

# Board of Directors Compensation

Velocity Credit Union has established a Compensation Policy to provide reasonable compensation for its Board of Directors as allowed by Texas law and the Credit Union's Bylaws.

Annual notice is provided for members describing the Compensation Program.

*Notice of Officials Compensation April 2020:* Velocity Credit Union has established a Compensation Policy to provide reasonable compensation for its Board of Directors ("Officials") as allowed by Texas law and the Credit Union's Bylaws. The Velocity 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.

*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 Velocity Credit Union requires Officials with financial knowledge, diverse skills and dedication to meet the 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.

*Velocity Credit Union Financial Performance:* Velocity Credit Union has consistently achieved strong financial performance that supports reasonable compensation. Velocity Credit Union delivers competitive financial services to our members while ensuring the safety and soundness of the Credit Union. To ensure a sound future, Velocity 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.

*Due Diligence:* The Velocity 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 Velocity Credit Union. Based on the Credit Union's strong financial condition and progressive mission the Board established a compensation schedule for 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 a stipend for meeting attendance paid within 48 hours of such attendance. Compensation was approved for the Board of Directors for the period April 2020 through March 2021 in the amount of \$750.00 per meeting.

The Board Directors were paid the following amounts in 2019.

<u>Name</u>	<u>Compensation Received</u>
James Chapman, Chair	\$12,921
Kasha Bartholomew, 1 <sup>st</sup> Vice Chair	\$7,664
Thomas Matthews, 2 <sup>nd</sup> Vice Chair	\$8,359
John Chomout, Secretary/Treasurer	\$9,565
Carl Lynch, Director	\$7,238
Mary Paredes, Director	\$9,320
John Ross, Director	\$7,152
Xavier Zarate, Director	\$8,152