrupt; or
 - (d) convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated entity, or of an offence involving fraud, unless:
 - (i) the court orders otherwise;
 - (ii) 5 years have elapsed since the last to occur of:
 - (I) the expiration of the period set for suspension of the passing of sentence without a sentence having been passed;
 - (II) the imposition of a fine;
 - (III) the conclusion of the term of any imprisonment; and

- (IV) the conclusion of the term of any probation imposed; or
 - (iii) a pardon was granted or issued, or a record suspension was ordered, under the Criminal Records Act (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect.
- 5.9 The directors may regulate their meetings and proceedings as they think fit.
- 5.10 The accidental omission to give notice of a directors' meeting to a director, or the non-receipt of a notice by a director, does not invalidate proceedings at the meeting.
- 5.11 The quorum for the transaction of business at a directors' meeting is a majority of the directors.
- 5.12 The directors may delegate any, but not all, of their powers to committees consisting of such director or directors as they think fit. The committees may include, but are not limited to the following:
- (a) Membership Benefits;
 - (b) Tourism (specifically the BC Ale Trail);
 - (c) Retail Markets;
 - (d) Government Relations; and
 - (e) Members Education, Training & Best Practices.
- 5.13 A committee so formed in the exercise of the powers so delegated shall conform to any rules imposed on it by the directors, and shall report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held next after it has been done.
- 5.14 A committee shall elect a chairperson of its meetings; but if no chairperson is elected, or if at a meeting the chairperson is not present within 30 minutes after the time appointed for holding the meeting, the directors present who are members of the committee shall choose one of their number to be chairperson of the meeting. Each director will be the chairperson of at least one committee during their term.
- 5.15 The members of a committee may meet and adjourn as they think proper.
- 5.16 Questions arising at a meeting of the directors or committee of directors shall be decided by a majority of votes.
- 5.17 In case of an equality of votes the chairperson does not have a second or casting vote.
- 5.18 No resolution proposed at a meeting of directors or committee of directors need be seconded and the chairperson of a meeting may move or propose a resolution.
- 5.19 A resolution in writing, signed by all of the directors and placed with the minutes of the directors is valid and effective as if regularly passed at a meeting of the directors.

6.0 OFFICERS

- 6.1 The officers of the Society shall be a President, Secretary and Treasurer together with the individuals occupying such other offices, if any, as the Board, in its discretion may create. The officers shall be elected by the directors from among themselves at the first meeting of the directors immediately following an annual general meeting and a director may hold more than one position. Officers will hold office until the first meeting of the directors held after the next following annual general meeting. A person may be removed as an officer by resolution of the directors.
- 6.2 The president is the chair of the Board and is responsible for supervising the other directors in the execution of their duties.
- 6.3 The secretary is responsible for doing, or making the necessary arrangements for, the following:
- (a) issuing notices of general meetings and directors' meetings;
 - (b) taking minutes of general meetings and directors' meetings;
 - (c) keeping the records of the Society in accordance with the Act;
 - (d) conducting the correspondence of the Board;
 - (e) filing the annual report of the Society and making any other filings with the registrar under the Act.
- 6.4 In the absence of the secretary from a meeting, the Board must appoint another individual to act as secretary at the meeting.
- 6.5 The treasurer is responsible for doing, or making the necessary arrangements for, the following:
- (a) receiving and banking monies collected from the members or other sources;
 - (b) keeping accounting records in respect of the Society's financial transactions;
 - (c) preparing the Society's financial statements;
 - (d) making the Society's filings respecting taxes.
- 6.6 The Society shall, to the full extent permitted by the Act, indemnify and hold harmless, every person now or hereafter serving as a director or senior manager of the Society and his or her heirs and legal representatives. Subject to the provisions of the Act, each director or senior manager of the Society shall be indemnified by the Society against expenses reasonably incurred by him or her in connection with any action, suit or proceeding to which he may be made a party by reason of his or her being or having been a director or senior manager of the Society, except in relation to matters as to which such reimbursement is prohibited by the Act.

7.0 EXECUTIVE DIRECTOR AND STAFF

- 7.1 The directors may appoint an executive director of the Society who shall not be a director, and the directors may fix the salary, benefits or remuneration and other terms of

employment of the executive director and define his/her duties and tenure of office or employment which, unless otherwise provided, shall be at the pleasure of the directors. The executive director, if any, shall report to the directors and/or the President of the Society.

- 7.2 From time to time, the directors may employ, or may delegate to the executive director, if any, the power to employ other employees of the Society, as they see fit.

8.0 MANAGEMENT COMMITTEE

- 8.1 From time to time, for a term established by the Board, the Board may appoint non-members to the Management Committee to assist the directors with the management of the Society.

9.0 REMUNERATION OF DIRECTORS

- 9.1 These Bylaws do not permit the Society to pay to a director remuneration for being a director, but the Society may, subject to the Act, pay remuneration to a director for services provided by the director to the Society in another capacity.

10.0 EXECUTION OF DOCUMENTS

- 10.1 A document or instrument may be signed on behalf of the Society by the following persons:

- (a) any two directors,
- (b) such person or persons as the directors may from time to time by resolution appoint, and any such resolution may be general in its nature, or
- (c) for the purpose of executing a certificate of incumbency or a true copy of any resolution or other document, any director or any other person as may be determined by the directors.

11.0 BYLAWS & RECORDS

- 11.1 On being admitted to membership, each member is entitled to and the Society shall give him, without charge, a copy of the Constitution and Bylaws of the Society.

- 11.2 A member may, on reasonable notice, inspect a record the Society is required to keep under Section 20(1) of the Act, subject to Section 10.3 of these Bylaws. A member may also, on reasonable notice and in accordance with Section 24(2)(a) of the Act, inspect a portion of a record specified in such section. A member may not inspect any other documents or records of the Society unless:

- (a) A court orders otherwise; or
- (b) The directors permit it by resolution.

- 11.3 A member may not inspect the following records of the Society:

- (a) directors' minutes;
- (b) consent resolutions; and

(c) accounting records.

11.4 Subject to Section 28 of the Act, a person who is not a member or director of the Society may not inspect any documents or records of the Society unless:

(a) a court orders otherwise; or

(b) the directors permit it by resolution.