



Notice of Officials Compensation

March 2020

Oregon State Credit Union has established a Compensation Policy to provide reasonable compensation for its Board of Directors and Supervisory Committee (Officials) as allowed by Oregon law and the Credit Union's Bylaws. The Oregon State Credit Union Board believes the payment of compensation to Officials enhances the Credit Union's ability to attract and retain qualified Officials to represent the members. There are currently nine members of the Board of Directors and three members of the Supervisory Committee.

Responsibilities of Officials. The Board of Directors is responsible for the general direction and control of the Credit Union. The Directors serve on multiple committees and meet regularly to establish the strategic plan, annual budget and policies, and review the Credit Union's financial performance. The Supervisory Committee is responsible for overseeing internal controls, conducting an annual audit of the financial statements, and verifying the accuracy of members' accounts. The size and complexity of Oregon State Credit Union requires Officials with financial knowledge, diverse skills and dedication to meet the management demands of a competitive and highly regulated financial services industry. The time demands of Officials' meetings, meeting preparation, regulatory training and continuing education warrants fair and reasonable compensation.

Oregon State Credit Union Financial Performance. Oregon State Credit Union has consistently achieved strong financial performance that supports reasonable compensation. Oregon State Credit Union delivers competitive financial services to our members while ensuring the safety and soundness of the Credit Union. To ensure a sound future, Oregon State Credit Union has built net worth that exceeds the levels required by its regulators to be classified as well capitalized, achieved strong net income to maintain or grow net worth, and managed the risks within its operations. For more information about Oregon State Credit Union's financial performance, please visit our web site at www.oregonstatecu.com/annual-report.

Due Diligence. The Oregon State Credit Union Board has conducted due diligence research on compensation structures and compensation levels of credit unions, other financial institutions and non-profit organizations of proportional size, complexity, mission and financial performance as Oregon State Credit Union. The Board reviewed the peer group compensation data and market information of peer credit unions, banks and non-profit organizations for a comparative analysis of reasonable compensation in Oregon State Credit Union's regional and national market. Based on Oregon State Credit Union's strong financial condition and progressive mission the Board established a compensation schedule for the Oregon State Credit Union Officials that is reasonable and consistent among peer credit unions and other organizations.

Compensation Schedule for 2020. The Credit Union provides reasonable compensation in the form of an annual stipend, paid monthly on the last day of the month, based on the leadership and position held. This structure provides compensation commensurate with the respective time demands of the different positions. The following compensation was approved for the Board of Directors and Supervisory Committee members for the period April 2020 through March 2021:

Board Chair	\$20,000
Director	\$14,000
Board Governance & Nominating Committee Chairs (additional)	\$ 2,000
Supervisory Committee Chair.....	\$10,000
Supervisory Committee Member	\$ 7,000

Compensation Paid in 2019

The Board Directors and Supervisory Committee members were paid the following amounts in 2019.

<u>Name</u>	<u>Compensation received</u>
Shannon Cruz, Board Chair	\$20,000
Jay Conroy, Director & Board Governance Committee Chair	\$16,000
Tim Rocak, Director & Nominating Committee Chair ¹	\$14,500
Thomas Elzinga, Director & Nominating Committee Chair ¹	\$15,500
Rebecca Badger, Director.....	\$7,000
Nadine Davidson, Director.....	\$14,000
Michael Green, Director.....	\$14,000
Kelley Kaiser, Director	\$14,000
Jim Patterson, Director	\$4,667
Mary Beth Altmann Hughes, Supervisory Committee Member.....	\$1,167
Elizabeth Bell, Supervisory Committee Member	\$5,250
Jamie Hughes, Supervisory Committee Member	\$7,000

¹ Nominating Committee Chair for portion of 2019.

For additional information, please contact the Board at Board@oregonstatecu.com.