

**POLICY FOR DETERMINING WHETHER TO GRANT APPLICATIONS FOR MEMBERSHIP
TO CHS INC.
EFFECTIVE AS OF SEPTEMBER 1, 2015**

I. General Policy Terms and Conditions; Definitions

A. General Policy

The Articles of CHS Inc. provide that the Board of Directors may grant, refuse or provide additional conditions of membership to applicants for membership, in its sole discretion. The Articles further provide that The Board of Directors may establish a minimum amount of business that cooperative associations must transact with CHS to be eligible for membership, and may adopt such additional conditions, qualifications, methods of acceptance, duties, rights and privileges of membership in CHS as the Board of Directors may from time to time deem advisable.

In addition, the Bylaws of CHS Inc. provide that the Board of Directors may establish requirements that members patronize CHS to an extent established by the Board of Directors. The Bylaws further provide that if the Board of Directors determines that a member has become ineligible for membership in CHS, that member shall have no rights or privileges on account of such membership in the management or affairs of CHS, and the Board may terminate that member's membership.

This policy, set by the Board of Directors, shall govern all determinations by the Board of Directors or any Committee of the Board of Directors, of any application for membership. This Policy is effective September 1, 2015.

Any applicant for membership must submit to CHS management all information required to be submitted at the time the applicant applies for membership. In providing the information, the applicant or its representative must certify that the information provided is accurate and correct as of the date of the application. CHS management will develop and use forms implementing the information requirements as the Board of Directors may establish from time to time.

The Board of Directors, in its sole discretion, will determine whether to approve, reject or conditionally approve the application for membership by any person or entity. In making those determinations, in addition to the membership eligibility requirements expressly listed in the Articles and Bylaws, the Board of Directors will evaluate the eligibility of any applicant using the list of factors set forth in this policy. No one factor alone will determine whether any specific application is granted or denied, and the Board of Directors retains its full discretion to approve or deny any application for membership. In any determination made under this policy, the Board of Directors will seek to further the interests of CHS as a producer-focused agricultural cooperative.

B. Definitions

For purposes of this Policy, the term “producers of agricultural products” means 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.

II. Additional Factors to be Considered in Determinations of Applications for Membership

- CHS Inc.’s overall ability to continue meeting any borrowing eligibility requirements from CoBank or similar lenders.
- A local cooperative association applicant does at least \$500,000 volume of business with CHS in the year of application for membership and in all subsequent years to remain eligible to retain voting rights in CHS.
- An individual applicant does at least \$5,000 volume of business with CHS in the year of application for membership and in all subsequent years to remain eligible to retain voting rights in CHS.

Adopted: 08/05/2015

Amended: 01/10/2017