



January 1, 2023

Notice of Director & Supervisory Committee Member Compensation

Providing value to our members and the communities we serve while remaining committed to our vision to enrich lives is at the forefront of everything OCCU does. The OCCU Board of Directors (Board) believes that compensation to Board Directors, Associate Directors and Supervisory Committee members will enhance OCCU's ability to attract and retain qualified individuals to represent its membership. As such, OCCU has established a Compensation Policy to provide reasonable compensation to these individuals for their time, service and contributions to OCCU as allowed by Oregon law and the Credit Union's Bylaws.

Board & Supervisory Committee Responsibilities

As advocates of the membership, the Board is responsible for setting the vision and general direction of the Credit Union.

- Board Directors are elected by the membership, serve on multiple committees and meet regularly to establish policy and strategic guidance; to provide feedback and counsel to the CEO, who is hired by and reports to the Board; to review financial performance; and to review OCCU's progress toward goals and objectives.
- Associate Directors are appointed by the Board and provide guidance, perspective and input to the Board but have no voting authority or fiduciary responsibilities to the membership.
- The Supervisory Committee is responsible for oversight of the Credit Union's audit function, which is designed to ensure the financial soundness of OCCU and confirm that members' funds are protected. This oversight includes an annual, independent audit of OCCU's financial statements and related records to verify the accuracy of members' accounts and to ensure OCCU's financial records and internal controls are in order.

The scope and complexity of the ever-changing financial services market requires Directors and Supervisory Committee members to have strong business acumen, diverse backgrounds, experiences and skill sets and dedication to service to meet the demands of a competitive and highly regulated financial services business. The time commitments for Directors and Supervisory Committee members to prepare for and attend meetings, obtain and maintain the requisite regulatory training and continuing education are significant and ever increasing. This warrants fair and reasonable compensation.

OCCU's Financial Performance

OCCU has consistently achieved strong financial performance, while balancing the delivery of financial services to our members with the ongoing safety and soundness of our Credit Union. To ensure a sound future, OCCU has built net worth that exceeds the levels required by its regulators to be classified as well capitalized, achieves strong net income to maintain net worth, and manages the risks within its operations. For more information about OCCU's financial performance, visit our website at MyOCCU.org/annual-reports.

Due Diligence

Annually, the Board conducts thorough due diligence to consider and determine Board and Supervisory Committee compensation commensurate with the responsibilities of each position. This includes the independent review of compensation ranges of similar size credit unions, community banks and other

organizations that compensate their Boards and Supervisory Committees. This year's data includes the addition of a large credit union category and includes both regional and national credit unions.

As part of these efforts, the Board engaged a compensation consulting firm, Compensation Studies Group, to conduct an annual review of the Credit Union's 2023 Compensation Program. Additionally, the Board engaged the law firm of Farleigh Wada Witt (FWW) to review and render an opinion that the program satisfies the requirements of both Oregon law and OCCU's Bylaws. It is the opinion of FWW that OCCU's 2023 Compensation Program satisfies the requirements of both governing authorities.

Based on the results of this due diligence and OCCU's strong financial condition, its competitive and complex market operating environment, and its progressive mission and strategy, the Board established a 2023 Compensation Program considered to be reasonable and consistent among peer credit unions of similar performance and size in Oregon and Washington.

2023 Compensation Program

OCCU will provide annual compensation monthly, based on position held. This structure supports Directors and Supervisory Committee members with respect to the importance of their respective duties and responsibilities and provides compensation commensurate with required time commitments. The following annual compensation was approved for the Board Directors, Associate Directors and Supervisory Committee members for 2023 and will begin following this Notice.

<u>Position Held</u>	<u>Annual Compensation</u>
Board Chair	\$ 35,000
Board Director	\$ 23,000
Associate Director	\$ 16,000
Supervisory Committee Chair	\$ 12,000
Supervisory Committee Member	\$ 8,000
Sub-Committee Chairs	\$ 3,000 <i>additional</i>
Task Force Chairs	\$ 1,000 <i>additional in months served only</i>

Compensation Paid in 2022

The Board Directors, Associate Directors and Supervisory Committee members were paid the following amounts (including technology stipends) in 2022 based on their satisfactory fulfillment of the duties and responsibilities of their respective positions.

<u>Name</u>	<u>Compensation Received</u>
Jeanine Jensen, Board Chair	\$36,545.37
Bill Inge, Board Vice Chair	\$24,962.00
Beverly Anderson, Board Secretary	\$26,128.68
John Gogol, Board Director	\$24,128.68
Tom Larson, Board Director	\$25,712.00
Genevieve Parker, Board Director	\$22,962.00
Jacob Siegel, Board Director	\$19,545.34
Brandon Rogers, Board Associate Director	\$11,974.64 <i>(began service May '22)</i>
Scott Smith, Board Associate Director	\$11,974.64 <i>(began service May '22)</i>
Sarah Hagen, Board Associate Director	\$ 6,150.82 <i>(ended service April '22)</i>
Rick Varnum, Board Associate Director	\$ 6,484.16 <i>(ended service April '22)</i>
Jaqueline Rice, Supervisory Committee Chair	\$11,628.68
Justin Freeman, Supervisory Committee Vice Chair	\$ 8,961.96
Lauren Jerome, Supervisory Committee	\$ 3,150.82 <i>(ended service April '22)</i>
Ellen Manzer, Supervisory Committee	\$ 8,961.96
Jered Souder, Supervisory Committee	\$ 5,974.64 <i>(began service May '22)</i>

For additional information, please contact the Board at OCCUBoardofDirectors@MyOCCU.org.