

BYLAWS OF THE CORPORATION  
**The American Craft Spirits Association**  
AN INDIANA NON-PROFIT TRADE ASSOCIATION

ARTICLE I  
**Board of Directors**

Section 1. GENERAL POWERS

The Corporation shall be governed by its duly elected Board of Directors.

Section 2. NUMBER

The number of Directors shall not be less than nine (9) or more than twenty (20), including Ex Officio Directors, or as may from time to time be amended by resolution of the Board of Directors.<sup>1</sup>

Section 3. CLASSIFICATION OF DIRECTORS

The Board of Directors (or "Board") shall consist of "Designated Directors" who may also serve as Officers of the Corporation and at most five (5) "Ex Officio Directors" (Designated Directors collectively with Ex Officio Directors are "Directors").

- A. With respect to Designated Directors, the following provisions shall apply:
- [i] The Designated Directors shall be elected from the Voting Members;
  - [ii] The Designated Directors shall represent at all times Voting Member DSPs that are located in three regions of the United States based on their respective time zones unless otherwise determined in the Board's discretion. Unless otherwise determined in the Board's discretion, there shall be at least three (3) but no more than seven (7) elected from the combined Pacific, Alaska, and Hawaii Time Zones; at least three (3) but no more than seven (7) from the combined Mountain and Central

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<sup>1</sup> The number of Ex Officios increased from 2 to 5 on 2.15.2017.

Time Zones; and at least three (3) but no more than seven (7) from the Eastern Time Zone.

- B. The Ex Officio Directors shall be appointed by the Board and may or may not represent DSPs.

Section 4. ELECTION; TERM; TENURE

- A. Designated Directors shall be elected by the Voting Members from a list of eligible nominees provided by the Nominating Committee each year.
- B. Each Designated Director serves for a term of three (3) years.
- B. The Ex Officio Directors shall be appointed to the Board and each shall serve terms at the Board's discretion and in accordance with the terms and conditions set forth herein.

Section 5. RESIGNATION AND REMOVAL OF DIRECTORS

With respect to Directors, the following provisions shall apply:

[i] Removal of any Director is automatic if that Director misses three (3) consecutive meetings of the Board, unless a leave of absence is approved by resolution or by a majority of the Board present at any regular or special meeting. A Director may not transfer his/her office to another person.

[ii] Directors otherwise may be removed, with or without cause, by a majority vote of the Board at any regular or special meeting of the Board.

[iii] A Director of the Corporation may resign his/her office by giving written notice to the Board of Directors. The acceptance of such resignation by the Board of Directors shall not be necessary to make it effective.

[iv] Following removal or resignation of a Designated Director, the Board will notify the Nominating Committee that such position is vacant, and such position shall remain vacant until the election of a new Director of the Corporation or the Board may appoint an interim Director who must have previously run for a Board position.

Section 6. MEETINGS OF THE BOARD OF DIRECTORS

- A. Annual Meetings. The Board of Directors shall meet in person at least once a year. The President of the Board shall establish the exact time and place for this meeting.
- B. Regular Meetings. The Board shall hold regular meetings on a quarterly basis, either in person or via teleconference.
- C. Special Meetings. Special Meetings of the Board of Directors may be called by, or at the request of, the President of the Corporation or any two (2) members of the Board of Directors.
- D. Quorum and Voting. Two-thirds of the Board of Directors shall constitute a quorum. At any meeting for which a quorum is present, a majority vote of the Directors present is required to approve any action presented to the Board of Directors for approval. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board consent thereto in writing.
- E. Meetings and Notice of Meetings. Written notice shall be given of the meeting date, time, and place at least fifteen (15) days prior to any Annual or Regular Meeting. With respect to Special Meetings, written notice shall be given of the meeting date, time, place as well as the purpose or purposes for which the Special Meeting is called to each director at least seven (7) days prior to the Special Meeting. These meetings may be convened as conference calls via telephone. Written notice can be delivered electronically via e-mail or other effective medium of communication.
- F. Participation by Proxy. Any Designated Director may authorize another Voting Member to act by proxy with respect to his or her participation in a Board meeting, including but not limited to contributing towards a quorum. Such proxy shall be signed by the Designated Director and filed with the secretary of the Corporation. A proxy shall be deemed signed if the authorizing Designated Director's name is placed on the

proxy. A validly executed proxy shall continue in full force and effect throughout the Board meeting(s) for which it was intended and may be revoked by: (i) a writing delivered to the Corporation stating that the proxy is revoked; (ii) personal attendance and voting at a meeting by such authorizing Designated Director; or (iii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation. All proxies must sign a confidentiality agreement with the Corporation before such proxy may attend meetings of the Board of Directors or submit a vote on behalf of the authorizing Designated Director.

## ARTICLE II

### **Committees**

#### Section 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of past or present Ex Officio Directors and Designated Directors as the Board shall so designate and may delegate to such committee the powers and authority of the Board in the management of the business and affairs of the Corporation, to the extent permitted by provisions of the law. By a majority vote, the Board may at any time revoke or modify any or all of the Executive Committee authority so delegated. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

#### Section 2. FINANCE COMMITTEE

The Board of Directors may, by a majority vote, designate a Finance Committee consisting of at least three (3) current or past Board members and may delegate to such committee the powers and authority of the Board in monitoring and maintaining the finances of the Corporation, to the extent permitted by provisions of law. Members may be voted onto the Finance Committee after a

period of one (1) year on the Board of Directors and shall serve for a period of one (1) year, unless otherwise determined by resolution of the Board. The Finance Committee's responsibility shall be to monitor the financial systems of the Corporation and to report to the Board at each Board meeting the financial status of the Corporation.

Section 3.        **NOMINATING COMMITTEE**

The Board of Directors may, by a majority vote of its members, designate a Nominating Committee consisting of at least three (3) Board members, past or present, and as many Voting Members as directed by the Board of Directors. The Board of Directors may delegate to such committee the powers and authority of the Board in the nomination of new Board members. The Nominating Committee may convene each year, or as necessary at the request of the Board of Directors, and shall nominate new Designated Director candidates for election by the Voting Members. The Nominating Committee shall employ reasonable efforts to ensure that Designated Director candidates meet the qualifications set forth above and represent the geographic size and diversity of the region said candidates are representing.

Section 4.        **OTHER COMMITTEES**

The Board of Directors shall establish such other committees, which may consist of Voting Members and Affiliate Members, as may from time to time be designated by resolution of the Board of Directors.

Section 5.        **MEETING AND ACTION OF COMMITTEES**

Meeting of committees shall be noticed and held in accordance with the provisions of these Bylaws concerning regular meetings of the Board of Directors. Two-thirds of the members of each committee shall constitute a quorum. At any meeting for which a quorum is present, a majority vote of the committee members present is required to approve any action presented to the committee for approval. Any action required or permitted to be taken at any meeting of any committee may be taken without a meeting if all members of

the committee consent thereto in writing.

### ARTICLE III

#### **Officers**

##### Section 1. OFFICERS

The Officers of the Corporation shall be President, Vice President, Secretary/Treasurer, and any such other Officer positions as may from time to time be designated by resolution of the Board of Directors. Officers of the Board are nominated by and voted into office by the newly elected Board.

##### Section 2. ELIGIBILITY

- A. Each Officer of the Corporation shall be a member of the Board of Directors.
- B. The term of office for Officers is one (1) year from the date of election, but may be extended for an additional one (1) year term as follows: (i) at the discretion of the Board; or (ii) the Board may request such extension upon a majority vote of the Voting Members.

##### Section 3. DUTIES OF OFFICERS OF THE CORPORATION

Each Officer shall have the duties ordinarily attending the office he/she holds and such other duties as the Board of Directors shall designate.

- A. President. The President shall be a duly elected Designated Director who will be elected to office by a majority vote of the Board of Directors
- B. Vice President. The Vice President shall be a duly elected Designated Director who will be elected to office by a majority vote of the Board of Directors and will be empowered to carry out the President's duties in the event that, for any reason, the President is unable to perform them.
- C. Secretary/Treasurer. The Secretary/Treasurer shall be a duly elected Designated Director who will be elected to office by a majority vote of the Board of Directors and shall also cause an account to be kept of all moneys received and expended for use of the Corporation. The

Secretary/Treasurer shall make a report of the financial position of the Corporation when called upon to do so at the meetings of the Board of Directors.

- D. The duties of any such other Officer positions as may from time to time be designated by resolution of the Board of Directors shall be determined at the time they are established.
- E. Ex Officio Directors. The Ex Officio Directors shall serve at the pleasure of the Board in accordance with such arrangements and agreements as the Board and the Ex Officio Directors may negotiate. For avoidance of doubt, Ex Officio Directors may participate in Board deliberations, but shall not have a right to vote.
- F. The Executive Director shall serve at the pleasure of the Board in accordance with such arrangements and agreements as the Board and the Executive Director may negotiate. The Executive Director will provide the Board with written notice of meetings as directed by the President, take and distribute the minutes of the meetings, and keep required records of all proceedings of the Board of Directors.

#### Section 4. RESIGNATION AND REMOVAL

An Officer of the Corporation may resign his/her office by giving written notice to the Board of Directors. The acceptance of such resignation by the Board of Directors shall not be necessary to make it effective. Any Officer of the Corporation may be removed whenever the Board of Directors, by a majority vote, constituting a quorum, deems that the interest of the Corporation shall best be served by such removal. Should an Officer resign or be removed, the Board may appoint an interim Officer.

#### Section 5. OFFICERS' LIABILITY

Any Officer of the Corporation acting under the direction of the Board of Directors shall incur no personal liability and shall be held harmless for any actions taken on behalf of the Corporation.

## ARTICLE IV

### **Contracts, Checks, Deposits, Confidentiality**

#### Section 1.       CONTRACTS

The Board of Directors may authorize any Officer(s) or Executive Director of the Corporation to enter into any contract, or execute and deliver any instrument in the name of and on behalf of the Corporation.

#### Section 2.       CHECKS, DRAFTS, NOTES, ETC.

All checks, drafts, notes, etc., shall be signed and executed on behalf of the Corporation by an agent authorized by the Board of Directors to do so on behalf of the Corporation, which may include but is not limited to the Executive Director.

#### Section 3.       DEPOSITS

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

#### Section 4.       GIFTS

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

#### Section 5.       CONFIDENTIALITY

Other than attorneys representing the Corporation, all those present at any Board meeting or appointed to any Committee, including but not limited to any Officers, Designated Directors, Executive Director, Ex Officio Directors, employees, committees, and proxies, must sign a confidentiality agreement with the Corporation.



## ARTICLE V

### Members

#### Section 1. CLASSES OF MEMBERSHIP

There shall be Voting Members and Non-Voting Members.

[a] Voting Members must be craft distillers holding federally granted Distilled Spirits Plant licenses (“DSPs”) that also meet the criteria outlined in Section 2(A) below.

[b] Non-Voting Members (or “Affiliate Members”) shall be any individual or entity wishing to become a member of the organization.

#### Section 2. VOTING

A. With respect to the Voting Members, the following provisions shall apply:

[i] Voting Members in good standing shall have the right to elect Designated Directors and to vote on all other matters to be brought before the Voting Members by the Board of Directors.

[ii] Each Voting Member shall be entitled to one (1) vote on each matter submitted to a vote of the Voting Members.

[iii] One-third of the Voting Members shall constitute a quorum at a meeting of the Members. The majority vote of the Voting Members present at any meeting at which a quorum is present shall be the act of the Members.

[iv] Voting Members shall consist of DSPs whose annual production of distilled spirits from all sources does not exceed 750,000 proof gallons removed from bond.

[v] A DSP may not be a Voting Member if another producer of distilled spirits whose combined annual production of distilled spirits from all sources exceeds 750,000 proof gallons removed from bond has more than a 25% equity stake and/or has operating control over the DSP.

B. Non-Voting Members shall have no voting rights.

#### Section 3. MEETINGS OF THE MEMBERS

The Members shall meet at least once (1) each year at the annual conference, at such time and place as determined by the Board of Directors. The Board of Directors may call Special Meetings of the Members with at least ten (10) days written prior notice.

## ARTICLE VI

### **Indemnification**

#### Section 1. INDEMNIFICATION

The Corporation shall indemnify anyone who serves as a Board member or committee member for actions taken on behalf of the Corporation. The indemnification shall inure to the benefit of heirs, executors and administrators of the individual entitled to this indemnification. The indemnification of any individual may be withdrawn by a majority vote of the Board at its general session, or by a Special Meeting called by the President pursuant to the terms and conditions of such meetings set forth in these Bylaws.

## ARTICLE VII

### **Conflicts of Interest**

Whenever a Director, Officer or committee member has a financial or personal interest in any matter coming before the board of directors, the affected person must: a) fully disclose the nature of the interest; and b) withdraw from discussion, lobbying (if any), and voting on the matter including through proxy. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested members of the board of directors determine that it is in the best interest of the Corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

## ARTICLE VIII

### **Amendments**

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a two-thirds vote of the full Board of Directors, provided the Directors are given at least ten (10) days written notice of the proposed amendment prior to a vote.

## ARTICLE IX

### **Dissolution**

This Corporation may be dissolved at any time by a two-thirds vote of the full Board of Directors to approve a Plan of Dissolution, which must be in accordance with applicable laws and statutes.