



# Top Hat Plan for Taxable Co-ops


## SAMPLE DEFERRAL ELECTION FORM

**This sample deferral election form has been prepared to assist with the administration of your co-op's Top Hat Plan. This form must be completed by eligible plan participants at the time of enrollment in the plan. It is the responsibility of the co-op as the plan administrator to verify plan and participant eligibility.**

 The information set forth in this deferral election form does not constitute legal advice. Prospective participants should consult an attorney or personal tax advisor to develop a tax strategy before electing their form of payment or taking any other action with respect to their participation in a nonqualified deferred compensation plan.

The maximum that a participant can defer to the Top Hat Plan is 100% of taxable income paid by the co-op (including salary, bonus and/or per diem amounts). For employees, contributions to the plan are subject to FICA tax withholding at the time of deferral rather than at the time of distribution.

 Retain the original, signed copy of the deferral election form in the co-op's records, as the U.S. Department of Labor or Internal Revenue Service may request copies.

 If you have any questions, please contact the Homestead Advisers Deferred Compensation team at [deferredcomp@homesteadadvisers.com](mailto:deferredcomp@homesteadadvisers.com).

*IMPORTANT: Homestead Advisers offers nonqualified deferred compensation plans as an additional service to members for their employees and directors and provides certain administrative support services; however, Homestead Advisers does not sponsor or act as the plan administrator of these plans, assume liability for their operation, or provide legal or tax advice in conjunction with the plans. Co-ops and participants are responsible for any tax or legal consequences associated with their adoption, operation or participation in nonqualified deferred compensation plans.*

# SAMPLE: Top Hat Plan for Taxable Co-ops Deferral Election Form

Compensation may be deferred for any calendar month only if the agreement is entered into by December 31 of the calendar year prior to the year in which the compensation will be earned. Newly eligible participants may enroll and make deferral elections within the first 30 days of eligibility. An election to defer compensation is irrevocable during any calendar year in which it is in effect. **Please note that deferrals into this Top Hat Plan may affect the calculation of your benefit (if offered) under the NRECA Retirement Security Pension Plan. Please direct any questions about this to your Plan Administrator.**

I hereby elect to participate in the Top Hat Plan (the "plan") offered by \_\_\_\_\_ (the "co-op") and elect to defer the following amount of my taxable compensation to be withheld from my pay and credited to a Homestead Funds account for my benefit established by the co-op as provided in the plan. The amount credited to the Homestead Funds account shall also be credited with earnings and losses incurred in the investment fund(s) of the account. The amount credited to the Homestead Funds account shall also be credited with earnings and losses incurred in the investment fund(s) of \_\_\_\_\_.

## Certification of the Participant

I hereby authorize the employer to deduct from my taxable compensation the amount indicated below. The amount of my deferral election shall be the basis for deferrals and withholding from my pay by the employer from month to month until I elect in writing to change my election. Any election modifications shall be effective not earlier than January 1 of the year following my elected change.

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*Specify Percentage of Pay (or Per Diem) **or**  
Annual Dollar Amount*

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*Effective Date*

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*Name of Participant (Please Print)*

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*Date*

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*Participant's Signature*