



CAPITAL CREDIT RETIREMENTS I. OBJECTIVE

The objective of this Capital Credits Retirement policy is to define the general policy of Jefferson Energy Cooperative for allocating and retiring capital credits.

II. POLICY

- A. The Cooperative shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Cooperative's current and former patrons; (4) is consistent with the Cooperative's Equity Management Plan; and (5) protects the Cooperative's financial condition.
- B. Subject to law, the Cooperative's articles of incorporation, and the Cooperative's bylaws, the allocation and retirement of capital credits are at the sole discretion of the Cooperative's Board of Directors.

III. RESPONSIBILITY

- A. Board of Directors
 - B. President & CEO
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