

**Acknowledgment of Rules of the CHS Inc.  
Equity Transfer Program and  
Policy Regarding Equity Retirements**

The CHS Inc. Board of Directors has authorized an Equity Transfer Program effective for its fiscal year September 1, 2008 through August 31, 2009 (the "Program"). The Board of Directors has authorized the transfer of CHS Inc. capital equities (the "Equities") by its members to the Kansas State University Foundation to be used for the Kansas State Arthur Capper Cooperative Center (ACCC) education program. The two top priorities of the current ACCC campaign are (1) to create one or more distinguished faculty professorships (\$500,000 minimum commitment) or chairs (\$1,000,000 minimum commitment) and one or more endowed scholarships (\$100,000 minimum commitment). The CHS Equity Transfers from all members will be applied toward the first priority unless the \$500,000 minimum commitment is not reached by the campaign by January 1, 2010, in which case the ACCC will then have the option to apply the transfers to the second priority.

As a condition of approving the transfers of Equities pursuant to the Program, the Board of Directors of CHS requires that both the transferor and the recipient of the Equities sign this Acknowledgement of the following rules regarding the Program and the retirement of CHS Equities:

- The oldest Equities held by the transferor will be deemed transferred.
- The Equities are not represented by certificates and transfers will be recorded on the books of CHS by the Patrons Equities department.
- The recipient of the Equities will not have voting rights by reason of holding the Equities.
- Transfers must be in a minimum amount of \$5,000 and the aggregate of all transfers for the year cannot exceed five percent (5%) of the transferor's total allocated CHS Equities, including Equities received in fiscal year 2009 from fiscal year 2008 patronage.
- No dividends are paid on the Equities by CHS.
- The Equities are not redeemable upon demand of the holder. Retirement of the Equities is solely within the discretion of the CHS Board of Directors. The current Equity Retirement Policy of CHS is available upon request by contacting the CHS General Counsel at 651-355-3712.
- The requirement that the holder of the Equities be an "active" member (i.e. having done business with CHS in the previous five years) to be eligible for retirement is waived for recipients under the Program.

- Equities may not be transferred by the recipient without the prior approval of the CHS Board of Directors.
- CHS is providing no tax advice in connection with the transfer including, without limitation, the deductibility of the transfer or the value of the Equities. The transferor should consult its own tax advisors.
- All public communication and announcements regarding the Program or the transfer of Equities shall be made jointly by CHS and the Transferor or CHS and the Kansas State University Foundation, as the case may be.

By signing and returning a fully signed copy of this Acknowledgment to CHS, the transferor named below is authorizing the transfer of the amount of CHS Equities indicated below the transferor's signature block to the recipient. Upon receipt of the fully signed acknowledgment CHS will process the transfer of Equities. Please allow two to four weeks to complete processing of the transfer.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Recipient:

Transferor:

**Arthur Capper Cooperative Center  
Kansas State University Foundation**

\_\_\_\_\_

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Amount:\$** \_\_\_\_\_