



CHS Inc. Patronage Application and Eligibility Form

Legal name of individual or entity (as recorded with the IRS)

Telephone (include area code)

Care of name/attention/doing business as name

Telephone (include area code)

Mailing address

Email address

City

State

ZIP code

Birth date (if individual)

Incorporation date:
(if incorporated)

For Office Use Only.

BP number: _____

Profit center group: COSNP

Account number: _____

The undersigned certifies that the type of entity or individual holding the account is a/an: (select one)

1. _____ *Individual Agricultural Producer – Class A Individual Member*: Individual agricultural producers may only qualify to be a Class A Individual Member of CHS. Class A Individual Members must be: “producers of agricultural products.” In the CHS Articles of Incorporation, Article IV, Section 2, “producers of agricultural products” is defined to mean “persons (including individuals and joint ventures, corporations, partnerships, limited liability companies, limited liability partnerships, unincorporated associations or other legal entities owned or controlled by individual farmers, ranchers or their family groups) that are engaged in the production of one or more agricultural products, including tenants of land used for the production of such products and lessors of such land that receive as rent therefor any part of the product of such land.” Please indicate which, if any, of the following describes the operation of the person or entity seeking membership in CHS:

_____ Family farm entity engaged in agricultural production and owned by a single agricultural producer.

_____ Family farm entity engaged in agricultural production and owned by multiple agricultural producers.

_____ Trust or estate engaged in agricultural production operating for the benefit of the beneficiaries or heirs.

_____ Entity engaged in agricultural production and owned entirely by individual agricultural producers.

_____ Entity engaged in agricultural production and owned by individuals both agricultural producers and non-agricultural producers.

_____ Other (please provide detailed description of the operation and its ownership)

2. _____ *Canadian Individual Agricultural Producer – Nonmember*: Individual agricultural producers (including individuals and joint ventures, corporations, partnerships, limited liability companies, limited liability partnerships, unincorporated associations or other legal entities owned or controlled by individual farmers, ranchers or their family groups) that are engaged in the production of one or more agricultural products.
3. _____ *Cooperative Association Member – Class A Cooperative Member*: An association of producers of agricultural products may be a Class A Cooperative Member of CHS only if the association satisfies each of the following conditions of membership as provided in the Articles of Incorporation and the Bylaws of CHS:
- (i) it currently is operating on a cooperative basis (for purposes of Subchapter T of the Internal Revenue Code), and
 - (ii) according to its Articles of Incorporation, Bylaws, other governance documents and/or any governance policies, the voting members of the Board of Directors of the Cooperative must and do consist entirely of “producers of agricultural products” as that term is defined in the CHS Articles of Incorporation, Article IV, Section 2, and
 - (iii) according to its Articles of Incorporation, Bylaws, other governance documents and/or any governance policies, the voting membership of the Cooperative must and does consist entirely of “producers of agricultural products” as that term is defined in the CHS Articles of Incorporation, Article IV, Section 2.

NOTE: CHS Articles of Incorporation, Article IV, Section 2 states: For purposes of this Article IV, “producers of agricultural products” shall mean persons (including individuals and joint ventures, corporations, partnerships, limited liability companies, limited liability partnerships, unincorporated associations or other legal entities owned or controlled by individual farmers, ranchers or their family groups) that are engaged in the production of one or more agricultural products, including tenants of land used for the production of such products and lessors of such land that receive as rent therefor any part of the product of such land.

4. _____ *Cooperative Association Member – Class B Cooperative Member*: An organization may be a Class B Cooperative Member of CHS only if the association satisfies each of the following conditions of membership as provided in the Articles of Incorporation and the Bylaws of CHS: The organization currently is operating on a cooperative basis (for purposes of Subchapter T of the Internal Revenue Code).
5. _____ *Limited liability company, corporation or any other legal entity having members of this cooperative as its sole owners (a “Qualifying Entity”)* – Not eligible for membership in CHS, but may be approved by the CHS Board of Directors for status as a non-membership patron.
6. _____ *Limited liability company where a minimum of 20% ownership is held by Qualifying Associations (i.e., Cooperatives) or Agricultural Producers* – Not eligible for membership in CHS, but may be approved by the CHS Board of Directors for status as a non-membership patron. NOTE: Such limited liability companies must (i) submit an application to CHS, which must be approved by the Capital Committee of the CHS Board of Directors; and (ii) submit a certification certifying to its owners and the percentage of the limited liability company owned by each of the owners upon request by CHS.

By completing this Patronage Application and Eligibility Form, the applicant acknowledges that CHS may request information or documentation from the applicant to verify the information provided. Accordingly, the applicant agrees to provide that information to CHS or its representatives upon request, as well as to make its employees and/or officers available as CHS may reasonably request, for the limited purpose of verification of this Patronage Application and Eligibility Form.

Consent - Please check either section (1) or (2) below. By checking Waiver, you will be waiving any patronage you would otherwise be eligible for.

1. Consent - By checking this box, entering my typed name below, and submitting this form, I consent to include in my gross income for federal income tax purposes in the year of receipt in the manner provided in Section 1385(a) of the Internal Revenue Code the stated dollar amount of each written notice of allocation which I receive from CHS Inc. and its successors with respect to my patronage occurring during the current and all subsequent taxable years. This consent does not apply to any written notices of allocation labeled "nonqualified." Under Section 1385(b), written notices of allocation attributable to personal, living or family items and those properly taken into account as an adjustment to basis of property need not be included in gross income. This written consent shall be revocable by me in writing at any time. I also acknowledge receipt of the CHS Inc. Consent Bylaw and Statement of Significance set forth below, which provides additional information about my consent.

2. Waiver - By checking this box, entering my typed name below, and submitting this form, I waive any patronage dividends that I may be eligible for arising out of my business with CHS Inc. and its successors during its current and subsequent fiscal years. This disclaimer of patronage dividends shall be valid until revoked by me in writing in accordance with the federal income tax laws.

Date

Signature

Title of Officer if Patron is an Entity

Certification – I certify that:

All information provided on this CHS Inc. Patronage Application and Eligibility Form is true and correct. The number recorded on this form is the correct taxpayer identification number to be used for the account named on this form.

It is important to note that only one number can be used and that number should match the number on file with the IRS (if applicable). This is the number CHS will report patronage earnings under.

Social Security Number
(If U.S. Individual)

or

Federal Identification Number
(For U.S. Entity/Cooperative)

or

Canadian Taxpayer Number or Equivalent (For Canadian Producers Only)

Date

Signature

Title of Officer if Patron is an Entity

Consent Bylaw of CHS Inc.
ARTICLE VIII.
Consent

Section 1 - Consent. Each individual or entity that hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388), and which are received by the member from this cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by the member.

Section 2 - Consent Notification to Members and Prospective Members. Written notification of the adoption of this Bylaw, a statement of its significance and a copy of the provision shall be given separately to each member and prospective member before becoming a member of this cooperative.

Section 3 - Consent of Nonmember Patrons. If this cooperative obligates itself to do business with a nonmember on a patronage basis, such nonmember must either: (a) agree in writing, prior to any transaction to be conducted on a patronage basis, that the amount of any distributions with respect to patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388), and which are received by the nonmember patron from this cooperative, will be taken into account by the nonmember patron at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by the nonmember patron and further, that any revocation of such agreement will terminate this cooperative's obligation to distribute patronage with respect to transactions with such nonmember that occur after the close of this cooperative's fiscal year in which the revocation is received; or (b) consent to take the stated dollar amount of any written notice of allocation into account in the manner provided in 26 U.S.C. §1385 by endorsing and cashing a qualified check as defined in and within the time provided in 26 U.S.C. §1388(c)(2)(C); provided that failure to so consent shall cause the written notice of allocation that accompanies said check to be canceled with no further action on the part of this cooperative.

Statement of Significance

The significance of the above-stated CHS Bylaw is that if you become a member of CHS after adoption of the Bylaw (and after receipt of this notice), or if you were already a member and remain a member after receipt of notice, any patronage distribution made to you in written notices of allocation (with respect to your patronage of this cooperative for a tax year of this cooperative beginning on or after June 1, 1963 and accompanied by a distribution of 20 percent or more in cash) will be included in your income in the year of receipt at their stated dollar amounts for federal income tax purposes. (However, the patronage distribution does not have to be included in your income if it represents a patronage distribution on the purchase of personal, living or family items or of capital assets or property used in a trade of business subject to depreciation. The patronage distribution relating to capital assets or property used in a trade or business, however, must be used to reduce the cost basis of said assets or property.) The consent does not apply to written notices of allocation labeled "non-qualified".

The amount included in your income will be the full amount of the patronage refund distribution (with the exception above stated), not just the portion of it paid in cash.
