

**DIRECTOR COMPENSATION (FEES),
REIMBURSEMENT OF EXPENSES,
and
BENEFITS**

I. OBJECTIVE

- A. To establish the amount of compensation to be paid to Directors of Jefferson Energy Cooperative for attending meetings of the Board of Directors, Annual Meeting of members, state and national meetings, association meetings, and conducting the business of the Cooperative
- B. To establish guidelines for the types of expenses to be paid by the Cooperative and to set forth a method for the reimbursement of expenses incurred by Directors in attending meetings and participation in other related activities.
- C. To set forth benefits that will be paid for the directors and attorney.

II. POLICY

A. **COMPENSATION (FEES)**

Section IV of Article 4.10, Directors, of the Cooperative's Bylaws authorizes payment of compensation for Board members' attendance at meetings of the Board and for the performance of their duties otherwise. By this Policy, the Cooperative establishes the standards and methods for paying such compensation and the conditions applying thereto, as follows:

- 1. Board members shall be paid compensation as set forth on the attached Fee Schedule for attending meetings of the Board or of any committee thereof and for the performance of their duties otherwise. A Board or committee "meeting" for the purpose of this paragraph shall be a meeting at which business may be officially conducted, including telephone conference meetings, except that such a meeting for a fixed location will still qualify as such if its incapability to conduct official business is due solely to the absence of a quorum.
- 2. In applying this Policy, the following standards will be observed:
 - a. Board sets number of days per diem and travel days to be paid for each meeting, in-state or out-of-state.
 - b. Although two or more meetings or activities, or a combination of travel and one or more meetings or activities may occur on a single day, only compensation for that one day will be allowed.

3. Compensation amounts shall be reviewed annually by the Executive Committee of the Board and the Fee Schedule will be adjusted as needed. The Committee should review current data specific to director compensation before making any changes to the Fee Schedule. The list below are options that can be considered.
 - a. GEMC Board Compensation Survey;
 - b. Board compensation amounts for cooperatives of similar size;
 - c. A consultant may be asked for recommendations as to appropriate Director compensation.
4. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, except that (a) a Board member who is an officer of the Cooperative and who as such performs substantial additional duties on behalf of the Cooperative, or who serves on behalf of Cooperative as a Board member or voting delegate to an affiliated organization or any committee thereof, may be paid such compensation therefor, on a per diem basis, as is authorized by the remaining Board members, and (b) a Board member or close relative of a Board member may be paid such compensation as is authorized as a temporary emergency measure.
 - Any compensation paid under this Policy shall, if the total thereof by law requires such, be reported on IRS Forms 1099 and 1096, a copy of the former being timely furnished to each Board member.

B. REIMBURSEMENT OF EXPENSES

Expenses required to conduct Jefferson Energy business will be reimbursed to Jefferson Energy directors as follows:

1. Mileage for automobile travel will be reimbursed according to the mileage rate set by the IRS.
2. The least expensive form of travel, whether by air or by driving, will be reimbursed when attending meetings approved by the Cooperative. In comparing air travel to driving, the total costs involved will be considered. For air travel, this includes the cost of standard coach airfare and expenses for transportation to and from the airport and the hotel. For driving, this includes the mileage reimbursement and any parking fees at the hotel. Reimbursement will be based on actual expenses incurred, but will not exceed the cost of the least expensive method of travel, as

described above.

3. Actual expenses for lodging and meals.
4. Miscellaneous expenses such as tips, tolls, parking, telephone, etc.
5. Advances may be made to directors for estimated expenses while traveling on Jefferson Energy business.
6. A detailed expense report, including all receipts and supporting documentation, shall be completed and submitted to the Executive Assistant. Receipts are required for any expense over \$50.00.

C. **BENEFITS**

Directors are eligible for the following insurance benefits when elected to serve on the Board of Directors:

1. Medical Insurance
 - a. Active Directors:
 - Active Directors and their dependents may participate in JEC's medical insurance plan at their expense.
 - b. Retired Directors:
 - Retired Directors elected **prior to** January 1, 2000, are grandfathered in as to medical insurance benefits. Jefferson Energy Cooperative will pay or reimburse retired Directors for Medicare Supplement and Medicare Part D after age 65 if the retired Director was elected to the Board prior to January 1, 2000 and has 12 or more years of service. Reimbursement of Medicare Supplement Insurance and Medicare Part D will be for amounts expended not to exceed the cost of Jefferson Energy's Medicare Supplement premium and Medicare Part D. The maximum cap JEC will pay will correspond with the cap for employee coverage as set forth in Policy 328 – Insurance Programs.
 - Retired directors elected **after January 1, 2000**, who have 12 Years of Service on the Board, and their dependents can participate in JEC's medical insurance plan at their expense. Dependents can participate in the plan only if the Director participates. Directors and dependents have to participate in the plan at the time of retirement. They cannot be added at a later date.
2. 24-Hour Accident Insurance and Business Travel Insurance

Jefferson Energy will provide 24-Hour Accident insurance and Business Travel insurance coverage for the attorney and active Directors, the cost of which will be paid by the Cooperative.

For comprehensive information about the 24-Hour Accident Insurance and the Business Travel Insurance, see the Summary Plan Description. If an additional copy of the Summary Plan Description is needed, contact the Human Resources Department.

3. Life Insurance and Accidental Death and Dismemberment

Jefferson Energy will provide Life Insurance for the attorney and active Directors in an amount periodically established by the Board as well as Accidental Death and Dismemberment, the cost of which will be paid by the Cooperative. At the age of 66, the benefit of Director Life begins to decrease each year as set forth in the Summary Plan description.

For comprehensive information about the 24-Hour Accident Insurance and the Business Travel Insurance, see the Summary Plan Description. If an additional copy of the Summary Plan Description is needed, contact the Human Resources Department.

4.. JEC Clothing Reimbursement

\$100 clothing reimbursement or credit within a 12-month period will be applied towards Director's apparel costs for Jefferson Energy logo clothing.

III. RESPONSIBILITY

A. Executive Committee of the Board of Directors.

IMPLEMENTED: January 28, 1987
REVISED: December 2024