

WELLS RURAL ELECTRIC COMPANY

Adopted: March 14, 2012

Revised:

Reviewed:

POLICY NO. 2-09

Record Retention

I. OBJECTIVE

The purpose of this policy is to ensure the retention of all records created by or for the Cooperative, whether paper or electronic, that are necessary or advisable to retain for: business operations; accounting, audit, tax and financial purposes; compliance with applicable law; possible future use in litigation involving the Cooperative; and possible future use in an official proceeding or governmental investigation or other matter. Other records, which are not necessary to retain for these reasons, shall be destroyed in accordance with the guidelines set forth in this policy.

III. Policy

Records of the Cooperative, which may be in electronic or paper form, shall be retained in accordance with the guidelines identified in this policy. Records not needed for retention shall be destroyed after the requisite retention period, if any, has passed. An ongoing record will be maintained that details the destruction of records. Pending or potential litigation, governmental investigation and other circumstances may require a "stop" or suspension of regularly scheduled destruction of records. Employees will be promptly notified of any such stop by the Records Custodian, C.E.O. or Cooperative attorney.

A. Necessity or Useful Life of Records.

1. Records required to be kept by applicable federal, state or local laws.
2. Records necessary to document the Cooperative's compliance with applicable laws and regulations.
3. Records that are advisable to keep because of unusual events such as litigation or government investigation.
4. Records critical to the operation of the business or necessary for other business reasons.

5. Records not necessary for legal or business reasons, and therefore appropriate for destruction will be destroyed after the requisite retention period.
- B. Written guidelines for record retention that identify the specific categories of record and the retention period shall be prepared by management in a Records Management Program. The C.E.O. may authorize revisions to the written guidelines provided they remain in compliance with the provisions of this policy as necessary.
- C. The Records Custodian shall be responsible for providing a formal training program to any and all employees involved in record retention activities to ensure compliance with the guidelines set forth in this policy.
- D. The Records Custodian shall work in conjunction with the Cooperative's Network Administrator to monitor and ensure compliance with the Cooperative's Information Systems Acceptable Use Policy (02-11) and written standards for the storage, retrieval, backup, destruction, privacy rights and security of electronic records.

III. RESPONSIBILITY

The board of directors hereby delegates authority to the C.E.O. to put in place the procedures necessary to effectuate this policy. The C.E.O. shall designate an employee to serve as "Records Custodian." Questions about the policy should be directed to the Records Custodian, C.E.O. or Cooperative attorney.

- A. Every employee, director and agent of the Cooperative is required to comply with this policy.
- B. Any employee, director or agent of the Cooperative that becomes aware of information indicating that a person responsible for the retention or destruction of records is not in compliance with this policy shall promptly report the information to the C.E.O. or Cooperative attorney.