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**BE IT ENACTED** as a By-law of the Corporation as follows:

**1. Definitions**

In this By-law, unless the context otherwise requires:

"**Act**" means the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 including the regulations made pursuant to the Act, and any statute or regulations that may be substituted therefore, as amended from time to time;

"**Articles**" has the meaning given to that term in the Act;

"**Board**" means the board of Directors of the Corporation and "**Director**" means a member of the Board;

"**By-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

"**Corporation**" means Beer Canada;

"**Ordinary Resolution**" means a resolution passed by a majority of the votes cast on that resolution;

"**Special Resolution**" means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

**2. Financial Year**

Unless otherwise fixed by a resolution of the Board, the financial year end of the Corporation shall be December 31st in each year.

**3. Banking Arrangements**

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the Board may by resolution from time to time designate, direct or authorize.

**4. Borrowing Powers**

The Directors of the Corporation may, without authorization of the members:

- i. borrow money on the credit of the Corporation;

- ii. issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- iii. give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- iv. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

## **5. Annual Financial Statements**

The Corporation shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents. Instead of sending the documents, the Corporation may send a summary to each member along with a notice informing the member of the procedure for obtaining a copy of the documents themselves free of charge. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

## **6. Membership Conditions**

Membership in the Corporation shall be available to corporations not affiliated through share control, that have (a) physical capital invested in Canada, (b) a licence issued under the Excise Act R.S.C. 1985, c. E-14, and (c) applied for and been accepted into membership in the Corporation by resolution of the Board or in such other manner as may be determined by the Board.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendments to this section of the By-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

## **7. Membership Transferability**

A membership may only be transferred to the Corporation. Pursuant to Section 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendment to add, change or delete this section of the By-laws.

## **8. Notice of Members Meeting**

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by telephonic, electronic or other communication facility, during a period of 21 to 35 days before the day on which the meeting is to be held. If a member requests that the notice be given by non-electronic means, the notice will be sent by mail, courier or personal delivery.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendment to the By-laws of the Corporation to change the manner of giving notice to members entitled to vote at a meeting of members.

## **9. Members Calling a Members' Meeting**

The Board shall call a special meeting of members in accordance with Section 167 of the Act, on written requisition of members carrying not less than 5% of the voting rights. If the Board does not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

## **10. Absentee Voting at Members' Meetings**

Pursuant to Section 171(1) of the Act, members may appoint as their proxy one of their own officers or officials or an officer or official of another member in good standing to act and vote for and on their behalf at any meeting of members where it is not possible for their designated representative to attend. A proxy is valid only at the meeting and for the resolution(s) in respect of which it is given or at a continuation of that meeting after an adjournment. Pursuant to subsection 197(1) (Fundamental Change) of the Act, a Special Resolution of the members is required to make any amendment to the By-laws of the Corporation to change this method of voting by members not in attendance at a meeting of members.

## **11. Membership Dues**

Members shall be notified in writing of the membership dues at any time payable by them. Members shall be deemed to be in arrears when their dues are not received within the billing cycle. Members who are in arrears will receive notification from the Corporation. If payment is not received prior to the next meeting of the Board, notification of delinquency shall be provided to the Board. By resolution, the Board may suspend the membership of any member who is more than ninety days in arrears with respect to Corporation dues. Such suspension shall not release or discharge such member from any obligation or liability which shall continue to be enforceable by the Corporation against the member so in default.

## **12. Termination of Membership**

Unless otherwise determined by the Board, any member may give notice of intention to resign by written notice to that effect given to the Secretary of the Corporation at its registered office not less than 12 months prior to the date of such intended resignation, and after the expiry of such period, such member may resign and withdraw from the Corporation, and thereupon, upon payment of all arrears, all liabilities of such member as a member of the Corporation shall be at an end.

### **13. Effect of Termination of Membership**

Subject to the Articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

### **14. Discipline of Members**

The Board shall have the authority to suspend or expel any member from the Corporation for any one or more of the following grounds:

- i. impugning the quality of products or the integrity of other members;
- ii. not abiding by all government advertising guidelines and any advertising or marketing code of conduct established by the Board;
- iii. not submitting statistical information in a format and within the time guidelines established from time to time by the Board;
- iv. not supporting the position statements approved by the members from time to time; or
- v. refusing to resolve disputes between members in accordance with a dispute resolution process to be passed from time to time by the Board.

### **15. Place of Members' Meeting**

Subject to compliance with section 159 (Place of Members' Meetings) of the Act, the Annual Meeting of the Corporation shall be held on such a day in each calendar year at such a place as the Board may by resolution appoint.

### **16. Chair of Members' Meetings**

The Chair of the Board, or in his or her absence or inability to act a member of the Board appointed by it so to act, shall preside at all meetings of the members of the Corporation and of the Board.

### **17. Quorum at Members' Meetings**

A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be at least five percent (5%) of the members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

### **18. Votes to Govern at Members' Meetings**

- i. At all meetings of the members, each member is entitled to one (1) vote, plus one (1) vote for every 100,000 hectolitres of beer that it produced and sold in Canada in the preceding calendar year.
- ii. At all meetings of the members, every question will be determined by Ordinary Resolution, unless otherwise specifically provided by these By-laws or the Act.

## **19. Participation by Electronic Means at Members' Meetings**

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this By-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

## **20. Members' Meeting Held Entirely by Electronic Means**

If the Directors or members of the Corporation call a meeting of members pursuant to the Act, those Directors or members, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

## **21. Composition of Board**

The Board will consist of no less three (3) and no more than eight (8) Directors. Subject to the Act and to Section 22, the Board will consist of:

- i. one (1) individual nominated by each member who produced at least 300,000 hectolitres of beer in the calendar year preceding the nomination, to be elected by the members as described in Section 22; and
- ii. one (1) or more individuals who may be appointed by the Board from among the members who produced less than 300,000 hectolitres of beer in the calendar year preceding the nomination, as described in Section 22.

## **22. Election, Appointment and Term of Office**

- i. The Directors described in Section 21(i) shall be elected at annual meetings of the members by Ordinary Resolution of the members from the slate developed by the Board or a committee thereof. For greater certainty, there shall be no nominations from the floor of any meetings of the members.
- ii. The Directors described in Section 21 (ii), if any, will be appointed by the Board at its first meeting following an annual meeting of the members.
- iii. The Directors, whether elected by the members or appointed by the Board, will hold office until the next annual meeting of members following the election or appointment.

### **23. Calling of Meetings of Board**

Meetings of the Board may be called by the Chair at any time.

### **24. Notice of Meeting of Board**

Notice of the time and place for the holding of a meeting of the Board shall be given, by telephonic, electronic or other communication facility, to every Director of the Corporation not less than ten (10) days before the time when the meeting is to be held. Notice of a meeting shall not be necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the By-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of Directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

### **25. Votes to Govern at Meetings of the Board**

For the purposes of meetings of the Board, a quorum shall consist of not less than three (3) Directors present in person.

### **26. Committees of the Board**

The Board may from time to time by resolution, appoint one or more standing or other committees having such duties and functions and with such personnel and with such convenor or chair in each instance as may be provided in the resolution of appointment; and any such committee may be dissolved and its existence terminated by resolution as aforesaid.

### **27. Appointment of Officers**

The officers of the Corporation to be elected and/or appointed by the Board as hereinafter may be:

- Chair of the Board
- President
- One or more Vice-Presidents
- Treasurer
- Secretary

and the same person may be elected or appointed to hold more than one office.

### **28. Description of Officers**

Unless otherwise specified by the Board (which may, subject to the Act, modify, restrict or supplement such duties and powers), the officers of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

- Chair of the Board – The chair of the Board, if one is to be appointed, shall be a Director. The chair of the Board, if any, shall, when present, preside at all meetings of the Board and of the members. The chair shall have such other duties and powers as the Board may specify.
- President – If appointed, the president shall be the chief executive officer of the Corporation and shall be responsible for implementing the strategic plans and policies of the Corporation. The president shall, subject to the authority of the Board, have general supervision of the affairs of the Corporation. As president he or she shall be entitled to be present but not to vote at meetings of the members of the Corporation and of the Board. If the President is temporarily absent or unable to act, the Chair of the Board shall have and exercise the powers and carry out the duties as aforesaid of the President.
- Vice-President(s) shall have powers or duties as may be assigned to them respectively by resolution of the Board.
- Secretary – If appointed, the secretary shall attend and be the secretary of all meetings of the Board, members and committees of the Board. The Secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; the Secretary shall give, or cause to be given, as and when instructed, notices to members, Directors, the public accountant and members of committees; the secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.
- Treasurer – If appointed, the treasurer shall have such powers and duties as the Board may specify.

Officers shall be elected or appointed for the ensuing year by each newly elected Board at the first meeting thereof following the annual meeting of members of the Corporation. Any vacancy occurring in any office as aforesaid may be filled for the balance of the term by resolution of the Board.

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board or President requires of them.

## **29. Omissions and Errors**

The accidental omission to give any notice to any member, Director, officer, member of a committee of the Board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

### **30. By-laws and Effective Date**

Subject to the Articles, the Board may, by resolution, make, amend or repeal any By-laws that regulate the activities or affairs of the Corporation. Any such By-law, amendment or repeal shall be effective from the date of the resolution of Directors until the next meeting of members where it may be confirmed, rejected or amended by the members by Ordinary Resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The By-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a By-law that requires a Special Resolution of the members according to subsection 197(1) (fundamental change) of the Act because such By-law amendments or repeals are only effective when confirmed by members.