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February 12, 2016

Dear Golden Growers Member:

For 2015, Golden Growers had net taxable income of \$6,899,959 which must be allocated to our members in proportion to their patronage during the year. **Accordingly, the Board of Directors has declared an allocation of \$0.4454 per bushel delivered in 2015.** An “allocation” is your share of the taxable income, it is NOT a cash distribution. You will be receiving your IRS Schedule K-1 indicating the amount of your 2015 allocation. You are responsible for any tax liability on your share of the allocation. This allocation is in the form of equity credits.

**The Board also approved a cash distribution of \$0.20 per delivered bushel,** or 44.9% of the allocation. A check for that amount is enclosed. This distribution is a partial retirement of the calendar year 2015 equity credits, and is not typically taxable.

If you delivered corn in 2015 by Method A (Direct Delivery), you have already received a check for \$0.05 for each bushel delivered. This was the Incentive Payment you earned for 2015 and it will have a different tax effect than the distribution.

If you delivered corn in 2015 by Method B (Agency Delivery), you will note that \$0.02 has been deducted from your distribution for each bushel delivered. This is the Agency Fee for 2015, and it also will have a different tax effect than the distribution.

*Note: Members who transferred Units paid the agency fee (Method B) during the transfer process. Agency fees on transferred units not deducted from this distribution. Further, allocations of income, reflected on the Schedule K-1, were issued to the Member who transferred Units effective in 2016.*

If you are an individual member or a ‘passthrough’ tax entity and do not reside in North Dakota, state law requires us to withhold 2.9% of your taxable income (reported on K-1) for nonresident state income tax. Non-North Dakota members should consult a tax advisor about their North Dakota income tax filing obligation and how to claim their nonresident withholding credit.

*Note: Units acquired from a non-ND resident will also carry this withholding obligation.*

**Golden Growers is not qualified to provide, and this letter does not constitute, tax advice.** Contact a qualified tax advisor with any questions about tax documents or the tax effect of payments or charges from Golden Growers. **Please retain this letter with your tax papers and share it with your tax advisor.**

Best regards,

Scott B. Stofferahn  
Executive Vice President