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March 20, 2019

OFFICIAL NOTICE

ANNUAL MEETING INFORMATION STATEMENT

To All Equity Owners and Holders of Stock and Participation Certificates in Legacy Ag Credit, ACA

The Annual Stockholders Meeting (“Meeting”) of Legacy Ag Credit, ACA (“Association”) will be held Wednesday, April 17, 2019, at 1:00 p.m. at the Association administrative office located at 303 Connally Street, Sulphur Springs, Texas.

The stockholders of the Association will consider the following:

1. Review and approval of the minutes of the 2018 Meeting;
2. Reports of corporate and financial operations for 2018 by the Chairman of the Board and the CEO;
3. Report of the Nominating Committee;
4. Determination of the nominees for election of two (2) stockholders to the Board of Directors (“Board”);
5. Determination of the nominees for election to the 2020 Nominating Committee; and
6. Other business

Following the Meeting, light refreshments will be served.

The following information is included as part of the Annual Meeting Information Statement to comply with regulations implemented by the Farm Credit Administration (“FCA”):

1. Financial reports of the Association for the fiscal year ending December 31, 2018, are included in the 2018 Annual Report, which will be mailed to all stockholders prior to March 31, 2019. Included in the 2018 Annual Report is the “Report of Independent Accountants” discussing their audit and opinions. The 2018 Annual Report can also be accessed via the Association’s website at www.legacyaca.com. The Association will publish its Annual Report on the website no later than March 15, 2019.

Shareholders’ investment in the Association may be materially affected by the financial condition and results of operations of the Farm Credit Bank of Texas. The Farm Credit Bank of Texas’ financial reports to its shareholders will be made available upon request. Please contact the Farm Credit Bank of Texas, The Ag Agency, P.O. Box 202590, Austin, Texas 78720-2590, call [512-483-9260](tel:512-483-9260) or e-mail fcf@farmcreditbank.com.

2. As of February 28, 2019, there were 1,064 stockholders of record eligible to vote. Members owning voting stock at the close of business on March 31, 2019, will be eligible to vote if they have been designated as the voting stockholder. Any matter brought to a vote at the Meeting or thereafter by

mail ballot will be decided by a simple majority vote.

3. Current director information:

Name	Age	Term & Expiration Period	Served (Years)	Type of Agriculture/Aquaculture Engaged In
R. Cody Newman	70	2016–2019	19	Beef cattle operation, timber
Terrel “Terry” D. Milligan	58	2016–2019	9	Beef yearling grazing operation
John Shinn	71	2016-2019	3	Board-elected outside director
Brandon N. Sides	38	2017-2020	2	Peas and beans operation
D. Randall “Randy” Reeves	58	2017-2020	2	Timber, wildlife management
Danny Evans	67	2018-2021	1	Beef cattle operation
Louis Cernoch, Jr.	67	2018-2021	1	Cow/calf and yearling ranch operation

The Association Bylaws provide that the Board shall have six (6) directors elected by stockholders and one (1) or more director(s) elected by stockholder-elected directors.

All Directors who served during 2018 attended at least 75% of the Board meetings convened during the fiscal year ending December 31, 2018. All Directors who served during 2018 attended at least 75% of the meetings of the committees on which they served during the fiscal year ending December 31, 2018.

There were no directors who resigned or declined to stand for re-election during 2018 because of a disagreement with a Board-adopted policy.

- There have been no transactions of the type required to be disclosed in FCA Regulation Sections 620.6(e) outside the normal course of business between the Association and its senior officers, directors or their immediate family members, or any organization with which such senior officers or directors are affiliated. There has been no involvement in any legal proceedings as described in FCA Regulation Section 620.6(f) during the past five years for any directors, director nominees or senior officers.
- The voting stockholders of this Association shall elect, by mail ballots to be sent after the 2019 Meeting, one or more directors as may be required to fill any vacancy on the Board.
- As required by FCA guidance, we are sending a separate copy of these materials to each individual identified as a stockholder on our records, including each co-owner of stock. Accordingly, the same address may receive two or more copies of these materials.

The Association Nominating Committee conducted meetings on January 23, 2019, and February 20, 2019, to nominate candidates for the open director positions. After determining the stockholders’ willingness and eligibility to serve, the following candidates were nominated by the Committee:

POSITION 1	POSITION 2
Terrel “Terry” D. Milligan	R. Cody Newman
Billy D. Patrick	Clayton “Clay” S. Smith

For information purposes, a brief biographical statement for each nominee that describes the occupation, farm operation, business experience, other board positions on which the nominee serves, and any family loan relationships that may exist with the Association is furnished below:

Director Position 1

Terrel “Terry” D. Milligan - Age 58. Mr. Milligan was born in Durant, Oklahoma and currently resides in Ben Wheeler, Texas, in Van Zandt County. He owns and operates a beef cattle and hay production operation on 250 acres in Van Zandt County and an additional 600 acres in Bryan and Atoka counties in Oklahoma. He and his wife own and operate Milligan & Company Fire Ant Control, a seasonal business. In 2015, he retired from USDA after 34 years of service as an animal health technician. Ranching and working for USDA have been his principal occupation for the past five years. Mr. Milligan holds an associate’s degree in farm and ranch management from Murray State College in Tishomingo, Oklahoma. Mr. Milligan has been a member of the Legacy Ag Credit, ACA board since 2010 and has served as chairman of the board since 2016. He currently is a member of the Association’s Audit Committee, and he is the Association’s representative on the Farm Credit Bank of Texas Stockholder Advisory Council. He is also a member of the Nominating Committee for the Farm Credit Bank of Texas. He currently serves on no other boards, but he has previously served as president of the Van FFA alumni association. He is a member of the Van Zandt County Farm Bureau and the Northeast Texas Beef Improvement Organization. He and his wife are members of the Fruitvale Church of Christ, where he serves as an elder. He and his wife, Joyce, were blessed with four children and three grandchildren. His business address is 490 VZ County Road 4415, Ben Wheeler, Texas 75754.

The Association has loans to an immediate family member of Mr. Milligan that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectibility.

Billy D. Patrick - Age 66. Mr. Patrick was born in Grand Saline, Texas, and currently resides in Golden, Texas, in Wood County. He currently operates four poultry breeder houses under contract with Pilgrim’s Pride and has a 150 head cow-calf beef herd. His farm operation consists of 123 acres of pastureland and woods. He has farmed his entire adult life, including 26 years operating a dairy and also growing sweet potatoes and watermelons. Farming has been his principal occupation for the past five years. Mr. Patrick graduated from Quitman High School. Mr. Patrick currently serves on no other boards but he previously served on the Wood County Farm Services Agency for 10 years, the Alba Golden School Board for six years and the Golden Water Board for three years. He is a member of the Wood County Farm Bureau and the Northeast Texas Beef Improvement Organization. He and his wife, Tommie, have two grown daughters and five grandchildren. His business address is 295 County Road 2399, Quitman, Texas 75783.

The Association has loans to an immediate family member of Mr. Patrick that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectibility.

Director Position 2

R. Cody Newman - Age 70. Mr. Newman was born in Marshall, Texas, and currently resides in Harleton, Texas, in Harrison County. Mr. Newman is president and co-owner in a family business, the Newman Corporation, which manages investments and operational activities in oil and gas production. The family business includes approximately 3,000 acres of pastureland, cropland and timberland. Participation in this family business has been his principal occupation for the past five years. He is a board member of NH, Inc./Newman Ranches, a family business which operates ranches, purchases and sells livestock, and manages timber production in Harrison and Marion counties. Mr. Newman has been a member of the Association’s Board since 2000. He currently serves on the Compensation Committee and has previously served as Vice Chairman of the Board. Mr. Newman serves on the board of the Upshur Rural Electric Cooperative Corporation and was previously a board member of the Harleton Independent School District. Mr. Newman holds a B.S. in Agriculture and Business from Texas A&M University in Commerce (formerly East Texas State University). He and his wife, Sandra, have three grown children and five grandchildren. His business address is 16955 State Highway 154, Harleton, Texas 75651.

The Association has loans to an immediate family member of Mr. Newman that were made in the ordinary course of business on the same terms including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectibility.

Clayton “Clay” S. Smith - Age 33. Mr. Smith was born in Dallas, Texas, and currently resides in Mineola, Texas, in Wood County. He was a safety, compliance and risk management official with Luminant/TXU Mining Company, US Silica and Mario Sinacola Companies until 2018, when he became a contract poultry grower for Sanderson Farms. He continues to do safety management and compliance consulting for several companies on a part-time basis. Working with the mining companies and being a poultry producer have been his principal occupation for the past five years. He currently serves as President of Circle S Farms and operates six broiler houses capable of producing approximately one million birds annually. Mr. Smith is a fifth-generation farmer who grew up on a farm that produced sweet potatoes and watermelons. He also previously owned and managed a small cow-calf beef herd. Mr. Smith graduated from Quitman High School and received a BA degree in Business Administration/Management from Texas A&M University at Commerce. Mr. Smith currently serves on no other boards. He is a member of the Special Kids Farm & Ranch Day Planning Committee, the National Safety Council and the Joseph A. Holmes Safety Association. He and his wife, Amber, have two sons, and he and his wife participated in the Farm Credit Young Leaders Program in 2018. Mr. Smith’s business address is 156 County Road 2363, Mineola, Texas 75773.

The Association has loans to an immediate family member and an affiliated organization of Mr. Smith that were made in the ordinary course of business on the same terms including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectibility.

Family member loans

Directors are eligible for loans under the same terms and conditions available to any person. Loans outstanding with the nominees listed herein were made in the ordinary course of business, on the same terms, including interest rate, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons and involved no more than normal risk of collectibility. Except as disclosed herein, none of the nominees have had any non-loan transactions with the Association.

The director candidate information shown above was prepared and submitted by the respective candidates and is for educational purposes only. By regulation, the Association must remain impartial and can neither endorse nor oppose any candidate.

Nominations for Director Positions 1 and 2 will be opened to the floor at the Meeting. Any voting stockholder may make a nomination from the floor. The presiding officer should call for a second for each floor nomination, and when nominations have been made and seconded, close the call for nominations from the floor. All nominees from the floor must accept the nomination, must be eligible voting stockholders and must provide the required disclosures, in writing, at the Meeting or within five (5) business days of the Meeting, in compliance with FCA regulations 611.330 and 620.6(e) and (f). Under these regulations any occurrence that would require disclosure must be disclosed. No person may be a nominee for director who does not accept the nomination, provide the disclosures required by regulations, or whose loan performance status would preclude them from serving, in accordance with Association Bylaws. Nominations for the 2020 Nominating Committee will also be opened to the floor at the Meeting.

The Association’s Nominating Committee conducted meetings on January 23, 2019, and February 20, 2019, to select candidates for the three (3) member positions (1, 2 and 3 herein below) and three (3) alternate positions (4, 5, and 6 herein below) for the 2020 Nominating Committee. After determining each stockholder’s willingness and eligibility to serve, the following candidates were nominated by the Committee:

- | | |
|----------------------------------|-----------------------------|
| 1. <u>Samantha Crouch Baxter</u> | 4. <u>Thomas G. Goodson</u> |
| 2. <u>Fred Moseley</u> | 5. <u>Joey B. Hooton</u> |
| 3. <u>J. Bruce Wood</u> | 6. <u>John C. Mize</u> |

The election of two (2) eligible stockholders for Director Positions 1 and 2, and the election of the 2020 Nominating Committee members and alternates will be accomplished by mail ballots which will be sent to eligible voting stockholders not more than ten (10) business days after the Meeting.

Certification

By signing below, I hereby certify that I have reviewed this Annual Meeting Information Statement and the information contained herein, and further certify that the report has been prepared in accordance with all applicable statutory and regulatory requirements and that the information is true, accurate and complete to the best of my knowledge and belief.



Terry Milligan, Chairman of the Board

Date of Signature: 3/20/2019



Derrell Chapman, Chief Executive Officer

Date of Signature: 3/20/2019



Daryl Belt, Chief Financial Officer

Date of Signature: 3/20/2019

**RECORD OF MINUTES
ANNUAL STOCKHOLDERS MEETING OF
LEGACY AG CREDIT, ACA
APRIL 18, 2018**

The Annual Stockholders Meeting of Legacy Ag Credit, ACA was called to order by Terry Milligan, Chairman of the Board, at 1:00 p.m. on April 18, 2018, at the offices of Legacy Ag Credit, ACA, in Sulphur Springs, Hopkins County, Texas.

Chairman Milligan asked CEO Derrell Chapman if there was a quorum present, to the extent a quorum was necessary. CEO Chapman answered in the affirmative. Stockholder Ron Gabriel offered the invocation. Twelve (12) stockholders, including board members and staff members who are stockholders, attended the meeting.

Chairman Milligan advised those in attendance that a copy of the minutes from the 2017 meeting held August 14, 2017, had been mailed to each stockholder. Chairman Milligan asked if there were any corrections or additions to the 2017 minutes. There being none, Stockholder Gabriel moved to accept the minutes as mailed. Stockholder Paul Nicklas provided a second to the motion which passed by unanimous vote.

Chairman Milligan introduced Nominating Committee Chairman Bruce Wood, who presented the report of the Nominating Committee. Mr. Wood explained that the Nominating Committee, consisting of himself, Jan Moosberg and Fred Moseley, conducted meetings on January 24 and February 27, 2018, to nominate candidates for the open director positions. He noted that Board Consultant Dantzler has facilitated the meetings and served as an administrative resource for the committee. After determining the stockholder's willingness and eligibility to serve, the following stockholders were nominated by the Committee for three-year terms on the Board of Directors:

Position 1: Ron Gabriel (Incumbent) and Danny Evans

Position 2: Paul Nicklas (Incumbent) and Louis Cernoch, Jr.

Nominating Committee Chairman Wood advised that the Annual Meeting Information Statement provided a description of each of the candidate's occupation, business experience, and other positions and boards on which the nominees serve, as well as any family member or business associate loan relationships that may exist with the Association.

Nominating Committee Chairman Wood reported that the Nominating Committee had conducted meetings on January 24 and February 27, 2018, to nominate candidates for the three member positions and three alternate positions for the 2019 Nominating Committee. After determining the stockholder's willingness and eligibility to serve, the following were nominated by the Committee for a one-year term as the 2019 Nominating Committee:

1. Bruce Wood
2. Jan Moosberg
3. Fred Moseley
4. John Mize
5. Bo Fox

6. Brett Tate

Nominating Committee Chairman Wood explained that the election of the two eligible stockholders for Director Positions 1 and 2 and the election of the 2019 Nominating Committee and Alternates will be accomplished by mail ballots which will be sent to eligible voting stockholders not more than ten (10) business days after the annual meeting.

At this time, Nominating Committee Chairman Wood asked for nominations from the floor for Director Position 1. There being none, Nominating Committee Chairman Wood announced that nominations for Director Position 1 were now closed.

Nominating Committee Chairman Wood then asked for nominations from the floor for Director Position 2. There being none, Nominating Committee Chairman Wood announced that nominations for Director Position 2 were now closed.

Nominating Committee Chairman Wood then asked for nominations from the floor for the 2019 Nominating Committee or alternate positions. There being none, Nominating Committee Chairman Wood announced that nominations for the 2019 Nominating Committee and alternate positions were now closed.

Nominating Committee Chairman Wood offered each director candidate an opportunity to address those present. Stockholder and Incumbent Director Ron Gabriel addressed those present by thanking the stockholders for allowing him to serve the Association as Director for the past six (6) years, indicating it has been a great experience for him and, if re-elected, he looked forward to being a part of the continued growth of the Association. Stockholder and Incumbent Director Paul Nicklas addressed those present by thanking the stockholders for electing him to serve the Association in this capacity, indicating it has been a learning experience and that, if re-elected, he looked forward to the opportunity to serve again.

Nominating Committee Chairman Wood reminded those present that Legacy had changed to mail-out ballots in 2011, to allow every voting stockholder the opportunity to vote on its Board of Directors, and he concluded his presentation by encouraging everyone to vote, and then turned the meeting back over to Chairman Milligan to present the Board of Directors Report.

Chairman Milligan welcomed those in attendance, and thanked them for taking time out of their day to attend the meeting. Chairman Milligan explained that the Board and Management, after careful consideration regarding the time and expense of conducting the Annual Meeting in an evening format, made the decision to hold this year's meeting in conjunction with the monthly Board meeting. Chairman Milligan further explained that, over the years, there has been a decline in attendance by the membership at the evening annual meeting, and the Board believes they can accomplish what they need to accomplish in this format and save the Association the time and expense of having an evening annual meeting. Chairman Milligan assured those present that all Association business would be completed in the same format as previous evening meetings.

Chairman Milligan then introduced the Board of Directors and the Board Consultant and thanked the stockholders for their continued support and commitment to the Association.

Chairman Milligan reported that 2017 was a good year for Legacy Ag Credit. He reported that the Board and Management, with the assistance of the Board Consultant, has made substantial progress in addressing any remaining concerns that the membership and the Farm Credit Administration may have had that were discussed at last year's annual meeting. He further reported that the Board, with the assistance of the Board Consultant, is making changes to its governance policies and procedures that will provide lasting benefit for the Association and the membership.

Chairman Milligan thanked each of the Board members for their efforts in 2017 to continue to make improvements to the Association. He further reported that the Board and its committees met numerous times in 2017 on matters ranging from addressing any remaining FCA concerns about governance activities to completing a search for and naming a CEO. He expressed that it was his pleasure to serve as the Board Chairman during this process and he commended each Director for their continued service and commitment to Legacy.

Chairman Milligan reminded the stockholders that Legacy exists solely for their benefit and the Board and Management of Legacy want to ensure we represent the desires of the stockholders for this cooperative association.

Chairman Milligan advised that the Association reported \$3.4 million in net income for 2017 and would soon report a very good first quarter for 2018, with improved net income and solid growth in net loans outstanding over this same time last year. Chairman Milligan further advised that, based on the Association's 2017 performance, the Board of Directors has approved a 2017 patronage payment to members of approximately \$2.1 million. He advised that the patronage checks would be mailed in the next few days. He further advised that the 2018 patronage payment is approximately 1.00% of the average members' loan outstanding during 2018, and the Board has set a goal of returning, assuming financial performance warrants, a similar amount to the membership each year.

Chairman Milligan reported that all Board members continued to attend training and development activities throughout the year designed to keep the Board members abreast of the latest trends affecting the Association and the membership.

Chairman Milligan reported that one of the most important accomplishments the Board undertook in 2017 was the selection of a CEO. Chairman Milligan further reported that, after a lengthy search and interview process, the Board named Derrell Chapman as CEO in August, 2017. Chairman Milligan advised those present that Mr. Chapman began work in September, 2017, and that the Board is pleased to have him serve as CEO and look forward to seeing what he and the staff of Legacy can accomplish for the stockholders in the future. Chairman Milligan concluded his report by thanking the stockholders for their continued support of Legacy Ag Credit. At this time, Chairman Milligan introduced CEO Derrell Chapman, to provide an update on the Association's activities in 2017 and some of the plans he and his management team have for Legacy in 2018.

CEO Chapman began his presentation by thanking those present for their attendance at this year's annual stockholders meeting and for their continued support of Legacy Ag Credit.

CEO Chapman advised that has he been with Legacy since September 13, 2017. He advised that he is an east Texas native who was born and grew up in Jasper, Texas, graduated from Texas A&M University with a finance degree in 1980, went to work in the financial services industry later that year and has been in the lending business since that time, with the exception of a few months in 2017 before coming to Legacy. CEO Chapman advised that he is also a certified public accountant in Texas.

CEO Chapman advised he had spent approximately 27 years in Tyler working for a banking organization, serving as CFO for a number of years and later as CEO. CEO Chapman described the bank as a small community bank about the same size as Legacy that was eventually sold to a large regional bank headquartered in Houston, where he remained for about 2½ years. CEO Chapman reported that he and his wife, Kim, currently live on a small farm in Bullard, just outside of Tyler, where they raise longhorn cattle and horses, and are looking forward to finding a place near Sulphur Springs. They have two daughters who live in Dallas and Houston.

CEO Chapman stated he was enjoying his position as CEO of Legacy and being part of the Farm Credit System. CEO Chapman reported that the Association has some very talented and dedicated employees, many of whom also have small farms or ranches and can understand and relate to our borrowers. CEO Chapman stated that while Legacy may be one of the smaller associations within the Farm Credit System, its smaller size doesn't diminish its mission and impact on the farmers and ranchers served in our 10 county territory here in northeast Texas. CEO Chapman stated that the Legacy staff, and particularly the lending team, is constantly trying to determine how Legacy can help customers and potential customers within our territory and fulfill our mission "To be a leading agricultural and rural lender throughout our territory so we can enhance the quality of life for people in the agricultural industry and in rural America."

CEO Chapman provided a brief presentation on the Association's 2017 financial performance. CEO Chapman reported the Association had a strong net worth of \$55.5 million and a capital position of 23% at year-end 2017, with assets totaling \$251 million and net income of \$3.4 million, and had declared a cash patronage of \$2.1 million based on 2017 earnings. Additionally, CEO Chapman reported that the Association's credit quality was 99% acceptable at year-end 2017, and provided a commodity concentration chart showing the breakdown of commodity segments within the Association's loan portfolio at 2017 year-end. CEO Chapman stated the Association had a good year in 2017 and was on track for another good year in 2018. CEO Chapman concluded his report by thanking those in attendance and asking them to stay for refreshments after the meeting, then turned the meeting over to Chairman Milligan.

Chairman Milligan asked if there were any other items of new or unfinished business that needed to be brought before the meeting at this time. There being none, Stockholder Randy Reeves made a motion to adjourn. Stockholder Brandon Sides provided a second to the motion, which passed by unanimous vote, and the meeting was adjourned at 1:31 p.m.

Attest: _____
Corporate Secretary

Signed: _____
Chairman of the Board