

# association bylaws

**BE IT ENACTED** as a general by-law of **ALBERTA SMALL BREWERS ASSOCIATION** (the "Association") as follows:

## **ARTICLE 1 - HEAD OFFICE**

1. 1 The head office of the Association shall be located in Calgary, Alberta or such other location in the Province of Alberta as the board of directors may determine from time to time.

## **ARTICLE 2 - SEAL**

2.1 The seal, an impression whereof is stamped below, shall be the corporate seal of the Association.

## **ARTICLE 3 - BOARD OF DIRECTORS**

3.1 The affairs of the Association shall be managed by a board of directors. The number of directors on the board shall not be fewer than three nor more than nine.

3.2 The directors may be elected and retire in rotation, and the first directors shall hold office until the first annual meeting of the members or until their earlier resignation or removal. At the first annual meeting of members, one-half of the directors shall be elected for a two year term and one-half for a three year term. Thereafter, directors to be elected at each annual meeting of members shall be elected for a term of two years unless elected or appointed to fill a vacancy in the board of directors of the Association, in which case the director elected or appointed shall be elected or appointed for the unexpired term of the director who has ceased to be a director and has created the vacancy. For purposes of this clause, a "year" shall commence on the date of election or appointment as director and shall terminate on the date of the next annual meeting of members at which the directors are to be elected. There shall be no limitation on the number of consecutive terms for which a director may be elected or appointed.

3.3 A person appointed or elected a director becomes a director if they were present at the meeting when being appointed or elected, and did not refuse the appointment. They may also become a director if they were not present at the meeting but consented in writing to act as director before the appointment or election, or within ten days after the appointment or election, or if they acted as a director pursuant to the appointment or election.

3.4 A director may resign, in which case the resignation becomes effective at the time specified in the resignation letter received by the Association. A director can also be removed upon a majority vote of all members in good standing for any cause which the Association may deem reasonable.

3.5 The board of directors may from time to time appoint any committee or committees, as it deems necessary or appropriate for such purposes and with such powers as the board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by an ordinary resolution of the board of directors. The board of directors may fix any remuneration for committee members who are not also directors of the Association.

#### **ARTICLE 4 - VACANCIES, BOARD OF DIRECTORS**

4.1 Vacancies on the board of directors, however caused, may, so long as a quorum of directors remain in office, be filled by the directors from among the qualified members of the Association and in compliance with the provisions of section 3 .2, if they shall see fit to do so, otherwise such vacancy shall be filled at the next annual meeting of the members at which the directors for the ensuing year are elected, but if there is not a quorum of directors, the remaining directors shall forthwith call a meeting of the members to fill the vacancy.

#### **ARTICLE 5 - QUORUM AND MEETINGS, BOARD OF DIRECTORS**

5.1 A majority of the directors shall form a quorum for the transaction of business. Except as otherwise required by law, the board of directors may hold its meetings at such place or places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the President or by the Secretary on direction of the President or by the Secretary on direction in writing of two directors. Notice of such meetings shall be delivered, telephoned, faxed or e-mailed to each director not less than forty-eight (48) hours before the meeting is to take place or shall be mailed to each director not less than four days before the meeting is to take place. The statutory declaration of the Secretary or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The board may appoint a day or days in any month or month's for regular meetings at an hour to be named and of such regular meeting no notice need be sent. A directors' meeting may also be held, without notice, immediately following the annual meeting of the Association. The directors may consider or transact any business either special or general at any meeting of the board. If all of the directors of the Association consent, a meeting of the directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed to be present at that meeting.

## **ARTICLE 6 - ERRORS IN NOTICE, BOARD OF DIRECTORS**

6.1 No error or omission in giving such notice for a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

## **ARTICLE 7 - VOTING, BOARD OF DIRECTORS**

7.1 Questions arising at any meeting of directors shall be decided by a majority of votes. All votes at such meeting shall be taken by ballot if so demanded by any director present, but if no demand is made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairperson that a resolution has been carried and an entry to that effect the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **ARTICLE 8 - POWERS**

8.1 The directors of the Association may administer the affairs of the Association in all things and make or cause to be made for the Association, in its name any kind of contract which the Association may lawfully enter into and, save hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Association is by its charter or otherwise authorised to exercise and do. Without in any way derogating from the foregoing, the directors are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrant options and other securities, lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Association, for such consideration and upon such terms and conditions as they may deem advisable. In addition to the foregoing, the board of directors may, from time to time, pass, amend and repeal a code of practice in order to foster high ethical standards and professionalism in the Industry.

## **ARTICLE 9 - REMUNERATION OF DIRECTORS**

9.1 The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from occupying the position of director; provided that a director may be reimbursed for reasonable expense incurred by the director in the performance of the director's duties.

## **ARTICLE 10 - OFFICERS OF ASSOCIATION**

10.1 There shall be a Chairperson, a President, a Secretary and a Treasurer or, in lieu of a Secretary and Treasurer, a Secretary-Treasurer, an Executive Director and such other officers as the board of directors may determine from time to time. One person

may hold more than one office. The Chairperson shall be elected by the board of directors from among their number at the first meeting of the board after the annual election of such board of directors, provided that in default of such election the then incumbents, being members of the board, shall hold office until their resignation or removal. The other officers of the Association need not be members of the board and in the absence of written agreement to the contrary the employment of all officers shall be settled from time to time by the board. Unless resolved by the board of directors, officers of the Association shall not receive any remuneration. The board of directors can remove any officer by an ordinary resolution passed at a board meeting.

#### **ARTICLE 11- CHAIRPERSON**

11.1 The Chairperson shall be a director and shall be vested with and may exercise all of the powers and perform all of the duties of a chairperson of the board including, without limitation, chairing all meetings of the board of directors and members. During the absence or inability of the President, his duties and powers shall be exercised by the Chairperson.

#### **ARTICLE 12 - DUTIES OF PRESIDENT**

12.1 The President shall be charged with the general management and supervision of the affairs and operations of the Association and such other duties as may from time to time be determined by the board of directors. The President with the Secretary or other officer appointed by the board for the purpose shall sign all by-laws and membership certificates.

#### **ARTICLE 13 - DUTIES OF SECRETARY**

13.1 The Secretary shall be ex officio clerk of the board of directors. He shall attend all meetings of the board of directors and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all notices required to be given to members and to directors. He shall be the custodian of the seal of the Association, which whenever used shall be authenticated by the signature of the Secretary and the President, and of all books, papers, records, correspondence, contracts and other documents belonging to the Association which he shall deliver up only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the board of directors.

#### **ARTICLE 14 - DUTIES OF TREASURER**

14.1 The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Association in proper

books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Association in such bank or banks as may from time to time be designated by the board of directors. He shall disburse the funds of the Association under the direction of the board of directors, taking proper vouchers therefor and shall render to the board of directors at the regular meetings thereof or whenever required of him, an account of all his transactions as Treasurer and of the financial position of the Association, He shall also perform such other duties as may from time to time be determined by the board of directors.

#### **ARTICLE 15 - DUTIES OF EXECUTIVE DIRECTOR AND OTHER OFFICERS**

15.1 The board of directors may from time to time appoint an Executive Director and may delegate to

that person full power to manage and direct the business and affairs of the Association (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the members) and to employ and discharge assistants, clerks, agents, representatives and employees of the Association or may delegate to that person any lesser authority. The Executive Director shall conform to all lawful orders given by the board of directors of the Association and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Association

15.2 The duties of all other officers of the Association shall be such as the terms of their engagement call for or the board of directors requires of them.

#### **ARTICLE 16 - EXECUTION OF DOCUMENTS**

16.1 Deeds, transfers, licences, contracts and engagements on behalf of the Association shall be signed by the President together with any other officer or director, who may also affix the seal of the Association to such instruments as require the same.

16.2 Contracts in the ordinary course of the Association's operations may be entered into on behalf of the Association by any one officer or director or by any person authorised by the board.

16.3 Notwithstanding any provisions to the contrary contained in the by-laws of the Association, the board of directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Association may or shall be executed.

#### **ARTICLE 17 - BOOKS, RECORDS AND MINUTES**

17.1 The directors shall see that all necessary books, records and minutes of the Association required by the by-laws of the Association or by any applicable statute or law are regularly and properly prepared and kept by the Secretary of the Association or such other officer of the Association designated by the directors from time to time. The

books, records and minutes of the Association shall be kept at the registered office of the Association and such other locations designated by the directors from time to time.

17.2 The books and records of the Association may be inspected by any member of the Association at the Annual General Meeting or at anytime upon giving reasonable notice and arranging a time satisfactory to the officer or officers having charge of same. Each member of the Board shall at all times have access to such books and records.

## **ARTICLE 18 - AUDITING**

18.1 The books, accounts, records and financial statements of the Association shall be audited at least once a year by a duly qualified accountant or by two members of the society elected for that purpose at the Annual Meeting. A complete and proper statement of the standing of the financial statements for the previous year shall be submitted by such auditor at the Annual Meeting of the Association.

## **ARTICLE 19- MEMBERSHIP**

19.1 Membership in the Association shall be available to those persons, firms, organizations, businesses, corporations and others who are interested in furthering the objects of the Association and whose application for admission as a member has received the approval of the board of directors of the Association. The board of directors may also pass membership rules or criteria, providing, among other things, for the admission of members by the Secretary of the Association. Each member shall be promptly informed by the Secretary of their admission as a member. Each brewing organization shall be entitled to one membership, and not more than one membership, in the Association.

19.2 The terms and conditions attaching membership are as follows:

Each member:

- (a) must be a brewing organization that brews common brands, names and formulas at a facility located in the Province of Alberta, in which it owns a majority interest;
- (b) must possess a valid manufacturers licence issued by the Alberta Gaming and Liquor Commission or any successor regulatory body;
- (c) must possess an Excise License issued by the Canada Customs and Revenue Agency or any successor regulatory body.
- (d) must adhere to and adopt the code of practice developed from time to time by the board of directors.

19.3 Any member may withdraw from the Association by delivering to the Association a written resignation and lodging a copy of same with the Secretary of the Association. A resignation shall be effective from acceptance thereof by the board of directors. In the case of resignation, a member shall remain liable for payment of any outstanding membership dues levied or which may become payable by the member to the Association prior to such member's resignation.

19.4 The interest of a member in the Association is not transferable and lapses and ceases to exist:

- (a) upon death or dissolution of the member;
- (b) when the member's period of membership expires (if any);
- (c) when the member ceases to be a member by resignation or otherwise in accordance with the by-laws;
- (d) if a member fails to satisfy its obligations as a member of the Association as provided for in the by-laws as determined by a resolution passed by a minimum of two-thirds (2/3rds) of all directors, whether present at a meeting or not, provided that the member shall be granted the opportunity to be heard at such meeting.

19.5 The Association may from time to time issue to its members such cards, certificates and other forms of identification, in such form, as the board of directors may from time to time approve by resolution.

## **ARTICLE 20 - DUES**

20.1 Members shall be required to pay to the Association membership dues and assessments as are from time to time fixed and prescribed by the board of directors.

20.2 The Secretary shall notify the members of the dues or fees at any time payable by them by bill or account and, if any are not paid within thirty (30) days of the date of such bill or account, the Secretary shall provide a written notice of default to such members. If such dues or fees are not paid within sixty (60) days of the date of such bill or account, the Secretary shall notify the members in default of his intention to terminate membership and voting privileges, if applicable. If any such dues or fees are not paid within ninety (90) days of the date of such bill or account, the members in default shall thereupon automatically cease to be members of the Association, but any such members may on payment of all unpaid dues or fees be reinstated by vote of the board of directors.

20.3 Each Member is responsible for any dues which are assessed up to the effective date of the termination of any member's membership in the Association.

20.4 Notwithstanding the provisions contained in section 19.2, the board of directors may from time to time prescribe rules or procedures for extending the timely payment of dues or fees and continuation of membership privileges for one or more members.

## **ARTICLE 21 - ANNUAL AND OTHER MEETINGS OF MEMBERS**

21.1 The annual or any other special or general meeting of the members shall be held at the head office of the Association or elsewhere in Alberta as the board of directors may determine and on such day as the said directors shall appoint.

21.2 At every annual meeting in addition to any other business that may be transacted, the report of the directors, the financial statements and the report of the auditors shall

be presented, one-half the directors shall be elected, and auditors appointed for the ensuing year and the remuneration of the auditors shall be fixed. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members. The board of directors or the President shall have power to call at any time an annual, special or general meeting of the members of the Association. No public notice nor advertisement of members' meetings, annual, special or general, shall be required, but notice of the time and place of every such meeting shall be given to each member by sending the notice by prepaid mail, fax or e-mail, ten (10) days before the time fixed for the holding of such meeting; provided that any meetings of members may be held at any time and place without such notice if all the members of the Association are present thereat or represented by proxy duly appointed, and at such meeting any business may be transacted which the Association at annual, special or general meetings may transact.

#### **ARTICLE 22 – ADJOURNMENTS**

22.1 Any meetings of the Association or of the directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. Notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

#### **ARTICLE 23 - QUORUM OF MEMBERS**

23.1 A quorum for the transaction of business at any meeting of members shall consist of not less than the lesser of all Members or four (4) Members present in person or represented by proxy.

#### **ARTICLE 24 - VOTING OF MEMBERS**

24.1 Each Member of the Association shall at all meetings of members be entitled to one vote and the Member may vote by proxy. Such proxy need not himself be a member but before voting shall produce and deposit with the Secretary sufficient appointment in writing from his constituent or constituents. No member shall be entitled either in person or by proxy to vote at meetings of the Association unless he has paid all dues or fees, if any, then payable by him.

24.2 At all meetings of members every question shall be decided by a majority of the votes of the members present in person or represented by proxy unless otherwise required by the by-laws of the Association, or by law. Every question shall be decided in the first instance by a show of hands unless a poll be demanded by any member. Upon a show of hands, every member shall have one vote, and unless a poll be demanded a declaration by the Chairperson that a resolution



has been carried or not carried and an entry to that effect in the minutes of the Association shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of votes given by the members present in person or by proxy, and such poll shall be taken in such manner as the Chairperson shall direct and the result of such poll shall be deemed the decision of the Association in general meeting upon the matter in question. In case of an equality of votes at any general meeting, whether upon a show of hands or at a poll, the Chairperson shall not be entitled to a second or casting vote and the resolution under consideration shall be considered defeated. .

#### **ARTICLE 25 - FINANCIAL YEAR**

25.1 Unless otherwise ordered by the board of directors, the fiscal year of the Association shall terminate on the 31st day of December in each year.

#### **ARTICLE 26 - CHEQUES, ETC.**

26.1 All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the board of directors and anyone of such officers or agents may alone endorse notes and drafts for collection on account of the Association through its bankers, and endorse notes and cheques for deposit with the Association's bankers for the credit of the Association, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Association by using the Association's rubber stamp for the purpose. Anyone of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Association and the Association's bankers and may receive all paid cheques and vouchers and sign all the bank's forms or settlement of balances and release or verification slips.

#### **ARTICLE 27- DEPOSIT OF SECURITIES FOR SAFEKEEPING**

27.1 The securities of the Association shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the board of directors, Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Association signed by such officer or officers, agent or agents of the Association, and in such manner, as shall from time to time be determined by resolution of the board of directors and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the board of directors shall be fully protected in acting in accordance with the directions of

the board of directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

#### **ARTICLE 28 - NOTICE**

28.1 Any notice (which term includes any communication or document) to be given, sent, delivered or served pursuant to the Act, the by-laws or otherwise to a member, director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid air or ordinary mail, or if sent to him at his recorded address by any means of fax or other prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or at the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; a notice sent by fax shall be deemed to have been given at the time of confirmation of transmittal, and a notice sent by any means of any other transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any member, director, officer or auditor in accordance with any information believed by him to be reliable.

#### **ARTICLE 29 - BORROWING**

29.1 The directors may from time to time:

- (a) borrow money on the credit of the Association:
- (b) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Association, including book debts, rights, powers, franchises and undertakings to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Association;
- (c) delegate the powers under this clause to any officer or officers of the Association that the board considers appropriate.

29.2 From time to time the directors may authorise any director, officer or employee of the Association or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Association as the directors may authorise, and generally to manage, transact and settle the borrowing of money by the Association.

#### **ARTICLE 30 - DISSOLUTION**

30.1 Upon dissolution of the Association and after payment of all debts and liabilities, the remaining property of the Association shall be distributed among the members prorated in proportion to their respective fee rates.

#### **ARTICLE 31- BY-LAWS**

31.1 The by-laws may be rescinded, altered or added to by "Special Resolution" as set out in the Act.

#### **ARTICLE 32 - INTERPRETATION**

32.1 In these by-laws and in all other by-laws of the Association hereafter passed unless the context otherwise requires:

- (a) "**Act**" means the *Societies Act* (Alberta) or any successor or replacement legislation;
- (b) "**Brews**" means the production of beer products by the steeping of a starch source to produce woti sugars, which are then boiled or fermented;
- (c) "**Industry**" means the licensed craft beer brewing industry consisting of brewers who produce less than 700,000 hectolitres of beer annually world-wide; and
- (d) words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.