

TACC Articles of Incorporation and Bylaws

ARTICLE I

Name

Section 1. Name. The name of the organization is TEXAS AGRICULTURAL COOPERATIVE COUNCIL.

ARTICLE II

Purpose and Object

Section 1. Purpose. The purpose or purposes for which the corporation is organized are: to conduct educational programs for agricultural cooperative organizations; to assemble and disseminate information relating to the production, processing and marketing of agricultural products and the purchasing of supplies through agricultural cooperative organizations; to promote and implement programs designed to develop and improve working efficiency among the officers, directors and personnel of agricultural cooperative organizations and relations with, between and among members of such organizations; to promote a better understanding of agricultural cooperative endeavor and to do and perform acts and things ordinarily performed by trade associations, for the betterment of agricultural endeavor.

Section 2. Object. The object of the Council is to promote the causes of agricultural cooperative endeavor; to promote the agricultural cooperative method of service, processing, marketing, production, purchasing and distribution; to spread the knowledge of the history, principles and methods of agricultural cooperation; to encourage the cooperative acquisition of agencies of agricultural production, processing, purchasing, distribution, and service; and to unite agricultural cooperative associations in the State of Texas for the above purposes and objects.

Section 3. Non-profit character. This Council shall at all times operate on a non-profit basis. All funds coming into the possession of the Council through dues or otherwise shall be used to carry out the intent and purposes of the Council as expressed in the Articles of Incorporation of the Council and these bylaws. No assets or net earnings of the Council shall ever inure to the benefit of any member or individual, through dividends or otherwise, except upon dissolution.

ARTICLE III

Activities

Section 1. Activities. In the accomplishment of its purposes, the Council shall be authorized to engage in, but not to be limited to, the following activities:

- A. To unite agricultural cooperative associations in the State of Texas for the accomplishment of the purposes of the Council.
- B. To assist and encourage the organization of agricultural cooperatives.
- C. To carry on the work of teaching the principles and methods of cooperation.
- D. To carry on educational activities for and relating to agricultural cooperatives.
- E. To give technical, commercial, and general advice on all subjects pertaining to the practice of cooperation.
- F. To collect, compile, edit and publish information on cooperation and allied subjects.
- G. To acquire property, receive and disburse funds, legacies, bequests, and loans in furtherance of its purposes.
- H. To assemble a state-wide regular or special meeting of representative delegates of its constituents cooperative organizations annually or at such times as seem best for the interest of agricultural cooperatives.
- I. To do all things necessary or expedient for the accomplishment of the purposes of the Council.

ARTICLE IV

Membership

Section 1. Constituent membership. The constituent members of the Council shall be agricultural cooperative organizations, or federations of the same, which subscribe to the fundamental principles of agricultural cooperative endeavor, and which operate for the mutual benefit of their members. Educational institutions offering courses in which agricultural cooperatives are a subject of study may also be a constituent member. "Agricultural Cooperative Organizations" shall be those organizations chartered under the Agriculture Marketing Act of the State of Texas or any other states' co-op marketing act or any other organization of whatever form with more than 50% of the voting made up of organizations so chartered.

Section 2. Associate membership. Social organizations, and other organizations not cooperative in form, but interested in the promotion of agricultural cooperation may be admitted to Associate membership. Such organizations may send each a delegate to the annual or special meetings and participate in discussions, but they shall not have the right to vote.

Section 3. Number of members. The number of members of the Council shall be unlimited. Each member shall receive a certificate of membership which shall be the property of the Council and shall not be transferable.

ARTICLE V

Application for Membership

Section 1. Application. Application for admission to membership or associate membership shall be made in writing in such form as the Board of Directors may prescribe, signed by an officer of the organization making application. Such applications may be submitted to the Council's Executive Staff, who may provisionally admit the applicant, subject to the approval of the Board of Directors. Applicants eligible for membership and approved by a majority of the Board of Directors present at any regular or called meeting, a quorum being present, shall be declared elected to membership. Any decisions regarding membership approval shall be at the sole and absolute discretion of the Board of Directors or the Executive Committee and their decision shall be final.

Section 2. Acceptance. Each applicant for membership shall by submitting its application accept the objects and purposes of the Council and agree to abide by its Articles of Incorporation and Bylaws.

Section 3. Termination of Membership. At any point and for any reason, the membership of the association may be reviewed by the Board of Directors or the Executive Committee, and any member who has not complied with the policies and procedures set out by the Board of Directors, or who, in the Executive Committee's or Board of Directors' sole and absolute discretion does not support the goals and objectives of the association, may be removed from membership.

ARTICLE VI

Dues

Section 1. Assessment. Members of the Council will pay dues in accordance with rules and regulations adopted by the Board of Directors at any regular or called meeting. The Board may assess such dues in accordance with classifications of types of associations and membership.

Section 2. Due Date. All membership dues shall be paid on the basis of the Council's fiscal year and shall be due and payable as prescribed by the Board of Directors.

ARTICLE VII

Special Funds

Section 1. Contributions. The Board of Directors for the Council may accept from any of its members contributions in any amount over and above the dues paid by such member or members.

ARTICLE VIII

Withdrawal of Members

Section 1. Withdrawal. A member may at any time apply for withdrawal from the Council by a notice in writing sent to the

Executive Office and the payment of all dues to the end of the fiscal year in which such application is made. Associate members may apply at any time for withdrawal upon paying dues to the end of the fiscal year and serving notice of withdrawal.

ARTICLE IX

Dissolution

Section 1. Distribution of assets. In the event of the dissolution of the Council, the assets, after payment of outstanding obligations, shall be distributed to members and former members in proportion to the percentage that the total dues or contributions paid by each member or former member over the three years immediately prior to and including the year of such dissolution bears to the total amount being distributed, or as provided in the Texas Non-Profit Corporation Act.

ARTICLE X

Injurious Conduct

Section 1. Suspension and expulsion. Any member or associate member of the Council, deemed guilty of conduct detrimental to the Council or to the agricultural cooperative movement by the Executive Committee may be suspended from the Council by the Executive Committee. The Committee must report to the next meeting of the Board of Directors the reasons for its action, and a copy of such charges must be delivered to the suspended member at least thirty (30) days before the regular or special meetings at which the Board of Directors acts on such matter. Such suspended member shall be given opportunity to answer charges and present reasons against expulsion. If the Board of Directors sustains the action of the Executive Committee, the suspended member shall be expelled from the Council.

ARTICLE XI

Governance

Section 1. Meetings. An annual or special meeting of the Council shall be held once a year at such time and place as shall be determined by the Board of Directors. Annual or special meetings may be called by either the Board of Directors or the Executive Committee, in compliance with the applicable meeting notice requirements stated herein.

Section 2. Delegates. The annual or special meeting will consist of:

- A. Representative delegates from the constituent membership of the Council who are in good standing and who have been duly elected or appointed by their member associations and whose associations have notified the Council of their selection, and who have registered at the annual or special meeting.
- B. Each constituent member shall be entitled to be represented by one representative delegate.
- C. Each constituent member shall have one vote only on any question before the annual or special meeting and shall not vote by proxy.
- D. A representative delegate must be an employee or a member of the organization which they represent.
- E. Representative delegates from regionals or federations of associations, which are members of the Council, each shall be allowed such number of delegates as though it were a single organization, providing that such delegates shall not represent associations already represented.
- F. Associate member delegates shall not possess voting rights.
- G. Alternate delegates of constituent associations may be designated by such associations and serve at annual or special meetings of the Council.

ARTICLE XII

Administration

Section 1. Board of Directors

A. Directors. The affairs of the Council will be managed by a Board of Directors who shall be suggested by the Director Nominating Committee, as stated in subsection B immediately below and approved by either the Board of Directors or the Executive Committee at the annual membership meeting. Each director shall serve for a period of one year, or until a successor has been elected and

has qualified.

B. Nomination and Election of Directors. Not less than ten (10) days prior to the annual meeting, the Executive Committee shall appoint a nominating committee of persons who are either employees of or members of or who hold an official position with a constituent cooperative association. The persons so appointed need not be members of the Board of Directors of the Council. Such nominating committee shall submit a slate of nominees, naming one nominee for each position. In selecting the nominees, the nominating committee shall give special consideration to the geographical locations of the nominees and the type of agricultural commodities handled by the associations with which they are associated, so that the state as a whole will, as nearly as practicable, afford representation from all the agricultural areas of Texas and all of the basic agricultural commodities handled by the membership of the Council. One or more of the positions submitted by the nominating committee will be designated the Resource Group director(s). In making nominations for these positions the nominating committee will take into account the importance of close liaison between the Council and the various institutions making up the resource group -- universities and colleges, national cooperative organizations, federal and state institutions concerned with and having a direct interest in agriculture and agricultural cooperatives, and other groups and institutions having similar interests and concerns. The nominating committee shall submit to the Executive Committee or the Board of Directors at or prior to the annual meeting its recommendations with respect to: (a) the number of positions on the Board of Directors for the ensuing year; and (b) its nominee for each of such positions. The Board or the Executive Committee in its discretion may alter the number of positions so recommended, in which event the nominating committee will reconvene and adjust its nominees to the number of positions so determined. The nominees selected hereunder will be submitted to the membership at the annual meeting. Any voting delegate may make nominations from the floor for one or more positions, in which event an election shall be held for such position or positions.

C. Quorum. Ten percent (10%) of the members of the Board of Directors in attendance at any regular or special meeting of the Board of Directors shall constitute a quorum.

D. Vacancies. Whenever a vacancy shall occur on the Board of Directors other than from expiration of a term of office, the Executive Committee may appoint a successor, who shall serve the unexpired term of the position which may become vacant. In filling such a vacancy, the type of commodity represented by the director whose position has become vacant shall be taken into consideration.

E. Honorary Directors. Directors who have served on the Board of Directors of Texas Agricultural Cooperative Council, Texas Federation of Cooperatives or Texas Cooperative Ginners Association for a period of ten (10) or more years may be elected an Honorary Director following his/her retirement from active cooperative service. Honorary Directors shall have all the privileges of a regular director except the right to vote and shall serve as long as he/she continues to participate with cooperatives.

Section 2. Officers and Committees.

A. Nominating committee. All past presidents of the Texas Federation of Cooperatives, the Texas Cooperative Ginners Association, and the Council and who are either employees of or members of or who hold an official position with a constituent member in good standing shall serve as a committee to select the next Secretary of the Board. The immediate past President of the Council will serve as Chairman and appoint a Vice-Chairman.

B. Officers. At each annual meeting, the Officers of the Board of Directors shall rotate one position upward with the Immediate Past President rotating off as an Officer, the President rotating to Immediate Past President, the Vice President rotating to President, and the Secretary rotating to Vice President.

C. Executive committee. The Executive Committee of the Board of Directors shall be composed of the President (*chairman*), Vice-President, immediate past president, Secretary, Executive Vice-President, and such other Board members as may be determined by the Board of Directors. The Board of Directors may delegate the performance of any and all of its functions to the Executive Committee.

D. Committee To Select an Executive Vice President. Whenever a vacancy occurs in the position of Executive Vice President, a committee shall be formed to vet candidates for the position, and to select the new Executive Vice President. This committee shall consist of the Officers, the Chairs of Cotton, Allied & Grain, and Services Divisions, the Producer Representative, the Budget and Finance Chair, the Education and Member Services Chair, and the Legislative and Governmental Affairs Committee Chair.

E. Other committees. This organization shall have such committees, divisions, and representatives and for such powers as shall be determined by the Board of Directors or the Executive Committee. The number and terms of members of such committees and divisions in each case shall be determined by the President. Committees shall be appointed by the President with the advice and consent of the Executive Committee. The President shall designate one of the named committeemen as Chairman, another as Vice-Chairman, and a third as Secretary.

Section 3. Duties of directors. The Board of Directors, subject to any resolutions of the Council at its annual or special meetings, shall:

- a. Supervise the Executive Vice-President and provide offices and equipment for carrying on the work of the Council,

under instructions and supervision of the Board of Directors.

- b. Hold at least one meeting at or about the time of each annual or special meeting, and such other meetings as it may deem necessary or as the Council at its annual or special meetings may direct.
- c. Control the disposal of funds of the Council.
- d. Publish or authorize the publication of literature in the name of the Council.
- e. Transact other business or do or authorize other matters or things it may consider to be conducive to the welfare of the Council and the proper conduct of its operations, consistent with the bylaws and the principles of agricultural cooperation as herein set forth.

Section 4. Publications. No publications shall be issued in the name of the Council by anyone except those authorized by the Board of Directors.

Section 5. Financial statements. The Board of Directors shall publish an annual statement of the receipts and expenditures of the Council and shall furnish a copy of same at each annual or special meeting to all constituent members. The fiscal year of the Council shall begin on the first day of October of each year.

Section 6. Audit. After the close of each fiscal year, a complete audit shall be made by a firm of certified public accountants selected by the Board of Directors, of the last fiscal year's business. A complete written report on the operations of the Council shall be furnished by the auditors and shall be published and copies made available to constituent members.

Section 7. Term of office. All officers of the Council shall have a term of one year and shall serve until their successors have been elected and accepted office. Notwithstanding the term of office specified herein, officers who also are employees shall serve at the pleasure of the Board of Directors. Other officers shall remain in office until discharged by proper authority or replaced by their successors.

Section 8. Duties of officers. The duties of officers shall be those usually performed by such and as defined in these bylaws and by the Board of Directors.

Section 9. Removal of directors. Any director of the Council may, at any annual or special meeting duly called, be removed from office. Procedures for removal of such directors from office shall be as provided in applicable laws of the State of Texas. Any officer or director of the Council, other than the Executive Vice-President or any ex-officio Board members, who is a member, officer or employee of a constituent member association and ceases to be such shall automatically vacate such office and such vacancy shall be filled as otherwise provided in these bylaws.

ARTICLE XIII

Bonds

Section 1. Requirement. The Board of Directors shall require and all agents and employees charged with responsibility for the custody of any of its funds or property to give a surety bond satisfactory to the Board of Directors. Such bonds shall be in amounts and written by companies approved by the Board of Directors. The cost of such bonds shall be borne by the Council.

ARTICLE XIV

Annual or Special Meetings

Section 1. Notice. The date of the next succeeding annual meeting shall be brought to the notice of all members through publication by the Council or by letter at least thirty (30) days prior to such meeting and at least ten (10) days prior to a special meeting.

Section 2. Delegates. Constituent members of the Council shall notify the Executive Vice President of the Council the names and addresses of the delegates and alternates who will represent them.

Section 3. Quorums. Ten percent (10%) of the registered delegates of constituent members at any annual or special meeting shall constitute a quorum, the constituent members having been duly notified as provided in these bylaws.

Section 4. Meeting By Remote Communications. At the discretion of the Board of Directors, or the Executive Committee, any annual meeting, or special meeting, of the members, or any Board, Executive Committee or other committee meeting may be accomplished, partially or wholly, by 'remote communications technology,' to include telephonic, electronic, or video conferencing, or any combination thereof. For the purposes of these Bylaws, attendance at a Cooperative meeting by a member

through use of said technology shall be considered as an 'in person attendance' for all purposes, including constitution of a quorum. Voting by members for any purpose at a meeting by remote communication technology shall occur at the direction of the Board of Directors or Executive Committee for each such meeting.

ARTICLE XV

Amendment or Alteration

Section 1. Procedure. These bylaws may be altered by amendment, repeal or addition thereto, by affirmative vote of simple majority of all the representative voting delegates present and voting at any annual or special meeting, provided such proposed amendment, repeal or addition thereto has previously received the approval of the Board of Directors of the Council, and provided further, that such proposed amendment, repeal or addition has been published by mail or email to the constituent members at least ten (10) days prior to the annual or special membership meeting at which the same is to be considered. Any constituent member may propose amendments to the bylaws by placing such proposed amendments in the hands of the Secretary, who shall bring the same to the attention of the Board of Directors. Such proposed bylaw amendments by a member must conform to the process and notice time stated above.

ARTICLE XVI

Effective Date

Section 1. Time of Effect. These bylaws shall become operative and effective immediately upon adoption by the Council.