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July 1, 2020

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, July 22, 2020, at 9:00 a.m. at the Association’s administrative office located at 303 Connally, Sulphur Springs, Texas 75482.

The stockholders of the Association will consider the following:

1. Review and approval of the minutes of the 2019 Meeting;
2. Reports of corporate and financial operations for 2019 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 2021 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, 2019, are included in the 2019 Annual Report, which was mailed to all stockholders on March 26, 2020. Included in the 2019 Annual Report is the “Report of Independent Accountants” discussing their audit and opinions. The 2019 Annual Report can also be accessed via the Association’s website at www.legacyaca.com. The Association published its Annual Report on the website on March 13, 2020.

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 May 31, 2020, there were 1,031 stockholders of record eligible to vote. Members owning voting

stock at the close of business on May 31, 2020, 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	Current Age	Term & Expiration Period	Served (Years)	Type of Agriculture/Aquaculture Engaged In
Brandon Sides	39	2017-2020	3	Peas and beans operation
Randy Reeves	60	2017-2020	3	Timber, wildlife management
Danny Evans	68	2018-2021	2	Beef cattle operation
Louis Cernoch	69	2018-2021	2	Cow/calf and yearling ranch operation
R. Cody Newman	71	2019-2022	20	Beef cattle operation
Terry Milligan	59	2019-2022	10	Beef yearling grazing operation
Cheryl Scott	37	2019-2022	0.5	Board-elected outside director

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 2019 attended at least 75% of the Board meetings convened during the fiscal year ending December 31, 2019. All Directors who served during 2019 attended at least 75% of the meetings of the committees on which they served during the fiscal year ending December 31, 2019. Ms. Scott was elected in 2019 and attended at least 75% of the Board meetings and committee meetings convened subsequent to her election.

There were no directors who resigned or declined to stand for re-election during 2019 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 2020 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 a meeting on February 19, 2020, 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
Brandon Sides	David R. "Randy" Reeves
Dr. Robert C. Tiller, DVM	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

Brandon Sides – Age 39: Mr. Sides was born in Dallas and currently resides in Canton, Texas in Van Zandt County. He earned a BS degree in Political Science from the University of Texas with minors in Business and Spanish. He is the owner/operator of Sides Pea Farm, a Texas-based farm operation comprising some 2,000 acres of owned and rented land. The farm produces fresh peas and beans for distribution in Texas, Oklahoma, Arkansas, Louisiana, and Mississippi. Farming has been his principal occupation for the past five years. Mr. Sides serves on the board of Legacy Ag Credit, ACA (agricultural lending), where he is the vice chairman of the board and serves as chairman of the Compensation Committee. He also serves on the Dallas School District Farm to School Steering Committee that focuses on healthier school meals and is a member of the Van Zandt County Farm Bureau. His business address is 1709 FM 2909, Canton, Texas 75103.

Robert C. Tiller, DVM - Age 67: Dr. Tiller was born in Carthage, Texas and currently resides in Waskom, Texas in Harrison County. He attended Panola College for two years before transferring to Texas A & M University, where he earned a Doctor of Veterinary Medicine degree. He has been a practicing veterinarian since 1976, and he is the owner/operator of Tiller Veterinary Clinic, which has been his principal occupation for the past five years. He is licensed to practice in both Texas and Louisiana. His ranch operation encompasses 7,000 acres in Panola and Harrison Counties and produces beef cattle, hay, and timber. Dr. Tiller also owns Tiller Irrigation. He previously served on the board of a commercial bank, but he currently serves on no other boards. He is a member of the Texas Southwest Cattle Raisers Association, the Texas Veterinary Medicine Association, and the Louisiana Veterinary Medicine Association. His business address is 627 CR 335, Waskom, Texas 75692. He and his wife Karen have three sons, and one son works with Dr. Tiller in the family ranch business.

The Association has loans to an immediate family member (wife) of Dr. Tiller 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 collectability.

Director Position 2

David R. “Randy” Reeves – Age 60: Mr. Reeves was raised in Ft. Worth and currently resides in Harleton, Texas. He served as a County Extension Agent-Agriculture for over 35 year in Harrison, Hardin, Upshur, and Gregg Counties. Mr. Reeves received a BS degree in Agricultural Economics and an MS degree in General Agriculture, both from Tarleton State University in Stephenville, Texas. Mr. Reeves is currently employed with Jake’s Feed and Animal Center in Longview as their Lawn and Garden Specialist. Serving as an Extension agent and working as a lawn and garden specialist have been his principal occupations for the past five years. Mr. Reeves serves on the board of Legacy Ag Credit, ACA (agricultural lending), where he is a member of the Audit Committee. Mr. Reeves previously served as a school board member of the Texas Early College High School in Marshall, Texas and the Panola Charter School in Carthage, Texas. His farm operation consists of 18 acres managed for timber and wildlife. He and his wife Connie have two grown children. His business address is 778 Simmons Road, Diana, Texas 75640.

The Association has loans to an immediate family member (wife) of Mr. Reeves 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 collectability.

Clayton “Clay” S. Smith – Age 34: Mr. Smith was born in Dallas, Texas and currently resides in the Mineola, Texas area in Wood County. He was a safety, compliance, and risk management official with Luminant/TXU Mining Company and US Silica until 2018 when he became a contract poultry grower for Sanderson Farms. He continues to do Safety & Risk Management consulting for Jackson Construction, Inc. and Mario Sinacola & Sons Excavating, Inc. Being a poultry

producer and working in the safety industry have been his principal occupations for the past five years. He currently serves as President of Circle S Farms, LLC and operates six broiler houses capable of producing approximately 1.2 million birds each year. 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, the Joseph A. Holmes Safety Association, and the Legacy Ag Credit, ACA Scholarship Committee. 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 (wife) 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 collectability.

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 collectability. 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 2021 Nominating Committee will also be opened to the floor at the Meeting.

The Association's Nominating Committee conducted meetings on February 19, 2020, and May 27, 2020, 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 2021 Committee. After determining each stockholder's willingness and eligibility to serve, the following candidates were nominated by the Committee:

- | | |
|-----------------------------|---------------------------|
| 1. <u>Thomas G. Goodson</u> | 4. <u>Harold Bryant</u> |
| 2. <u>Jay Jordan</u> | 5. <u>Daniel Lawrence</u> |
| 3. <u>Joey Hooton</u> | 6. <u>Arvis Tanton</u> |

The election of two (2) eligible stockholders for Director Positions 1 and 2, and the election of the 2021 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: 7/1/2020



Derrell Chapman, Chief Executive Officer

Date of Signature: 7/1/2020



Heather Johnson, Controller

Date of Signature: 7/1/2020

**RECORD OF MINUTES
ANNUAL STOCKHOLDERS MEETING OF
LEGACY AG CREDIT, ACA
APRIL 17, 2019**

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 17, 2019, 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 Cody Newman offered the invocation. Fourteen (14) stockholders, including board members and staff members who are stockholders, attended the meeting. Voting stockholders who submit mail ballots will also be included in the quorum determination for the meeting.

Chairman Milligan advised those in attendance that a copy of the minutes from the 2018 meeting held April 18, 2018, had been mailed to each stockholder. Chairman Milligan asked if there were any corrections or additions to the 2018 minutes. There being none, Stockholder Newman moved to accept the minutes as mailed. Stockholder Brandon Sides 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 23 and February 20, 2019, to nominate candidates for the expiring director positions. He noted that Board Consultant Dantzler has facilitated the meetings and served as an administrative resource for the committee. After determining each 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: Terrel D. "Terry" Milligan (Incumbent) and Billy D. Patrick

Position 2: R. Cody Newman (Incumbent) and Clayton S. "Clay" Smith

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 23 and February 20, 2018, to nominate candidates for the three member positions and three alternate positions for the 2020 Nominating Committee. After determining each stockholder's willingness and eligibility to serve, the following were nominated by the Committee for a one-year term as the 2020 Nominating Committee:

1. Samantha Crouch Baxter - Member
2. J. Bruce Wood - Member
3. Fred Moseley - Member

4. Thomas G. Goodson - Alternate
5. Joey B. Hooton – Alternate
6. John C. Mize – Alternate
- 7.

Nominating Committee Chairman Wood explained that the election of the two eligible stockholders for Director Positions 1 and 2 and the election of the 2020 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 offered both candidates for Position 1 an opportunity to address those present.

Stockholder Milligan advised that he had been a director since 2010 and had enjoyed serving on the Board and would like to continue to serve the stockholders in this capacity. Nominating Committee Chairman Wood then offered the other candidates an opportunity to speak to those in attendance. Stockholder Billy Patrick advised that he is a former dairyman and currently owns and operates a poultry operation in Wood County. Stockholder Patrick noted he had been a Legacy stockholder for 23 years and would appreciate the opportunity to represent the stockholders by serving on the Board of Directors.

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 offered both candidates for Position 2 an opportunity to address those present.

Stockholder Newman thanked the stockholders for allowing him to serve on the Board of Directors, and expressed the desire to grow the Association, serve more people and to continue to be beneficial to the membership. Stockholder Newman noted he had read the biographical information of each candidate and believed each candidate would be a good director should the membership decide to elect them. Stockholder Clay Smith thanked Stockholder Newman for his comments. Stockholder Smith advised he lives in Golden, Texas, where he owns and operates a poultry farm. Stockholder Smith further advised that he had the opportunity to participate in the Farm Credit Association's Young Leaders program, where he and his wife traveled to New York and Washington D. C. to gain a better understanding of the funding corporation and how hard lobbyists in D. C. work on behalf of farmers. Stockholder Smith noted that the trip gave him a new perspective on Farm Credit and what it means, and that he is honored to have been nominated for a director position with Legacy, and if elected, looked forward to working with the other directors and bringing additional energy to the Legacy team.

Nominating Committee Chairman Wood then asked for nominations from the floor for the 2020 Nominating Committee. There being none, Nominating Committee Chairman Wood announced that nominations for the 2020 Nominating Committee were now closed. Nominating Committee Chairman Wood offered the Nominating Committee member candidates who were present the opportunity to address the stockholders.

Stockholder Samantha Crouch Baxter advised that she grew up on a dairy in Hopkins County and she currently is employed by Farmers Electric Cooperative as in-house legal counsel. Stockholder Baxter advised that she and her husband reside in Hopkins County and own and operate a beef cattle operation.

Stockholder Fred Moseley stated that Legacy was a great organization to be involved with and that he had enjoyed serving as a member of the Nominating Committee along with Bruce Wood and Jan Moosberg, who would not be serving on the Committee in 2020.

Nominating Committee Chairman Wood stated he also had enjoyed serving on the Nominating Committee and looked forward to serving again in 2020.

Nominating Committee Chairman Wood then asked for nominations from the floor for the alternate positions on the 2020 Nominating Committee. There being none, Nominating Committee Chairman Wood announced that nominations for alternate positions on the 2020 Nominating Committee were now closed. No alternates for the Nominating Committee were in attendance at the meeting.

Corporate Secretary Sherry Sturgis reported that the ballots would be mailed to all stockholders on May 1, 2019, the polls would close on May 22, 2019, and election results would be conveyed to the Association CEO on May 23, 2019.

Nominating Committee Chairman Wood turned the meeting back over to Chairman Milligan to present the Board of Directors Report.

Chairman Milligan explained that in 2018, the Board and Management made the decision to hold the annual meetings in conjunction with the monthly Board meeting, which still provides the appropriate format to accomplish Association business, saves Management and employees the time of coordinating an evening meeting, while at the same time cutting the expense to the Association.

Chairman Milligan then introduced the Board of Directors and the Board Consultant and thanked them for their service in 2018.

Chairman Milligan reported that 2018 was a good year for Legacy Ag Credit. He reported that the Board and Management, with the assistance of the Board Consultant, has made progress on several fronts that will benefit Legacy's membership for many years to come.

Chairman Milligan reminded those present that Legacy exists solely for their benefit of the stockholders and the Board and Management want to ensure we fulfill our mission of being the leading agricultural and rural lifestyle lender across our ten (10) county territory.

Chairman Milligan advised that the Association reported \$3.8 million in net income for 2018 and based on the Association's 2018 performance, the Board of Directors has approved a 2018 patronage payment to members of approximately \$2.3 million. He advised that the 2018 patronage payment is approximately 1.00% of the average members' loan outstanding during 2018.

Chairman Milligan reported that the Board, with the assistance of their Board Consultant, had made substantial progress in addressing any remaining concerns that the membership and the Farm Credit Administration may have had subsequent to the proposed merger in 2016. Chairman Milligan further reported that the Association is now operating under normal supervision from the FCA which allows the Board and Management to focus their efforts on growing the assets of the Association and expanding and enhancing benefits to our members.

Chairman Milligan announced that the Board made the decision in 2018 to construct two (2) new office buildings in the eastern and western parts of our territory, which the Board believes will provide long-term benefits to the membership and enhance the Association's ability to continue to grow.

Chairman Milligan concluded his report by thanking the stockholders for their continued support of Legacy Ag Credit, and introducing CEO Derrell Chapman, to provide an update on the Association's activities in 2018 and some of the plans he and his Management team have for Legacy in 2019.

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 provided a brief presentation on the Association's 2018 financial performance. CEO Chapman reported the Association had a strong net worth of \$59.3 million and a capital position of 21.9% at year-end 2018, with assets totaling \$269 million and net income of \$3.87 million, and had declared a cash patronage of \$2.3 million based on 2018 earnings. Additionally, CEO Chapman reported that the Association's credit quality was 98% acceptable at year-end 2018, and provided a commodity concentration chart showing the breakdown of commodity segments within the Association's core loan portfolio and participation portfolio at year-end 2018.

CEO Chapman reported that in 2018, the Board and Management made the decision to construct an office building in Longview, where the Association currently leases office space, in Terrell in the western portion of the territory and to construct a new facility in Canton. He advised that property had been purchased in Longview and Terrell and the new facilities are expected to be completed by November, 2019. CEO Chapman reported that the Management is still searching for a location for the new Canton office.

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 reported that the Association had hired Kristal Jackson for the loan officer position in the new Terrell office, had hired Amy Rayzor as marketing manager and was seeking a loan officer for the Longview area. CEO Chapman introduced each member of the Management team and advised those present that each member of the Management team has over ten (10) years of experience in Farm Credit or banking, with combined total years of experience of over 150 years. CEO Chapman also reported there had been little to no turnover in the staff since he was hired in 2017.

CEO Chapman advised that checks for the \$2.3 million in patronage would be mailed out on April 18, 2019. CEO Chapman reported that paying patronage to our stockholders is of the utmost importance to the Board and Management and is a vital part of the cooperative business model.

CEO Chapman concluded his report by thanking those in attendance and asking them to tell their friends and family about Legacy Ag Credit, 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 Louis Cernoch provided a second to the motion, which passed by unanimous vote, and the meeting was adjourned at 1:49 p.m.

Attest: _____
Corporate Secretary

Signed: _____
Chairman of the Board