

BYLAWS
OF
U.S. HEMP AUTHORITY, INC.

ARTICLE 1
Name and Type of Corporation

1.1 Name. The name of this corporation is U.S. HEMP AUTHORITY, INC. ("Corporation").

1.2 Nonprofit Corporation. For purposes of the Kentucky Nonprofit Corporation Act, KRS Chapter 273, and any subsequently enacted replacement statute (the "Act"), the Corporation is a business league.

1.3 Operation for Tax-Exempt Purposes. The Corporation is organized and shall be operated exclusively to improve the business conditions of one or more lines of business within the meaning of Internal Revenue Code Section 501(c)(6).

1.4 Program Year; Calendar Year. The Corporation keeps its books and files its nonprofit information returns beginning on the first day of January and ending on the 31st day of December. The Corporation collects Member Fees based on a Program Year that begins on January 1st.

ARTICLE 2
Membership, Qualifications, and Admission of Members

2.1 Members. The members of the Corporation shall be divided into two (2) classes: General Members and Organizational Members as defined within this Article and any such other categories as the Board of Directors (hereinafter also referred to as "Board") shall from time to time establish. Approval for all levels of membership must be determined by a majority vote by the Board of Directors.

2.2 General Members. A General Member shall be an individual, company, partnership, or other entity that has received certification by the Corporation, has satisfied all requirements set forth in the General Membership guidelines established by the Board of Directors (hereinafter referred to as "Criteria") and has paid a license or member fee (hereinafter referred to as "Member Fee") established by the Board. General Members are not entitled to vote and shall enjoy only those benefits of membership as may be established by the Board.

2.3 Organizational Members. An Organizational Member shall be an individual, company, partnership or other entity that has been admitted as a member of the Board of Directors under any such criteria as established by the Board of Directors. Organizational Members shall have the power to vote on all issues as outlined in these Bylaws or allowed under Kentucky statutes and regulations for a member of a non-profit Board of Directors. For all purposes, Organizational Members shall hereinafter be referred to as "Board" or "Board of Directors".

2.4 Application and Acceptance. An applicant to become a General Member may be admitted by majority vote of the Board of Directors once all Criteria has been satisfied and Member Fees have been paid.

2.5 Termination of General Membership. General Membership in the Corporation shall terminate upon the General Member's resignation, failure to pay Member Fees or expulsion from General Membership by a majority vote of the Board once it has been determined that the General Member no longer satisfies the Criteria set forth by the Board. General Membership may be terminated without action by the Board for failure to pay Member Fees within three (3) months of the due date, provided that a notice of delinquency has been given. The General Member may resign by providing notice in writing to the Corporation. Upon termination of General Membership in the Corporation, the former General Member shall forfeit all rights and privileges of General Membership.

2.6 Member Fees. The Board of Directors has the sole discretion to set and revise Member Fees, not more frequently than annually. Although a single annual dollar amount must be set as the full-year for Member Fees, the Board may set a pro-rated dues amount for General Members who are admitted later in the year.

ARTICLE 3 Board of Directors

3.1 Composition of Board. The Board shall consist of the following members as determined by the Board of Directors:

- (a) One (1) representative of a hemp farming organization
- (b) Two (2) representatives from separate industry-related trade or advocacy organizations
- (c) One (1) representative of the U.S. Hemp Roundtable, Inc.
- (d) One (1) representative of the law enforcement community – either a current or former law enforcement official
- (e) One (1) representative of retail industry trade associations
- (f) Five (5) at large members

3.2 Number and Terms of Directors; Vacancies.

- (a) Unless and until this Section is amended by a majority vote of Board, the Board of Directors is comprised of at least three Directors but no more than eleven (11) Directors.
- (b) Some Directors serve for a term of one (1) year and some Directors serve for a term of two (2) years, beginning on the first day of January and ending on the 31st day of the following December. Directors may be appointed at any point during the year but their term will expire on December 31st so any Director appointed midyear will only serve the pro-rated remainder of their

term. All positions on the Board shall be for a term of two (2) years, except for the following positions which shall serve a term of only one (1) year:

1. One (1) representative from a hemp farming organization
 2. Two (2) representatives from separate industry-related trade or advocacy organizations
 3. One (1) representative from the U.S. Hemp Roundtable, Inc.
 4. One (1) representative of retail industry trade associations.
- (c) There is no limit to the number of consecutive or non-consecutive terms that a Director may serve.
- (d) If any seat on the Board (including a Director position held by an officer) becomes vacant as a result of the death, disability, resignation, or removal of a Director or officer, and the vacancy would result in less than three (3) directors on the Board, the remaining Directors, by the affirmative vote of not less than three Directors, must fill the vacancy by appointing an eligible individual, to serve until the next annual meeting.

3.3 Procedure for Nominating and Electing Directors. Not later than December 15th of each applicable year, the Board of Directors must elect the Officers for the following year. Additional directors may be added by a majority vote by the Board of Directors at any time.

3.4 "Electronic Conferencing Technology" Defined. In these Bylaws, "Electronic Conferencing Technology" means any form of digital or electronic communication, now known or later developed (such as telephone conferencing, video conferencing, or Internet live chat), that permits the participants to contemporaneously hear each other's statements and responses.

3.5 Directors' Consent to E-Mailed Notification.

- (a) Each Director who has an e-mail address and provides that address to the Corporation's Secretary will be treated as consenting to receive all the following communications and documents from the Corporation by e-mail instead of by ordinary mail:
- (1) Official notices of Board meetings;
 - (2) Agendas for future meetings and minutes of past meetings;
 - (3) Proposed nominations of officers;
 - (4) Proposed amendments or restatements of the Articles of Incorporation, Bylaws, or similar internal governing documents; and

- (5) Any other documents describing actions proposed for the approval of the Board of Directors.

It is the Corporation's official policy to encourage all Directors to use e-mail as the preferred method of communication with each other and with the Corporation's officers and agents or staff, to maximize participation by all Directors in the Corporation's operations, even when some Directors are not able to attend Board meetings in person. Unless he or she triggers the application of subsection (b) by sending the appropriate request, each Director who accepts a seat on the Board is precluded from attacking the validity of an e-mailed notification under this subsection or the validity of the Board's approval of a voting item that is approved, entirely or in part by ballots received by ordinary mail or e-mail from a majority (but less than all) of all the Directors.

- (b) A Director who does not have an e-mail address or does not wish to have that address used as the exclusive means of notification from the Corporation and its staff may prevent the application of subsection (a) by sending or delivering to the Secretary a written request that all such communications and documents be sent by the Corporation to the requesting Director by ordinary mail. A Director may send or deliver a request for ordinary mailed notice under this subsection on a one-time blanket basis or with respect to individual meetings of the Board. A Director may withdraw a request under this subsection by sending or delivering written notice of withdrawal to the Secretary or President.
- (c) Every Director is obligated to keep the Corporation's Secretary informed of his or her current e-mail address (if any) and mailing address.

3.6 Meetings and Voting by Directors. The Board of Directors must hold a planning meeting in November or December of each calendar year, to consider and adopt a business plan and budget for the upcoming calendar year. From time to time and at times and places agreed upon by electronic mail or Electronic Conferencing Technology, the Board of Directors may schedule and hold additional Board meetings to approve or transact any other appropriate business for the Corporation. To the maximum extent permitted by the Act, the Board of Directors may approve and document the approval of any corporate action of the Corporation by any of the following methods (a) a voice vote taken among the Directors constituting a quorum and present or participating in a Board meeting conducted face-to-face or by means of Electronic Conferencing Technology; (b) unanimous written consents circulated and signed in two or more counterparts by all the Directors in lieu of a meeting; or (c) e-mailed consents by a simple majority of all the Directors, after all Directors have either received mailed, faxed, or e-mailed notice of the matter to be voted on or have waived the necessity for or any defects in the notice.

3.7 Quorum and Required Voting Margin. With respect to any corporate action requiring the affirmative vote or approval of the Board of Directors (a) a quorum consists of the presence or participation of a simple majority of all the Directors at a face-to-face meeting, in a meeting conducted via Electronic Conferencing Technology, or in an exchange of electronic mail messages or written consents; and (b) provided that a quorum exists, the affirmative votes or e-mailed or written consents of a simple majority of the Directors present or participating is sufficient to approve any matter that is submitted to a vote of the Directors.

3.8 Participation and Removal. Directors are expected to attend all Board meetings during each year of the Corporation. A Director may be removed for any reason (including but not limited to breach of fiduciary duty or breach of the duty of care) upon the affirmative vote of the majority of the other Directors.

3.9 No Compensation. Each Director must serve without compensation, but the Board of Directors may authorize the payment of reimbursement to any Director for reasonable and suitably-documented out-of-pocket expenditures made or incurred by that Director on behalf of the Corporation during the performance of his or her duties.

3.10 Delegation of Powers. For any reason that the Board of Directors determines to be sufficient, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer to any other officer or Director. However, an officer or Director may not execute, acknowledge, or verify any instrument on behalf of the Corporation in more than one capacity.

ARTICLE 4 Officers

4.1 Officer Positions and Terms. The officers of the Corporation consist of the President, Vice President, Secretary, and Treasurer. Directors may serve in more than one official capacity but in no case shall any officer have more than one (1) vote. Each officer is elected to and serves a two-year term of office or until any earlier time when a successor is elected after the officer dies, resigns, or is removed.

4.2 No Compensation. All officers of the Corporation must serve without compensation, but the Board of Directors may authorize the payment of reimbursement to any officer for reasonable and suitably-documented out-of-pocket expenditures made or incurred by that officer on behalf of the Corporation during the performance of his or her duties.

4.3 President. Under the Board's general direction, the President:

- (a) serves as the chairperson of all meetings of the Corporation and the Board;
- (b) develops the agendas for meetings;
- (c) proposes the general direction of the Corporation's policies (during the President's term of office) with respect to the Corporation's professional education programming;
- (d) serves as the gatekeeper to solicit the Board's approval or disapproval of new nominees for membership in the Corporation;
- (e) signs contracts on behalf of the Corporation after those contracts have been approved by the Board;

- (f) signs checks or authorizes electronic fund transfers drawn on the Corporation's funds at all times when the Treasurer is unavailable to sign; and
- (g) acts as the Corporation's spokesperson and liaison in communications with other organizations.

The President may perform all other duties that are incident to his or her responsibilities under these Bylaws and that are prescribed by the Board of Directors from time to time.

4.4 Vice President. The Vice President is authorized and required to exercise the powers and perform the duties of the President at all times when the President is not reasonably available or reasonably able to act.

4.5 Secretary. The Secretary must keep the records of actions taken or approved by the Board of Directors at meetings or (as permitted under the Act or these Bylaws) without meetings. The Secretary must keep copies of all contracts entered by the Corporation and a record of each member of the Corporation. To the maximum extent permitted under the Act, the Secretary is not required to countersign or attest any contract, instrument, or other document that is signed by the President or the Vice President.

The Board may appoint a non-voting Assistant Secretary to assist the Secretary in his or her duties, under the supervision of the Secretary.

4.6 Treasurer. The Treasurer is the Corporation's chief financial officer and the legal custodian of all funds that come into the possession of the Corporation. The Treasurer is authorized to sign all information returns and tax returns of the Corporation that are not signed by the President. The Treasurer must keep the records of the Corporation's checking account and any other account that holds cash, cash equivalents, or other intangible assets of the Corporation. The Treasurer must perform such other duties as may be imposed by state law or by the Board of Directors from time to time.

The Board may appoint a non-voting Assistant Treasurer to assist the Treasurer in his or her duties, under the supervision of the Treasurer.

4.7 Filling Vacancies in Officer Positions. Section 3.01(d) of these Bylaws governs the filling of officer positions that become vacant as a result of the death, disability, resignation, or removal of any officer.

4.8 Secretariat. The Board of Directors may employ an individual or individuals to serve as a Secretariat of the Board, as full or part time employees or independent contractors. Job titles could include Executive Director, Administrative Director or General Counsel. The Secretariat will serve at the discretion of the Board of Directors and shall have authority to perform all duties as authorized by the Board of Directors. If the Board appoints individuals to serve as the Secretariat, they will have authority to undertake the Corporation's business on a day-to-day basis, subject to oversight of Corporation's officers and Board of Directors. The Secretariat will also implement such policies as may be adopted by the Board of Directors. The Secretariat's

authority shall include the power and authority to employ service providers on the Corporation's behalf. The Board of Directors will determine the compensation and benefits of the Secretariat.

4.9 Program Administrator. The Board of Directors may hire a firm to serve as the Program Administrator for the Corporation, charged with administering the certification process and auditing prospective certified companies. The Board shall execute an agreement with the Program Administrator defining the terms of service and the fees for such services.

ARTICLE 5 Committees

5.1 Standing Committees. There may be three standing committees:

Governance, Marketing and Standards.

- (a) The Governance Committee shall develop policies for the Board's approval on issues relating to the governance of the corporation. This shall include recommending changes to the Corporation's Bylaws; supervision of the work of the Treasurer and Assistant Treasurer; and supervision of the Secretariat and other staff and contractors
- (b) The Marketing Committee shall develop policies for the Board's approval on issues relating to public relations and promotion of the Corporation's efforts to the industry and general public. This may include supervision of outside contractors that handle public relations, social media, and/or website development.
- (c) The Standards Committee shall develop policies for the Board's approval on issues relating to the program's Guidance Procedures and publications for industry use and certification participation. This shall include the development and supervision of a Technical Committee that may be composed of individuals outside of the corporation that is responsible for the drafting of Guidance Procedures and other certification documents.

5.2 Executive Committee. If so established by the Board, there may be an Executive Committee. The Executive Committee shall be chaired by the President of the Board and has the power to act for the Board between meetings of the board to the fullest extent permitted by law. The members of the Executive Committee shall be comprised of the President, the Vice President, the Secretary, the Treasurer, and the representative of the U.S. Hemp Roundtable. The Executive Committee shall report to the Board on significant actions or proposed future actions.

5.3 Ad Hoc Committees. The Board may assemble an ad hoc committee for any purpose and define the terms of that committee.

5.4 Composition; Terms. At the beginning of the calendar year, the Board shall appoint a chair of each committee and members of each committee except for the Executive Committee, if so created, which shall be chaired by the President. Each chair and committee

member shall serve a renewable term of one (1) year. Only Directors can serve on committees and there is no limit on the number of committees on which a Director can serve. A Director can only serve as chair of one (1) committee in a given year.

ARTICLE 6

Contracts, Checks, Deposits, and Funds

6.1 Contracts. The Board of Directors may authorize any officer or officers, agent, or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Except as specifically required by applicable law, a contract, deed, or other instrument of the Corporation need not bear a corporate seal to be valid and enforceable, so long as it is executed in accordance with this Section.

6.2 Checks, Drafts, Etc. Unless the last sentence of this Section applies, all checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, must be signed by any of the following persons: (a) the President; (b) the Vice-President; (c) the Treasurer; or (d) any other officer or agent that the Board of Directors authorizes to sign such checks, drafts, notes, or other evidence of indebtedness.

6.3 Deposits. Unless a specific short- or long-term investment is authorized by a resolution of the Board of Directors, all funds of the Corporation must be deposited from time to time to the credit of the Corporation, promptly after receipt, in such banks, trust companies, or other depositories as the Board of Directors selects.

6.4 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation. However, the Board of Directors may not accept, on behalf of the Corporation, any contribution, gift, bequest, or devise that would jeopardize the tax-exempt status of the Corporation under the federal tax laws, or whose acceptance or application would violate the Corporation's Articles of Incorporation.

ARTICLE 7

Books and Records

7.1 Books and Records. The Corporation must keep correct and complete books and records of account and must also keep minutes of the proceedings of the Board of Directors and of the proceedings of the committees having any of the authority of the Board of Directors. The Board of Directors must observe, and must require all officers to observe, standards of honesty and accuracy with respect to reimbursements to Directors, officers, and other agents for expenditures made by them on behalf of and for the benefit of the Corporation.

ARTICLE 8

Standard of Care

8.1 General. Based on facts known to him or her at the time, each Director or officer of the Corporation must discharge his or her duties (including duties as a member of any committee): (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner that the Director or officer reasonably believes to be in the best interests of the Corporation.

8.2 Reliance. In discharging his or her duties, a Director may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by one of the following: (a) an officer of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented; or (b) legal counsel, public accountants, or other persons with respect to matters that the Director reasonably believes to be within the person's professional or expert competence.

8.3 Limitations on Liability. Except as otherwise provided in federal or state law, a Director or officer is not liable for an action taken in that capacity, or for a failure to act, unless (a) the Director or officer has breached or failed to perform the Director's or officer's duties in compliance with this Article; or (b) the breach or failure to perform constitutes willful misconduct or recklessness.

ARTICLE 9

Indemnification

9.1 Indemnification. From time to time, to the extent consistent with the laws of the Commonwealth of Kentucky and with the federal laws affecting 501(c)(6) organizations, the Corporation must indemnify every person (and the heirs and personal representatives of such person) who is or was a Director or officer of the Corporation, to the extent that KRS 273.171(14) requires indemnification. The Corporation may (but is not required to) indemnify a current or former Director or officer to the extent that indemnification is permitted but not required under KRS 273.171(14). The Board of Directors may purchase, but is not required to purchase, Directors and Officers Liability insurance as permitted by the Act.

ARTICLE 10

Transactions with Officers or Directors

10.1 Prohibitions. The Corporation must not loan money to or guarantee any personal obligation of a Director or officer of the Corporation.

10.2 Standards of Conduct of Directors. All Directors must abide by standards of ethical conduct while performing their duties as Directors of the Corporation, as more particularly prescribed by KRS 273.215.

10.3 Purpose of Conflicts of Interest Policy. The purpose of the conflicts of interest policy is to protect the Corporation'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 Corporation.

This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

10.4 Definitions. For purposes of this Article:

- (a) "Interested Person" means any Director, principal officer, or member of a committee (with board-delegated powers) who has a direct or indirect Financial Interest, as defined below.
- (b) A person has a "Financial Interest" if the person has, directly or indirectly, through business, investment, or family relationships (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
- (c) "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

10.5 Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest to the Directors (and to members of committees, if any with Board-delegated powers) who are considering the proposed transaction or arrangement.

10.6 Determining Whether a Conflict of Interest Exists. After disclosing his or her Financial Interest, the Interested Person must leave the Board or committee meeting while the Financial Interest is discussed and voted upon. The remaining board or committee members must decide if a conflict of interest exists.

10.7 Procedures for Addressing Conflict of Interest.

- (a) The chairperson of the board or committee must, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (b) After exercising due diligence, the Board or committee must determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee must determine, by a majority vote of the disinterested Directors or committee members, whether the transaction or arrangement is in the Corporation's best interest and for its own benefit, and whether the transaction is fair and reasonable to the Corporation. The Board

or committee must make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

10.8 Violations of the Conflicts of Interest Policy.

- (a) If the Board or committee has reasonable cause to believe that a Director or committee member has failed to disclose actual or possible conflicts of interest, it must inform the Director or committee member of the basis for such belief and afford the Director or committee member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the Director or committee member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Director or committee member has in fact failed to disclose an actual or possible conflict of interest, it must take appropriate disciplinary and corrective action.

10.9 Records of Proceedings. The minutes of the Board and of all committees with Board-delegated powers must contain:

- (a) the names of the persons (if any) who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

10.10 Compensation Decisions. A Director or committee member who is authorized to vote regarding compensation payable to any Director or committee members must not vote on or be present during the discussion about proposal or question pertaining to the determination of that particular Director's or committee member's compensation.

10.11 Annual Statements. Each Director, each officer, and each member of a committee with Board-delegated powers must annually sign a statement in which such person affirms that he or she (a) has received a copy of the conflicts of interest policy; (b) has read and understands the policy; (c) has agreed to comply with the policy; and (d) understands that the Corporation is a non-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that further or accomplish one or more of its tax-exempt purposes.

10.12 Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its tax exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Board of Directors must cause periodic reviews to be conducted, including, at a minimum, the following subjects: (a) whether

compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and (b) whether any joint venture arrangements or other transactions involving the Corporation (including but not limited to agreements to provide or to purchase goods or services) have resulted in private inurement or impermissible private benefit.

10.13 Use of Outside Experts. In conducting the periodic reviews provided for in this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use will not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE 11
Amendments to Bylaws and Articles of Incorporation

11.01 Amendments. The Articles of Incorporation and these Bylaws may be amended, supplemented, or restated by the affirmative vote of a majority of all the Directors.

I certify that the foregoing Bylaws were duly approved by the unanimous consent of the Corporation's Board of Directors on the _____ day of _____, 2020.

President