

Bylaws of the Minnesota Craft Brewer's Guild

Adopted 12/2011
Amended 10/2020

Article 1:

The name of this corporation is the Minnesota Craft Brewer's Guild, a non-profit Minnesota corporation (the "Association"). The Association shall observe all local, State and Federal laws which apply to a nonprofit organization as defined in Section 501 (c) 6 of the Internal Revenue Code.

Article 2: Purposes of Organization

The Association is organized and operated exclusively for non-profit purposes. The Association is organized to:

1. Promote, in every lawful manner, the common interests of the members and the licensed brewing industry in Minnesota;
2. To engage and assist in, and contribute to, the enhancement of public awareness of craft brewing in Minnesota and to promote a healthy economic environment in Minnesota that enables public choices in the marketplace for the consumer, opportunity and access to the marketplace by Minnesota breweries, and a equitable system of regulation & taxation.
3. Employ agents to collect information of value to members regarding laws, provisions, directives, and orders as may be made by the United States government, the State of Minnesota, and the political subdivisions thereof serving the Association, to collect information of value from industry members, and to circulate such information to the members and general public;
4. Hold membership in other associations, although the Association shall not be deemed to have approved the action of other associations by such membership, unless the Board of Directors of the Association so approves;
5. Perform such other acts as may be necessary, in the opinion of the Board of Directors, to carry out the purpose of this Association. The Association shall not fix or set the prices and terms upon which the members buy and sell beer, limit or control the amounts of beer produced or purchased, boycott customers or suppliers, or allocate markets and customers.

Article 3: Location

The principal office of the Minnesota Craft Brewer's Guild, at which the general business of the organization will be transacted and where the records of the organization will be kept, shall be at such location in the State of Minnesota, as may be fixed from time to time by the Board of Directors of the Association.

Article 4: Members

1. Membership: Membership shall be open and available to any individual, partnership, organization, or corporation who pays the membership dues as may be established from time to time by the Board of Directors and qualifies under one of the defined membership levels listed below. Unless terminated in accordance with these Bylaws, a member's membership shall terminate on December 31 each year. All membership applications require approval by the Board of Directors for membership to become valid.
2. Definition of a Regular Member: A brewing organization that brews common brands, names and formulas at a brewing facility in Minnesota which it owns a majority interest in the company of which dues are paid. A Regular Member will pay dues as set by the Board of Directors. If there is more than one brewing organization involved in a brewing facility, the one holding a majority interest is eligible for regular membership. The member must hold a TTB issued Brewer's Notice. The brewery must qualify for the Federal Excise Tax exemption applicable to brewers producing no more than 2 million barrels of product

a year. A contract brewer who does not own a majority interest in a brewing facility in Minnesota is not eligible for a Regular membership.

3. Definition of an Associate Member: A contract brewing organization or minority alternating proprietorship that is not recognized as a regular member that has beer produced at a brewing facility in Minnesota. An Associate will pay dues as set by the Board of Directors. Associate members have no voting rights unless they have been elected to the Board of Directors and their voting rights are at the board level only.

4. Definition of an Allied Trade Member: Tradesmen, suppliers, and retailers doing business with the craft brewing industry or any individual, partnership or corporation in an allied industry or endeavor may be admitted as a non-voting Allied Trade member. An Allied Trade member will pay dues as set by the Board of Directors. Allied Trade members have no voting rights unless they have been elected to the Board of Directors and their voting rights are at the board level only.

5. Definition of a Patron Member: Beer enthusiasts may be admitted as a non-voting Patron member. A Patron member will pay dues as set by the Board of Directors. Patron members have no voting rights unless they have been elected to the Board of Directors and their voting rights are at the board level only.

6. Transferability: A member shall not voluntary or involuntary transfer or assign his or her membership or any right arising there from.

7. Resignation: Any Member in good standing may resign from the Association upon delivery of written notice to the Association before the effective date of the resignation. The resigning Member is responsible for dues assessed for the term of their valid membership.

8. Expulsion: A Member may be suspended or expelled from membership by action of the Board of Directors for non-payment of dues, fees or for the violation of any provision of these Bylaws. Except for termination for failure to pay dues, Members shall be removed only by a process that is fair and reasonable, and requires at least fifteen (15) days' prior written notice of the removal and the reasons therefore and an opportunity for the member to be heard at least five (5) days before the effective date of the removal. The expulsion, suspension, or termination of a member does not relieve the member from obligations the member may have to the Association for dues, assessments or fees or charges for goods or services.

9. Meetings: There shall be one annual general membership meeting at a time and place set by the Board of Directors. Additional general meetings shall be held from time to time as set by the Board of Directors.

Article 5: Representation

1. Voting Rights:

a) For the purposes of voting for the Board of Directors and any other official Association business each Regular member shall have one vote. Only active members, in good standing, are entitled to cast votes in matters of the Association. All members are eligible to serve on committees. Voting by proxy with written confirmation by the member identifying the proxy is allowed as long as notice of the proxy is received to the Association by 5 p.m. the day before the meeting takes place.

b) At all meetings of the Membership, 40% of the members of record shall constitute a quorum for the transaction of all authorized business. Where the computation results in a fractional number, it shall be rounded upward to the next whole number. The acts of the majority of the members present at a meeting at which a quorum exists shall be the acts of the members, except where a larger number is required by law or these Bylaws.

2. Nominations for Board of Directors Positions:

a) Ninety days prior to the annual general membership meeting the Association shall open nominations for the open Board of Directors positions. A nominating committee consisting of the Vice President, Secretary, and 1 ad hoc individual will make up the nominating committee. The nominating committee shall ensure that members have an opportunity to submit names for consideration prior to making its final nominations.

b) All known nominations shall be submitted to the membership at least thirty days in advance of the annual meeting. Directors of the Board are individual representatives of the member organizations and not the member entities themselves.

c) Any Regular member shall have the right to nominate a candidate from the current membership, including himself or herself by notifying the Association prior to 30 days before the election. Ballots may be mailed, faxed, emailed, or otherwise delivered to the Association and will be accepted until the President announces the election has closed at the annual general membership meeting.

3. Election to the Board of Directors: Will be held at the annual general membership meeting right after the President entertains nominations from the floor and the nominations are closed. Board members will be elected as follows:

- The total number of directors will be seven.
- Board members terms are two years.
- The membership will elect three new board members for the odd years and four for the even years.
- There will be a minimum of four regular members to make up the board of directors – the remaining three slots can be made up of a combination of regular, associate, allied trade, or patron members.
- Only one individual per business entity and / or membership is allowed to serve on the Board of Directors.
- The votes shall be tallied at the annual meeting. The individuals receiving the highest number of votes will be elected to the open Board of Directors seats:
 - unless more than one individual per membership received the highest vote counts. In that instance, the individual within that membership with the higher number of votes shall be elected and the applicable nominee with the next highest vote count will be moved up to be elected to the Board of Directors
- The board will consist of a President, Vice President, Secretary, Treasurer, plus 3 general board members.
- The newly elected Board of Director's will meet at the next Board of Director's meeting to elect officers.
- The first year these bylaws are adopted a full slate of 7 board members will be elected at the annual general membership meeting. The President, Vice President, Secretary & Treasurer elected from this first group will serve two years. The three other board members will serve one year.

4. Vacancies: If a vacancy occurs in the office of the President of the Board of Directors, the Vice President shall serve as President for the remainder of the term. Vacancy in the office of Vice President, Treasurer or a director position shall be filled for the balance of the unexpired term by nominee(s) submitted by the acting President and approved by the Board of Directors. A vacancy in the Board of Directors that occurs for any reason shall be filled by majority vote of the remaining members of the Board of Directors, even if less than a quorum, or by majority vote of all Regular Members. A person so elected to fill a vacancy shall serve as a director for the remainder of the term of the former director whose vacancy has been filled, and until his or her successor has been elected and qualified.

Article 6: Board of Directors

1. Authority: The business and affairs of the Association shall be managed by the Board of Directors, which may exercise all such powers of the Association as are permitted by law, the Articles of Incorporation, or these Bylaws.

2. Numbers of Directors: The number of directors of the Association shall be seven.
3. Term of Office: Each director shall serve a term of two years. Three directors shall be elected in the odd-number years and four directors shall be elected in the even-numbered years. There are no term limits.
4. Meetings: The board of directors shall meet from time to time with a minimum of four meetings per calendar year.
5. Action Without a Meeting: Any action required or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in written communication, setting forth the action so taken, shall be signed by a majority of the directors.
6. Notice of Meetings: The time, date and place of each meeting of the Board of Directors shall be set by the Board of Directors, and notice of the time and place of such meeting shall be delivered by written communication to each member of the Board of Directors at least seven days prior to the date of each meeting. The secretary is responsible to ensure proper notice of time, date, & location of meetings.
7. Quorum and Vote: A quorum for transaction of business at a meeting of the Board of Directors shall be a majority of the Board of Directors. Except as otherwise provided by law, each voting member shall be entitled to cast one (1) vote on each question. The vote of the majority of those members present shall decide any questions brought before the meeting, unless the question is one upon which, by law, or by these by-laws, a different vote is required, in which case such express provisions shall govern and control. No voting by proxy shall be permitted at meetings of the board of directors.
8. Compensation of Board of Directors: The Board of Directors of the Association shall serve without compensation except for reimbursement expenses subject to policy set by the Association.

Article 7: Presiding Officers

1. Designation: The principal officer of the Association shall be the President of the Board of Directors, who shall be elected annually by the Board of Directors from among the Board of Directors.
2. President of the Board of Directors: The President of the Board of Directors shall preside at all meetings of the Board of Directors, and perform all duties incident to the office. The President shall see that all orders and resolutions of the Board of Directors are carried out. He/she shall at all times represent and act for the Association in its relationships with other organizations or groups, and shall, with the advice and consent of the Board of Directors, pass upon and determine all questions of policy and public relations which may arise between meetings of the Board of Directors. The President shall have authority to delegate to other officers such of his powers as he/she may deem necessary and expedient.
3. Vice President of the Board of Directors: The Vice President of the Board of Directors shall perform such duties as may be assigned by the President or Board of Directors and shall preside at all meetings of the Association in the absence or disability of the President. The Vice President shall be elected annually by the Board of Directors from among the Board of Directors.
4. Secretary of the Board of Directors: The Secretary shall attend all meetings of the membership and the Board of Directors and shall keep, or cause to be kept, the bylaws and documents of the Association, and a true and complete record of all the votes and proceedings of such meetings and, whenever necessary, certify such proceedings. He/she shall attend to the giving and serving of all notices of the Association. The Secretary shall oversee proper notice of meetings to members and directors and shall perform such other duties as may be prescribed by the Board of Directors or the President from time to time. The Secretary shall be elected annually by the Board of Directors from among the Board of Directors.
5. Treasurer of the Board of Directors: The Treasurer shall be responsible for preparation of the proposed annual budget and keep or cause to be kept the finances of the Association and shall audit all expenditures made on the behalf of the Association and render a statement of condition of finances of the

Association at each Board of Directors meeting and at the annual general membership meeting. The Treasurer shall be elected annually by the Board of Directors from among the Board of Directors, the membership or such individual deemed qualified.

6. Other Officers of the Board of Directors: Any other officers appointed by the Board of Directors shall perform such duties and be responsible for such functions as the Board of Directors may prescribe.

7. Executive Director:

a) Duties. The Board of Directors may select and employ an Executive Director who shall be responsible for the general administration of the Associations activities. The Executive Director shall be the directing head of the business offices of the Association.

b) Immediate Supervision: The Executive Director shall work under the immediate direction of the Board of Directors. The Executive Director shall attend meetings of the Board of Directors and the Finance Committee, but shall not be a member of any of these bodies. The presiding officer of any of these meetings may request the absence of the Executive Director.

c) With the approval of the Board of Directors, the Executive Director may sign checks drawn of the funds of the Association in payment of the debts and obligations of the association within reasonable and appropriate limits as established by the Board. The Executive Director shall cooperate with the Treasurer in the preparation of all budgets and financial statements presented to the Board of Directors. The Executive Director shall also perform such other duties as may be assigned to him/her by the President or the Board of Directors and shall be compensated for services.

Article 8: Amendments

1. Amendments to the Bylaws:

a) Amendments to the bylaws must be submitted to any Board of Director's member, in written communication at least 30 days prior to the annual general membership meeting. The Board of Director's shall then see that the proposal is forwarded to the membership at least 15 days prior to a regular membership meeting for a vote. In order to be accepted to the bylaws, any proposed amendment must receive a majority vote of two-thirds of the regular membership.

b) Both the Board of Directors and the members shall have the power to amend the Articles of Incorporation and these bylaws. Subject to restrictions imposed by statute, the Board may amend the articles and bylaws by adopting a resolution setting forth the amendment, providing written notice of the proposed amendments at least fifteen (15) calendar days prior to a duly called meeting. Such amendment shall require an affirmative vote of two-thirds of the Board at a duly constituted meeting.

Article 9: Finances

1. Fiscal Year: The fiscal year of the Association shall be established by the Board of Directors.

2. Accounts: All monies paid to the Association shall be placed in a general operating account or such other accounts as the Board of Directors may designate.

3. Annual Accounting: The accounts of the Association shall be prepared annually, as soon as practicable after the close of the fiscal year. The annual accounting shall at all times be made available to regular and Board of Director's members.

4. Books and Accounts: Books and accounts of the Association shall be kept under the direction of the Treasurer of the Association.

5. Execution of the Association's Documents: The Board of Directors may authorize any Officer or Officer's agent or agents to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. These authorizations are in addition to those authorized by these bylaws.

6. Loans: No loans shall be contracted on behalf of the Association nor shall evidences of indebtedness be issued in its name unless authorized by resolution of the Board of Directors. Such authority shall be general or confined to specific instances.

7. Deposits: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such bank or banks or other depositories as the Board of Directors may elect.

8. Checks, Drafts, Etc.: All checks, drafts and other orders for payment of funds will be signed by such Officers or such other persons as the Board of Directors shall designate in its approved financial policies.

9. Indemnity: the Association shall indemnify and hold harmless any Director, Officer, or employee from any suit, damage, claim, judgment or liability arising out of, or asserted to arise out of conduct of such person in his or her capacity as a Director, Officer, or employee except in cases involving willful misconduct. Indemnification provided under this section shall comply with and follow the requirements as provided by statute. The Association shall have the power to purchase or procure insurance for such purposes.

10. Examination by Directors: Every Director of the Association shall have a right to examine, in person or by agent or attorney, at any reasonable time or times, and at the place or places where usually kept, all books and records of the Association and make extracts or copies therefrom.

Article 10: Committees

1. Establishment: The Board of Directors may also, from time to time, appoint such other committees as it may deem proper, and may prescribe the functions and membership of such other committee. The Board President appoints all committee chairs. Each committee shall include one current Board of Director's member.

2. Meetings: Meetings of the individual committees may be held at such time and place as may be determined by a majority of the committee, by the Chair, or by the Board of Directors. Notice of meetings shall be given to the committee's members at least five (5) working days in advance of the meeting unless all members agree to a shorter notification. A majority of the committee's membership shall constitute a quorum.

3 Finance Committee: The Treasurer is chair of the Finance Committee, which includes at least two other Board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, creating an annual budget, and other fiscal duties as assigned by the Board of Director's. The Board must approve the budget annually. The financial records of the Association are public information and shall be made available to regular and Board of Director's members upon request.

Article 11: Dues / Membership Fees / Billings

1. Annual Dues / Membership Fees: Annual Dues/Membership of members of the Association shall be paid annually in such amounts and on such terms as determined from time to time by the Board of Directors.

2. Arrears: Members who fail to pay their dues within 30 days of the initial billing shall be notified in written communication. If payment is not made within 60 days of the initial billing, that member shall receive an "intent of termination" notice and lose the privilege of voting. If payment is not received within 90 days of initial billing, that member will be dropped from the rolls and thereupon forfeit all rights and privileges of membership. The terminated member is responsible for dues assessed up to the effective date of

termination. The Board of Directors may by rule prescribe procedures for extending the timely payment of dues and continuation of membership privileges upon request of a member for good cause shown. Organizations wishing to rejoin the Association will be required to pay all past dues and fees before consideration.

3. Appropriation of Funds: Checks may be signed by the President, the Treasurer and the Executive Director.

4. General Sources of Funds. All the income from dues, assessments, gifts, or gain from the operation of the Association shall be for the sole use of the Association, and no division thereof shall, at any time, be made to any member, except in reasonable payment of services rendered by any member to the Association, at the request of the Board of Directors.

5. Dissolution. If the Association should be dissolved, no member will receive any portion of its remaining assets or property. Upon dissolution, the balance of any assets or property of the Association which remains after all debits or obligations are paid will be distributed to any other non-profit corporation which has been selected by the Associations Board of Directors and has been determined by the Internal Revenue Service to be exempt from federal taxes.

Article 12: Indemnification; Standard of Conduct

1. Indemnification: Every Director, Officer or Employee of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred or imposed upon him/her in connection with any proceedings to which he/she may be made a party, or in which he/she may become involved, by reason of his being or having been a Director, Officer or Employee at the time such expenses are incurred except in cases wherein the Director, Officer or Employee is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, Officer or Employee may be entitled.

2. Conflict of Interest. The purpose of the conflict of interest policy is to protect this organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

a) Definitions. An interested person, for purposes of this conflict of interest policy is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below:

1) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family.

a. An ownership or investment interest in any entity with which the organization has a transaction or arrangement,

b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

2) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

3) The fact that one of the interests described above has occurred does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that a conflict exists precludes board action. As provided in this Article the board shall determine whether a conflict exists.

b) The Board shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization or (c) an organization in or of which a director of the Association is a director, officer or legal representative, or in some other way has a material financial interest unless:

1) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2) Determining Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3) Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4) Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The interested Director may be present for discussion to answer questions, but may not advocate for the action to be taken, cannot be included to establish a quorum for the meeting, and must leave the room while a vote is taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

3. Compensation: This subsection shall govern when compensation from this organization is being determined.

1) A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.

2) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.

3) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

4. Standard of Conduct. Each director and officer shall discharge his or her duties as a director or officer in good faith, in a manner which the director or officer reasonably believes to be in the best interest of the Association, and with care an ordinarily prudent person in a like situation would exercise under similar circumstances.