



## **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