

## Texas Angus Association, Inc.

### Members to Vote on January 25<sup>th</sup>, 2020 - ARTICLES OF INCORPORATION

**Texas Angus Association Members** – The Board of Directors’ Executive Committee established a special committee to review and recommend updates to our Articles of Incorporation and Bylaws. In addition, the Executive Committee recommended the consideration of changing the President’s term to 2-years versus the current 1-year period. The special committee members are: Joe Bush, Greg Dennis, Joel Hopper, Bodey Langford, and Van Percy.

As a quick reminder, our Articles of Incorporation is our legal document filed with the Secretary of State. The Articles are typically short in nature, and has the necessary elements that are required by the State and to receive Federal tax-exempt status. Our Bylaws document is our “organizational manual” for Texas Angus’s actions, procedures and systems. This legal document is an agreement between the Corporation and its Membership to conduct itself in a specific way. Bylaws serve as the internal operating methods and rules that specify things like director elections, Conflict of Interest policies, meeting procedures and employee roles. Unlike the Articles of Incorporation, the IRS does not require specific language in our Bylaws.

An exhaustive analysis of TAA’s documents were performed by the committee. The special committee unanimously recommended to the Board several “clarity” changes concerning the Bylaws – which the Board has the right to vote on per our current legal documents. The Bylaw amendments passed unanimously by the quorum in attendance at our last TAA Board Meeting in Luling, Texas. The Bylaws will become effective January 25, 2020.

Following the review of an attorney, the special committee unanimously recommends to the TAA Membership to vote FOR the following amendments to the Articles of Incorporation during our upcoming Annual Membership Meeting January 25<sup>th</sup>, 2020 in Ft. Worth. There are four (4) amendment recommendations.

- 1.) In review by the special committee, TAA’s legal documents do not have a Conflict of Interest Policy in place. This is arguably one of the more essential policies a nonprofit organization should adopt. The special committee unanimously recommended to the Board of Directors in our last meeting to approve a new “Conflict of Interest Policy”. The policy was passed unanimously, put into effect immediately and signed by the Board of Directors in attendance in the last Directors meeting. This policy is written into TAA’s amended Bylaws. The special committee recommends the TAA Membership to vote FOR adding the “Conflict of Interest Policy” into our Articles of Incorporation under ARTICLE VI. COMPENSATION.
- 2.) Under ARTICLE VIII. MEMBERS, the special committee recommends ONLY adding clarity to the following Membership items (all other Membership categories will remain the same):
  - Under Section 3(a) rewrite the Texas Angus Association Member, and add a sentence defining who is considered a Texas Resident: “Members shall be

residents of the State of Texas, and be an active member in good-standing of the Texas Angus Association engaged in breeding registered Aberdeen-Angus cattle. A Texas resident must reside in an owned home or rent in any county in Texas over a 12-month period, and must receive mail at that address.”

- Under Section 3(c), rewrite the Texas Angus Association Associate Member: “Associate Members shall be residents of the State of Texas (Texas resident definition in 3a) who are interested in Aberdeen-Angus cattle but are not seed stock breeders.”
- We will enter into Sections 3(d) & 3(e) using the reference to the definition of being a Texas Resident as: “Texas resident definition in 3a.”

**3.)** Under ARTICLE X. BOARD OF DIRECTORS, the special committee recommends amending what is written in the current Articles to update the number of TAA Board of Director seats to sixteen (16), as well as change the Executive Committee titles to be President, First Vice-President, Second Vice-President and Secretary / Treasurer. Lastly, we would update our current names of individuals serving on the Executive Committee and the Board of Directors.

**4.)** Under ARTICLE X. BOARD OF DIRECTORS, the special committee recommends Section 1 & 2 to read as follows:

*Section 1.* The officers of the corporation shall consist of a President; a First Vice-President, who shall automatically succeed to the office of the President upon the completion of the 2-year term of or upon the disability, resignation or removal of the President; a Second Vice-President, who shall automatically succeed to the office of the First Vice-President upon the completion of the term of or upon the disability, resignation or removal of the First Vice-President; a Secretary / Treasurer; and such other officers and assistant officers as may be deemed necessary by the Board of Directors.

*Section 2.* The Second Vice-President shall be elected every 2-years during the last board meeting of the calendar year by the Board of Directors entitled to vote thereon. The Second Vice-President will join the President, the First Vice-President and the Secretary / Treasurer to make up the Executive Committee. The office of the Secretary / Treasurer shall be filled by the Executive Committee and the in-coming President, and shall serve as Secretary / Treasurer at a minimum 1-year or the remaining period of their Board of Director’s term. No person shall be eligible to serve as President or First Vice-President or as Second Vice-President or as Secretary / Treasurer who does not have and continuously maintain the qualifications required of directors. Any of these four officers may be removed from office at any time, with or without cause and with or without notice, by the Board of Directors at any regular or special meeting.