



Bylaws of the

Maryland Distillers Guild, Inc.

State of Maryland • Non-Profit Trade Association

Final Draft: April 7, 2015

ARTICLE I: NAME

The organization shall be known as the Maryland Distillers Guild, Inc.

ARTICLE II: PURPOSE

1. The general objectives of the Guild, to which its members are joined together and mutually pledge, shall be to grow the Maryland-licensed distilling industry through:
 - a. Encouraging the production of high-quality distilled spirits in Maryland;
 - b. Encouraging the production of high-quality agricultural products for use by the industry;
 - c. Increasing public recognition of the Maryland distilled spirits industry;
 - d. Creating and maintaining a favorable regulatory, statutory and business environment for the distilled spirits industry;
 - e. Establishing and maintaining mutually beneficial relationships with local, State and Federal governmental agencies and industry groups;
 - f. Providing a forum for the exchange of ideas to the mutual benefit of all members.

ARTICLE III: BOARD OF DIRECTORS

1. GENERAL POWERS. The Maryland Distillers Guild (the “Guild” or the “Corporation”) shall be governed by its duly elected Board of Directors (the “Board”).
2. NUMBER. The Board shall not be less than three (3) or more than nine (9), as may from time to time be determined by resolution of the Board of Directors.
3. CLASSIFICATION OF DIRECTORS. The Board shall consist of “Directors” who also serve as

Officers of the Corporation. With respect to Directors, the following provisions shall apply:

- a. The Directors shall be elected from the Voting Members.
 - b. A Voting Member shall be represented by no more than one Director.
 - c. A Director shall be a Voting Member's owner or master distiller.
 - d. A Director shall have the full authority of the Voting Member they represent to represent its views and take action on its behalf.
 - e. The Directors shall represent the interests of Maryland licensed distillers.
4. ELECTION; TERM; TENURE. With respect to Directors, the following provisions shall apply:
- a. Other than the Initial Directors, Directors shall be elected by the Voting Members from eligible nominees every two years at a meeting of the Members. The first election of the Members shall take place in 2015.
 - b. The incorporator of the Corporation shall appoint the initial directors.
 - c. A majority vote of the Voting Members present at the election meeting will be required to elect each Director.
 - d. Members unable to attend the general membership meeting may vote by written ballot. Ballots may be emailed, mailed, faxed or otherwise delivered to the Corporation and will be accepted up to five o'clock p.m. on the day prior to the annual general membership meeting.
 - e. 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. There shall be no more than one individual representative nominated per distilling organization.
 - f. Any voting member shall have the right to nominate a candidate, including himself/herself by notifying the Corporation at least 30 days before the election.
5. REMOVAL OF DIRECTORS. With respect to Directors, the following provisions shall apply:
- a. Removal of any Director is automatic if that director misses three 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 designate another person to represent him/her at meetings of the Board, and may not transfer his/her office to another person. Upon removal of a Director for missing three consecutive meetings without a leave of absence, the Board will notify the Nominating Committee that such position is vacant, and such position shall remain vacant until the nomination and election

of a new director.

- b. 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. Following such removal, 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.

6. MEETINGS OF THE BOARD OF DIRECTORS

- a. Annual Meetings. The Board shall meet at least once a year in Maryland. 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.
- c. Special Meetings. Special meetings of the Board may be called by, or at the request of, the President of the Corporation, the Chairman of the Board, or any two members of the Board of Directors.
- d. Quorum and Voting. Two-thirds of the Board 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 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 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.

ARTICLE IV: COMMITTEES

1. EXECUTIVE COMMITTEE. The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting Directors as the Board shall so designate and may delegate to such committee the powers and authority designated by 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 of its members, 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.

2. **FINANCE COMMITTEE.** The Board of Directors may, by a majority vote of its members, designate a Finance Committee consisting of at least three Guild members and may delegate to such Committee the powers and authority designated by the Board in monitoring and maintaining the finances of the Corporation, to the extent permitted by provisions of law. 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.
3. **NOMINATING COMMITTEE.** The Board of Directors may, by a majority vote of its members, designate a Nominating Committee consisting of at least three Guild members and may delegate to such committee the powers and authority designated by the Board in the nomination of Officers and new Board members. The Nominating Committee shall convene in November of each year or as necessary at the request of the Board of Directors, and shall nominate Officers of the Board for the next calendar year and shall nominate new Director candidates for election by the Voting Members prior to the annual meeting. The Nominating Committee shall employ reasonable efforts to ensure that Director candidates meet the qualifications set forth above and represent the geographic and size diversity of the Members.
4. **STANDARDS & ETHICS COMMITTEE.** The Board of Directors may, by a majority vote of its members, designate a Ethics Committee consisting of at least three Guild members and may delegate to such Committee the powers and authority designated by the Board in monitoring and maintaining the ethics of the Corporation and members thereof. The Ethics Committee's responsibility shall be to set standards by which members are encouraged to act.
5. **GOVERNMENT AFFAIRS COMMITTEE.** The Board of Directors may, by a majority vote of its members, designate a Government Affairs Committee consisting of at least three Guild members and may delegate to such Committee the powers and authority designated by the Board in monitoring state, county and local legislation, regulation, policy that affect the Corporation and members thereof, and recommending action in the best interests of the Corporation and members thereof.
6. **AGRICULTURAL COMMITTEE.** The Board of Directors may, by a majority vote of its members, designate an Agricultural Committee consisting of at least two Guild members and may

delegate to such committee the powers and authority designated by the Board. Said Committee will work to developing and maintaining relationships with legislators, advocates and private businesses and farmers concerned with the development of Maryland agricultural markets as they relate to increasing the supply and availability of Maryland-grown produce for use as raw material for Maryland distilleries.

7. OTHER COMMITTEES. The Board of Directors shall establish such other committees as desired from time to time, such Other Committees to be designated by resolution of the Board of Directors.
8. MEETING AND ACTION OF COMMITTEES. Meeting of committees shall be noticed and held in accordance with the provisions of these Article III (6) herein. 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.
9. APPOINTMENT OF COMMITTEE CHAIR, MEMBERS. Unless otherwise noted herein, each committee shall have a chair appointed by a majority vote of the Board of Directors. Unless otherwise noted herein, each committee chair shall present a slate of committee members for approval by a majority vote of the Board of Directors.

ARTICLE V OFFICERS

1. OFFICERS. The Officers of the Corporation shall be President, Vice President, Treasurer and Secretary. A member may hold both the Treasurer and Secretary positions, by action of the Board of Directors.
2. ELECTION AND TERM OF OFFICE. Each Officer of the Corporation shall be a member of the Board of Directors.
3. DUTIES OF OFFICERS OF THE CORPORATION. Each Officer shall have the duties ordinarily attending the office held and such other duties as the Board of Directors shall designate.
 - a. President. The President shall be a duly elected voting member of the Board of Directors 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 voting member of the Board of Directors 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. Treasurer. The Treasurer shall be a duly elected voting member of the Board of Directors 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 Treasurer shall make a report of the financial position of the company when called upon to do so at the meetings of the Board of Directors.
 - d. Secretary. The Secretary shall be a duly elected voting member of the Board of Directors who will be elected to office by a majority vote of the Board of Directors and shall record the actions of the board, and also cause minutes to be kept and filed, in accordance with the Bylaws.
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. If the Officer is employed under an Employment Agreement, such resignation shall make the existing Employment Agreement null and void. 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.
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 VI: CONTRACTS, CHECKS AND DEPOSITS

- 1. CONTRACTS. The Board of Directors may authorize any Officer or Officers of the Corporation to enter into any contract, except an Employment Agreement for an Officer of the Corporation, or execute and deliver any instrument in the name of and on behalf of the Corporation.
- 2. CHECKS, DRAFTS, NOTES, ETC. All checks, drafts, notes, etc., shall be signed and executed on behalf of the Corporation by an authorized agent of the Corporation designated by the Board.

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.
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.
5. FUNDS. Dues/Membership fees of members of the Corporation shall be paid annually in such amounts and on such terms as determined from time to time by the Board of Directors.
6. ARREARS. Members who fail to pay their dues within 30 days of the initial billing shall be notified in writing. 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 Corporation will be required to pay all past dues and fees before consideration.
7. APPROPRIATION OF FUNDS. Checks may be signed by the President, Vice President, Treasurer and the Executive Director (each a "Signatory"). Checks over \$500 signed by the Executive Director require prior approval or a second signature of a Signatory.
8. INCOME. All the income from dues, assessments, gifts, or gain from the operation of the Corporation shall be for the sole use of the Corporation, and no division 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.

ARTICLE VII: MEMBERS

1. CLASSES OF MEMBERSHIP. There shall be Voting Members and Non-Voting Members. Voting Members are distillers holding a State distillery license and Federal Distilled Spirits Plant license (DSP) as defined below:
 - a. Voting Members shall consist of Maryland licensed distillers.

- b. Non-Voting Members shall be any individual or entity wishing to become a member of the organization.
2. VOTING. With respect to the Voting Members, the following provisions shall apply:
- a. Voting Members in good standing shall have the right to elect Directors and to vote on all other matters brought before the Voting Members by the Board of Directors.
 - b. Each Voting Member shall be entitled to one vote on each matter submitted to a vote of the Voting Members.
 - c. 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. Directors shall be elected by a plurality of the votes of the Voting Members present at the annual meeting, provided that a quorum is present.
3. NON-VOTING MEMBERS. Non-Voting Members shall have no voting rights. Classifications of non-voting members shall be as follows:
- a. Associate Member. Prospective members of the industry who have not yet obtained their State distillery license may join as an Associate member. An Associate Member will pay minimum dues as set by the Board of Directors.
 - b. Affiliate Member: Trade people and suppliers doing business with the distilling industry or any individual, partnership or corporation in an allied industry or endeavor may be admitted as a non-voting Affiliate member. An Affiliate Member will pay minimum dues as set by the Board of Directors.
 - c. Enthusiast Member: Spirit enthusiasts may be admitted as a non-voting Enthusiast Member. An Enthusiast Member will pay minimum dues as set by the Board of Directors.
4. MEETINGS OF THE MEMBERS. The Voting Members shall meet at least once annually to elect Directors at such time and place as determined by the Board of Directors.
5. SEAL. The corporate seal will have inscribed upon it the name of the Maryland Distillers Guild and such other appropriate language as may be prescribed by the State of Maryland or by the Board of Directors. Use of the Seal or other intellectual property created by the Corporation will be subject to qualifications deemed appropriate by the Board of Directors. Specific permission is

required when using such seals or intellectual property.

ARTICLE VIII: INDEMNIFICATION

1. The corporation shall indemnify anyone who may serve at any time as an officer, director, or member of the Corporation from any liability regarding the Corporation and the business of the Corporation, unless the person fraudulently and intentionally violated the law or maliciously conducted acts to damage or defraud the Corporation, or as otherwise provided under the applicable State law. The indemnification shall inure to the benefit of heirs, executors and administrators of 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 IX: AMENDMENTS

1. 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 20-day written notice of the proposed amendment prior to a vote. Bylaws made by the Board of Directors may be altered or repealed by the Voting Members.

ARTICLE X: DISSOLUTION

1. 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.