

TEXAS NURSERY & LANDSCAPE ASSOCIATION POLICIES

Adopted March 3, 1999 (revised February 15, 2010)

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ASSOCIATED LANDSCAPE CONTRACTORS OF AMERICA (ALCA) CERTIFIED LANDSCAPE TECHNICIAN COUNCIL (CLTC) PROGRAM TRAVEL

TNLA will pay the travel, hotel, and meal expenses for the TNLA representative on the ALCA-CLTC to attend the annual meeting.

ANTITRUST GUIDELINES

The following guidelines apply to all TNLA members, but particularly to the Board of Directors.

- Don't discuss with other members your own or competitors' prices, or anything that might affect prices such as costs, discounts, terms of sale, or profit margins
- Don't stay at a meeting where any such price talk occurs
- Don't make public announcements or statements about your own prices or those of competitors at Association functions.
- Don't talk about what individual companies plan to do in particular geographic or product markets or with particular customers.
- Don't disclose to others at meetings or otherwise any competitively sensitive information.

- Conduct all Association business meetings in accordance with Association policy. TNLA state meeting policy - all state-level meetings, a staff member be present, the agenda be followed, and minutes be kept. TNLA region meeting policy - the agenda must be followed and minutes kept in a permanent file. A copy of the minutes is also sent to the state office.
- Do confer with TNLA counsel before bringing up any topic or making any statement with competitive ramifications.
- Do send copies of all Association-related correspondence to the staff member involved in the activity.
- Do alert the Association staff to any inaccuracies in proposed statements to be made by the Association on behalf of the industry, particularly statements to government officials.
- Remember that meetings with government officials may not provide a shield against antitrust liability.

BOARD TRAVEL REIMBURSEMENT – *revised 1/15/2009*

TNLA pays each Board member an honorarium of \$100 per board meeting attended. TNLA Board eliminated all other travel reimbursement for meetings, except for the Chair’s reimbursement of travel expenses.

BYLAWS CHANGES

No changes to the existing bylaws can be proposed until the fiscal year beginning March 1, 2004.

CANCELLATION POLICY – *added 6/20/03*

While the Texas Nursery & Landscape Association (TNLA) will attempt to avoid canceling an event or activity, there are times when this action is unavoidable. Should cancellation occur the following policies apply:

Individual registrations

- If the event or activity is cancelled, registration fees will be refunded in full. TNLA is not responsible for any damages suffered by attendees as a result of any cancellation of the event.
- Registration fees are not transferable to another TNLA event.

In other situations individuals or advertisers may need to cancel their commitment with TNLA prior to an event/activity. Should this occur...

Individual registrations

- All cancellations must be made in writing and can be mailed, faxed or e-mailed to TNLA headquarters.
- Cancellations received by TNLA headquarters 30 days prior to the event will result in a refund of all fees paid. No refunds will be made for cancellations received after the 30-day deadline.
- A \$5 fee will be assessed for registrations transferred to another individual within 30 days of the same event.
- Registration fees are not transferable to another TNLA event.

Advertising

- Cancellation of advertising orders, or modifications in the content of advertising is not accepted after the publication’s closing date. (*Each publisher determines details of advertising cancellation policy. See advertising contracts for details.*)

CHAIR-ELECT TRAVEL - *added 1/15/04*

Since there is opportunity for the Chair-Elect to represent TNLA at times the need to have their expenses covered without going to the Board for special permission was approved. TNLA will pay the expenses (travel, meeting registration, lodging and meals) of the TNLA Chair-Elect when officially representing TNLA at any meeting/event.

CHAIRMANSHIP BUSINESS CATEGORY ROTATION

The nominating committee should attempt to ensure that the chairmanship rotate through business categories and avoid having two successive chairmen from the same business category.

COMMITTEE AND TASK FORCE CHARGES & COMPOSITIONS – added 4/12/07

CERTIFICATION COMMITTEE (updated 4/15/09)

Charge:

- Coordinate marketing of certification to general membership and public.
- Solicit sponsorship opportunities.
- Oversight of subcommittees and Task Forces.
- Actively pursue the coordination or combining functions of all certifications.
- Coordinate with Education Committee CEU opportunities.
- Coordinate Strategy
- Exam Development
- Exam Administration

Composition:

The Certification Committee will be comprised of five (5) members with designation of Texas Certified Nursery Professional or Texas Master Certified Nursery Professional and five (5) members with designation of Texas Certified Landscape Professional or Certified Landscape Technician, serving a one (1) year term. The Chairman and Committee Members will be appointed by the TNLA Chairman of the Board.

Composition:

EDUCATION COMMITTEE (updated 4/15/09)

Charge:

- Review the educational needs for all segments of the industry
- Develop educational activities for all segments of the industry
- Speaker Selection
- Make recommendations to the Board of Directors as to how to implement educational activities
- Act as a liaison between the Association and any entity that has an active horticultural program

Composition:

The Education Committee will be composed of subject matter experts for business segments (retail, landscape, grower, supplier); one (1) representative from the Certification Committee; one (1) representative from a business school; five (5) additional at-large members; and educational institution liaisons, serving a one (1) year term. The Chairman and Committee Members will be appointed by the TNLA Chairman of the Board.

POLITICAL ACTION COMMITTEE (updated 4/15/09)

Charge:

- *Educate members concerning political action,
- *Educate candidates for public office about nursery/landscape industry in Texas and its views,
- *Support the election of public officials, who have demonstrated an understanding of the industry,
and
- *Raise funds necessary to do all of the above.

Composition:

The management of TNLA PAC shall be vested in thirteen (13) Executive Trustees. Three-year staggered terms will be established. The Executive Trustees shall appoint an Executive Secretary, who shall perform or cause to be performed the administrative functions for the Executive Trustees and shall serve at their pleasure. The Executive Secretary shall also serve as the Campaign Treasurer of TNLA PAC.

The Executive Trustees may elect among themselves a Chairman and other such officers as they deem necessary and shall appoint any such employees as they deem necessary to carry out the purposes of the TNLA PAC.

The Executive Trustees will be appointed by the TNLA Chairman of the Board and confirmed by the Board of Directors

PARKS & PATIO TASK FORCE

Charge:

- Assist in generating local-area support for Parks & Patio material donations and volunteer installation labor
- Consult with other committee members and make recommendations on Parks & Patio designs submitted for use
- Assist in other areas, as needed, to accomplish timely and adequate installation and maintenance of the Parks & Patio areas during the annual Nursery/Landscape Expo

Composition:

The Parks & Patio Committee will be composed of six (6) members who are actively engaged in business in the industry and are members of the Association, who will serve a one (1) year term. One (1) voting committee member will be selected to serve as Chairman for a one (1) year term. The Chairman and committee members will be appointed by the Chairman of the Board and confirmed by the Board of Directors.

CONFLICT OF INTEREST – revised 4/11/07

Officers, Directors, Committee Members and Task Force Members (Volunteers) of the Association shall scrupulously avoid any conflict between their own respective individual interests and the interests of the Association in any and all actions taken by them on behalf of the Association in their respective capacities.

A material financial interest in a proposed transaction exists when the Association considers the purchase of goods or services from one who deals in such goods or services, or is employed by or is an owner or principal of the seller; such would not exist when the individual, etc. is merely a shareholder in a large corporation.

When at any meeting or other occasion at which a decision to purchase or to consider the purchase of goods or services, the selection of depository for funds, furnishings, insurance, the employment of professionals, or other comparable transaction is made, the party having the financial interest shall state, and there shall be recorded in the minutes or other record, the fact of his or her financial interest. Any volunteer having a conflict of interest on any matter involving the Association shall not be counted in determining the quorum for the topic in which it is to be acted upon, even where permitted by law. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

Once a disclosure has been made, the volunteer shall refrain from any discussion of the transaction or decision. Further, the volunteer shall physically leave the meeting for the duration of that specific discussion.

In addition to abstention from discussion during the meeting, the volunteer shall refrain from discussing the issue or otherwise appearing to influence the outcome with other volunteers, committees or groups, or with staff.

The Association may contract with a member of the Board of Directors/Committee Member/Task Force Member to perform services or duties, however, due diligence will be exercised to assure that the arrangement is fair to the corporation.

EMPLOYEE SOLICITATION

While networking is one of the major benefits of Association membership, Association leaders should not use their position as an opportunity to recruit employees from other member firms. Appropriate venues for employee solicitation are use of the magazine classified advertising pages and the tradeshow job link, as well as the job search service on the TNLA supported world wide web presence.

EXPO Move-out *(added 4/15/09)*

Wheeled dollies will not be allowed in or out of the show prior to closing at 3:00 p.m. Letters of warning will be sent to any exhibitors breaking down prior to show closing.

EXPENDITURES *(added 4/15/09)*

Operational Expenditures

Operational Expenditures over \$10,000 to be presented to the Executive Committee for approval.

Capital Expenditures *(added 4/15/09)*

Capital Expenditures over \$5,000 to be listed on the Capital Expenditure budget for Board approval. Purchases \$5,000 and under will not require Board approval but will be reviewed by TNLA President.

FINANCIAL POLICIES

Audits and Reviews*(added 4/15/09)*

TNLA will obtain proposals every six years from CPA's with not-for-profit organization experience to conduct two audits and four reviews.

Finance Committee Responsibility

A Finance Committee composed of the chairman, chairman elect, and immediate past chairman has the following responsibilities:

- In conjunction with the president, prepare the annual budget
- Quarterly, review the list of checks drawn on the Association's accounts
- Quarterly, review expense reports of the Chairman and president
- With the president and staff as needed, review all financial statements of the Association prior to their presentation to the Board of Directors

BOARD TRAVEL REIMBURSEMENT – *revised 1/15/2009*

TNLA pays each Board member an honorarium of \$100 per board meeting attended. TNLA Board eliminated all other travel reimbursement for meetings, except for the Chair's reimbursement of travel expenses.

INVESTMENT POLICY *(added 4/29/04)*

PURPOSE

The purpose of this investment policy as set forth by the TNLA Board Of Directors is to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding of the investment goals and objectives of TNLA portfolio assets.

3. Establish guidance and limitations for all investment managers regarding the investment of TNLA portfolio assets.
4. Establish a basis for evaluating investment results.

In general, the purpose of the Statement of Investment Policy is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired goals of TNLA. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DELEGATION OF AUTHORITY

The President is responsible for all aspects of TNLA's Investment Program in consultation with the Comptroller and other professional experts in various fields. However, the Board of Directors will approve the selections of the professional expert(s). These may include, but are not limited to the following:

1. **Investment Management Consultant.** A consultant may assist in establishing investment policy, objectives and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks deemed appropriate.
2. **Investment Manager.** The investment manager may choose the specific securities that will be used to meet TNLA investment objectives. Such services may also include economic analysis, and deciding when to purchase, sell or hold individual securities.
3. **Custodian.** The custodian will physically (or through an agreement with a sub-custodian) maintain possession of securities owned by TNLA, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as execute transfer of assets into and out of TNLA accounts.
4. Additional specialists such as attorneys, auditors and others may be employed.

The Board of Directors will not reserve any control over investment decisions, with the exception of specific limitations described in this Statement of Investment Policy. The investment manager is responsible for achieving the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager and/or consultant should request modifications that they deem appropriate.

GENERAL INVESTMENT PRINCIPLES

1. TNLA portfolio assets shall be invested with the care, skill, prudence, and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
2. Investment of TNLA portfolio assets shall be so diversified as to minimize the risk of losses, unless under certain circumstances, it is clearly not prudent to diversify.
3. TNLA is generally willing to sacrifice some opportunities for gain during rising markets in order to avoid large losses during declining markets.
4. The Board of Directors may employ one or more investment managers and/or consultants of varying styles and philosophies to attain TNLA investment objectives.
5. If all criteria are met, preference will be given to Texas companies for investments.

INVESTMENT OBJECTIVES

1. The primary investment objective is to preserve principal and maintain a growth and income allocation portfolio, adjusted for the rate of inflation as determined by the CPI.

2. Provide current income from interest and dividends to supplement other TNLA income.
3. Maintain liquidity in the portfolio sufficient to meet TNLA obligations as they come due.

SPECIFIC INVESTMENT GOALS

The portfolio will be managed in a manner that seeks to minimize principal fluctuations over the established horizon and is consistent with the stated investment objectives.

INVESTMENT GUIDELINES

Stock Exchanges

To ensure marketability and liquidity, investment managers will execute equity transactions on a United States stock exchange, unless specifically agreed otherwise.

Allowable assets

1. Cash Equivalents
 - Treasury Bills, Commercial Paper, CDs (under 180 days)
 - Money Market Funds
 - Preferred Securities

2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mutual Funds (Government & Corporate Bond Funds)
 - CDs (over 180 days)
 - Collatorized Mortgage Obligations

3. Equity Securities
 - Common Stocks
 - Mutual Funds

Prohibited Assets

Prohibited investments are:

1. Commodities and Futures Contracts
2. Private Placements
3. Options
4. Real Property
5. Mortgages
6. Partnerships

Prohibited Transactions

Prohibited transactions are:

1. Short Selling
2. Margin Transactions

ASSET ALLOCATION GUIDELINES

Investment management of TNLA’s portfolio assets shall be in accordance with the following asset allocation guidelines:

	Minimum	Maximum	Preferred
Equities	20% 50%		30%
Fixed Income	35% 70%		40%
Cash or Equivalents	10% 50%		30%

DIVERSIFICATION FOR INVESTMENT MANAGERS

The Board of Directors does not believe it is necessary or desirable that securities held in the portfolio represent a cross section of the economy.

GUIDELINES FOR FIXED INCOME AND CASH EQUIVALENTS

1. Portfolio assets may be invested only in investment grade bonds rated A or better.
2. Fixed income maturity restrictions are as follows:
 - Maximum maturity for any single security is 15 years.
 - Weighted average portfolio maturity may not exceed 5 years.
3. Commercial paper and Certificates of Deposit with maturity not exceeding 180 days will be considered cash for asset allocation.

SELECTION OF INVESTMENT MANAGERS

The selection of an Investment Manager(s) must be based on prudent due diligence procedures. A qualifying Investment Manager must be a registered investment advisor under the Investment Advisors Act of 1940.

PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the investment manager shall be compiled at least quarterly and communicated to the Board of Directors. With respect to TNLA, consolidated, monthly statements and transaction confirmations will be provided on a timely basis. The investment performance of the total portfolio, as well as asset class components, will be measured against the specific investment principles, objectives, and goals described above. While TNLA reserves the right to terminate any investment manager relationship at any time.

EFFECTIVE DATE

The Texas Nursery & Landscape Association adopted this Statement of Investment Policy on April 29, 2004

GOVERNMENTAL AFFAIRS

All policies and public comment regarding governmental affairs will be developed by the staff in conjunction with professional state governmental affairs consultants or employees and the State Governmental Affairs Committee. The State Board of Directors is the final authority and policymaking body for all governmental affairs issues, both state and regional. The State Board may authorize a regional board of directors, or regional governmental affairs committee to implement certain activities on behalf of the region.

As a statewide organization, TNLA resources are dedicated to those issues which have statewide implications. In the event that a regional issue arises, the regional board of directors is to follow the following procedure:

- notify the state office immediately
- in conjunction with appropriate staff and elected state level leadership, determine a plan of action
- staff will provide background information and help develop a plan of action
- in some cases, staff may be available to testify on a local level, although this is rarely the most desirable procedure
- funding and implementation of local issue response is the responsibility of the region
- request for funding for local issues may be submitted to the State Board of Directors if the issue appears to have statewide implications

HISTORICAL FILES

A permanent historical file will be created at Association headquarters which contains the history of the Texas Association of Nurserymen and the Texas Association of Landscape Contractors prior to merger, a history of the merger, and will continue the history of the Texas Nursery and Landscape Association and other associations as appropriate.

HONORARY MEMBERSHIP

Any person who, in the opinion of the Board of Directors, has rendered unusual or distinguished service to the industry or the general field of horticulture may be designated as an Honorary Lifetime Member. This membership category will be perpetual and no dues will be collected from an Honorary Lifetime Member. Such members, however, will be expected to pay fees as appropriate for participating in any Association activity.

LIAISON TO OTHER ORGANIZATIONS

The Texas Nursery & Landscape Association values its relationship and the services provided by the Associated Landscape Contractors of America (ALCA). Continued nurturing of that relationship is the responsibility of the president with regular reports being given to the Membership Committee (under their charge of being responsible for Member Services) and the Board of Directors. The president also serves as liaison to the American Nursery and Landscape Association and the Southern Nursery Association and other associations as designated by the Board of Directors.

LOGO USE

The name, The Texas Nursery & Landscape Association, Inc., and its official logo, are the property of the Texas Nursery & Landscape Association, Inc. Use is authorized only for members of the Association. At the time a person, firm, or organization ceases to be a member, the right to display the name and/or logo ends.

Name and logo display is appropriate in the following settings:

- On advertising in print or electronic media
- On a retail or wholesale facility building or windows
- On stationery and other promotional literature
- On vehicles used in the member company's work
- On articles of clothing used as uniforms by the member business
- In a trade show booth or a consumer show booth
- By Regions of the Association in their promotion or publications

Use of the logo indicates only membership in the organization and may not be used as an endorsement or in any way indicate approval of the content of the material by TNLA.

The size of the logo shall not be larger than the member's corporate or organization logo in any presentation.

The name and logo should NOT be displayed:

- As an indication of the endorsement of any specific product or service
- As indication of an exclusive or proprietary right
- On clothing worn by employees when off duty
- As indication that the person, firm, or business has obtained any governmental licensing or endorsement
- In any manner that denigrates any member of the industry or Association
- In any manner not in compliance with the Code of Ethics of the Texas Nursery and Landscape Association (*to be approved*)

TNLA shall have the exclusive authority to determine that the use of its logo shall be in good taste and within acceptable business practices. TNLA reserves the right to limit or revoke the use of the logo by members at any time.

MEMBER LIST USE (added 10/17/06)

The mailing list will be available for purchase only by members. Non-member exhibitors could not purchase the list.

The list will be available for purchase only in printed label format. Phone numbers, fax numbers, and e-mails would not be available for purchase.

Upon receipt of the fee by the TNLA office, along with a signed agreement stipulating agreement to the TNLA List Use Policy, the list will be supplied to the member in the form of labels. It is expected that the TNLA list will be used by members to promote a member's products and services, or otherwise correspond with members in a way that mutually benefits senders and recipients of the information.

The TNLA list may not be used in any way that contradicts the established purposes, policies, agenda, and principles of TNLA, or in any way places at risk the reputation or effectiveness of TNLA. Examples of potential misuse include distribution of information or opinions potentially damaging to member companies, business categories, regions, or the state organization; information or opinions contradictory to TNLA ethics policies; and information or opinions contradictory to established TNLA positions on legislative and regulatory matters.

Noncompliance with these policies may lead to action by TNLA against the offending member, up to and including denial of membership and other possible legal remedies commensurate with potential or actual damages to the reputation or effectiveness of TNLA, its membership, and/or its programs.

The member list will be supplied free to TNLA regions at monthly intervals and on demand whenever needed in spreadsheet or label form with fax #s, e-mails, phone numbers, and other data as requested. Regions should request a fresh copy of the list for each instance of use, to ensure that recent members receive full benefits of their membership.

Endorsed Companies, Member Benefit Partners, and TNLA sponsored education event promoters may receive the list at no cost. **Member Benefit Partners will receive only addresses twice per year. Endorsed companies will receive the complete list in spreadsheet format three times per year.**

Note: Endorsed company's marketing pieces must be approved by TNLA staff prior to distribution.

OFFICER AND DIRECTOR LIMITATIONS

No officer or director or staff member is authorized to speak on behalf of the organization in any public meeting, or to publish in print or electronically, any statements or policies on behalf of TNLA other than those which have been approved by the State Board of Directors. The official spokesperson for the Association is the Chairman of the Board of Directors. In some cases (such as governmental affairs) staff members are appointed to speak on behalf of the Association, but such public statements are bound by the policies approved by the Board of Directors and are at the discretion of the president.

PRESIDENT'S JOB DESCRIPTION

The president is employed by the Board of Directors and is responsible to the Board. The president serves as an ex-officio member of the Board of Directors. Duties include:

- cause minutes of all meetings of the Association and of the Board of Directors to be kept in a permanent file
- receive and have custody over all money and securities belonging to the Association under the direction of the Board of Directors
- deposit such money in a bank or banks designated by the Board of Directors
- sign or countersign all checks drawn against the Funds of the Association
- furnish to the Board of Directors a full and complete financial report of the Association's funds under the president's control
- carry out all of the policies determined by the Board of Directors
- be responsible for the active administration of all affairs of the Association including hiring, firing, and supervision of employees
- render timely reports to the Board of Directors and to the membership of pending legislation, governmental rules and regulations, and other matters pertinent to or of interest to those engaged in the nursery and landscape business
- be in charge of the office of the Association
- be responsible for the general public relations of the Association
- serve as liaison to the Associated Landscape Contractors of America and other associations as designated by the Board
- serve under the direct supervision of the Board of Directors and the Chairman of the Association
- give a surety bond for the faithful performance of duties
- upon relinquishing office, turn over to a succeeding president any books, records, or documents held and all money, papers, and other properties of the Association.

PUBLIC RELATIONS

The Association will make a practice of providing any publisher/publishing company with full Association information (for public relations purposes) at no charge even if they are not members of the Association. However, in order for a publisher/publishing company to qualify for the member rate for Association services/events, they must join as an Active member of the Association.

QUALIFICATION FOR OFFICE

Until March of 2001, any qualification for office stating TNLA service will be interpreted as meaning TAN or TALC service. The intent is to enable full participation of both former TAN and former TALC members in the organization.

Region Money Management Policy (added 6/12/09 from Board minutes)

A. TNLA Regions are allowed to have their money funds in the following accounts and investments:

- 1) Checking accounts
- 2) Saving accounts
- 3) Money market checking accounts
- 4) Certificate of Deposits

A copy of monthly bank statements (listed above) must be sent to the TNLA State Office. Proof of CD purchase must be provided to TNLA State Office.

B. The Region Board of Directors should approve the allocation of local funds and record the approval in the minutes of the Board meeting where the action was taken.

C. At least two (2) people and the Region State Director shall be on the signature card of each financial account and the signature of two of these individuals shall be required on all withdrawal transactions.

REGIONAL CONTRACT AUTHORITY – revised 4/29/04

Effective October 13, 1999, the TNLA Board adopted a policy that any contract entered into by the TNLA Region should include the following verbiage:

If the region is providing a service, either pro bono or for compensation, the party receiving the service will:

1. Agree to defend, indemnify and hold TNLA and TNLA Region ____, its officers, agents, and employees harmless against any and all claims, lawsuits, judgments, cost and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, that may arise out of TNLA's and TNLA Region____'s participation in the event.
2. Insure that all compensation will be paid or all complimentary activities will be directed by the region board of directors.

In addition any contract or agreement entered into by a TNLA Region must be approved by the President or Vice President and approved by the Chairman of the Board or Directors prior to execution of the document.

STAFF TRAVEL REIMBURSEMENT – added 1/17/2008

TNLA Staff mileage will be reimbursed at the current IRS allowable rate.

STATE NOMINATING COMMITTEE

Through the date of the sunset provision (March 1, 1999 to February 29, 2004) two of the four past chairmen of the Board on the state nominating committee will come from former TAN membership and two of the four from former TALC membership.

TNLA NOMINATING COMMITTEES - GENERAL

The responsibility of a nominating committee is to present a slate of nominees as directed by the bylaws of the Association. It may serve the board and its committees on a consultation basis. For example, in the event of a vacancy which is to be filled by the board of directors, the board may choose to consult with the nominating committee to make recommendations for that position.

Responsibilities of the nominating committee include:

- gather information about possible candidates for elective positions from all available sources
- select and secure persons with ability and willingness to serve
- prepare a slate of nominees
- provide biographical material about each nominee for inclusion in the meeting announcement
- approve the report, including the slate, to be presented to the membership
- attempt to ensure a diversity of representation and rotation of office among geographic and business categories

Qualifications of a nominating committee member are:

- accept the basic philosophy and purposes of the Association
- have stature in the community being represented
- sensitivity to people
- time to do a thorough job
- ability to secure needed information about potential nominees and to assess such information without personal prejudice or bias
- ability to maintain as completely confidential, information about nominees and the considerations of the committee
- willingness to approach a prospective nominee with total honesty
- ability to define a position, its responsibilities, and expectations
- ability to establish rapport with people

- study the Association's bylaws and understand position requirements
- participate actively in all meetings of the nominating committee
- be familiar with the Association's corporate goals and objectives
- carry out assignments delegated by the chairman
- attend meetings and events
- keep the chairman of the nominating committee apprised of progress in assigned tasks.

Characteristics to be sought in a board member are:

- be interested in more than the honor inherent in the position. Selection for board participation represents a serious commitment; it is not merely a reward.
- devote adequate time to the job.
- work effectively with the Association president. Unique teamwork is demanded of an Association president and each elected leader.
- tolerate the limelight as well as the inevitable criticism of leadership. Popularity is required to achieve leadership, but cannot be more important than an individual's judgment and integrity. An Association elected leader should be reasonably self-effacing in the spotlight, and tolerant of member criticism resulting from changes within the Association or new courses of action.
- communicate effectively with other directors, with the Association as a whole, and with the public.
- personal, business, and regional biases of Board members must be subordinated to the good of the group. Directors are expected to reflect the special feeling of their own constituencies, but must always put the interest of the industry or profession they serve first.
- step down gracefully at the end of their term of office

The Chairman of the Nominating Committee should carry out, or cause to be carried out, the following:

- prepare the agenda for committee meetings
- call and preside at meetings of the committee, or designate another member to serve in case of absence
- serve as a regular member of the committee with full rights to discuss and vote
- see that any biographical information maintained is made available to the committee
- extend invitations to serve to those prospective nominees agreed upon by the committee or designate a committee member to extend the invitation
- see that all actions of the committee are properly recorded and accessible as appropriate for the reference of subsequent nominating committees
- keep the chairman informed of the schedule of the committee's meetings and general progress of its work
- prepare the final report of the nominating committee's work for approval of the committee
- present the report of the committee's work and slate of nominees to the membership at the appropriate meeting.

ELECTIONS

Regarding voting category of Branch members of a Multiple Outlet member, such member will have the ability to choose their voting category for region elections if their main business activity is different from the parent organization.

Nominees for State Director positions are limited to one ballot per election cycle.

18 RULES FOR BOARD MEMBERS TO MINIMIZE RISKS AND REDUCE POSSIBILITY OF SUIT

1. Attend Board meetings regularly
2. Make sure the Board keeps a written, permanent record of all board minutes and official actions
3. Exercise general supervision over the Association's affairs.
4. Investigate and audit the Association's decisions

5. Acquire knowledge of the subject and use a great deal of common sense when making Association decisions.
6. Pursue any warning signs that something is wrong.
7. Insist on meaningful board meetings with full disclosure of operating results.
8. Require the Association to employ a professional auditing service, preferably a CPA.
9. Require the Association to engage competent legal counsel.
10. Require all committees to make reports at the board meetings when appropriate.
11. Authorize only appropriate Association indebtedness.
12. Know all the directors and officers.
13. Adopt and follow sound business policies and practices.
14. Avoid self-serving policies.
15. Avoid conflict of interest.
16. See that the Association maintains a good credit and financial standing.
17. Review the adequacy of the Association's insurance coverages.
18. Acquire knowledge of the Board of Directors in order to assume proper responsibility in managing it effectively