



Notice of Officials Compensation

Utilities Employees Credit Union (Credit Union) has approved amendments to the Credit Union's Bylaws to permit compensation for its Board of Directors and Supervisory Committee (Officials) and established an Officials' Compensation Policy to provide reasonable compensation for its Officials as allowed by Pennsylvania law. The Credit Union's Board of Directors believes the payment of compensation to Officials will enhance the Credit Union's ability to attract and retain qualified Officials to represent the members. The Credit Union has also approved amending the Credit Union's Bylaws to impose term limits on Officials' terms.

The Board of Directors is responsible for the general direction and control of the Credit Union. The Directors meet monthly and typically also serve on multiple committees. The Board establishes the strategic plan, the annual budget and policies, and reviews the Credit Union's financial performance. The Supervisory Committee is responsible for overseeing internal controls, overseeing an annual audit of the financial statements, and verifying the accuracy of members' accounts. The size and complexity of the 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.

Bylaw Amendments. The members of the Credit Union must approve the proposed Credit union Bylaw amendments prior to implementation of the Officials Compensation program. The members will vote on the proposed Bylaw amendments at the March 31, 2022 Annual Meeting.

Proposed Compensation Schedule. Subject to the Credit Union member approval of the Bylaw amendments and based upon due diligence and independent research of compensation paid by peer credit unions on a national and regional basis, the Credit Union Board proposes to provide reasonable compensation as follows:

- Board member compensation for Board meetings – \$1,000 per meeting
- Board Chairman compensation for Board meetings – \$2,000 per meeting
- Board member compensation for Committee meetings – \$500 per meeting
- Supervisory Committee members compensation for Supervisory Committee meetings – \$500 per meeting

Proposed Term. Subject to the Credit Union member approval of the Bylaw amendments and based upon due diligence and independent research of term limits imposed by peer credit unions on a national and regional basis, the Credit Union Board proposes that an Official who has served five (5), three (3) year terms consecutively for a total of fifteen (15) years of service may not be elected for another term or appointed to further serve as an Official, except as permitted by specific approval of the Board of Directors.



Bylaw Amendments for Utilities Employees Credit Union

6. Directors.

(i) The following underlined provision is added:

Regular terms of office for directors shall be for a period of three (3) years, except that all such terms shall be so fixed that approximately an equal number shall expire at each annual meeting. A Director who has served five (5), three (3) year terms consecutively for a total of fifteen (15) years of service on the Board of Directors may not be elected for another term or appointed to further serve as a Director, except as permitted by specific approval of the Board of Directors.

(ii) The following provision is added:

Compensation and Expenses. Directors may be compensated for services rendered to the Credit Union in their capacity as a Director to the extent permitted by law and in accordance with a policy established by the Board. Also, Directors may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.

11. Committees.

(i) The following underlined provision is added:

The Board of Directors may appoint from the membership a Credit Committee and a Supervisory Committee, each consisting of three members, and for a regular term of three years; except that all regular terms shall be so fixed by the Board of Directors that approximately an equal number of regular terms shall expire at each annual meeting. A Committee member who has served five (5), three (3) year terms consecutively for a total of fifteen (15) years of service may not be elected for another term or appointed to further serve as a Committee member, except as permitted by specific approval of the Board of Directors.

(ii) The following provision is added:

Compensation and Expenses. Supervisory Committee members may be compensated for services rendered to the Credit Union in their capacity as Supervisory Committee Members, to the extent permitted by law and in accordance with a policy established by the Board. Also, Supervisory Committee members may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.