



DIRECTOR MEETING FEES

As provided for in Texas Credit Union Department Rule 91.502, state law authorizes the payment of reasonable meeting fees to credit union directors. As credit unions grow and become more sophisticated, their directors are faced with more complicated decisions. They must have an ever-growing understanding of the credit union business sector and the entire arena of financial service activities. As a community-based institution, Credit Union of Texas must compete with other types of financial services providers for talent at all levels, including its Board of Directors.

An appropriate way to determine reasonable meeting fees is to consider the asset size and complexity of an institution. The larger the institution, the more complex and sophisticated its operations and products tend to be. Operating through subsidiaries and affiliates significantly increase the complexity of an institution.

To determine the portion of reasonable meeting fees based on asset size, an informal and confidential survey was conducted to see what financial institutions of different asset sizes (\$230,000,000 to \$1,300,000,000) were paying their directors for meetings. Using this data alone, it was determined that converting it to the credit union's assets would create a comparable monthly fee in excess of \$6,700. Based on this calculation, the conclusion was that a monthly meeting based solely on asset size should not exceed \$6,700. The credit union's current fee as disclosed is substantially below the maximum.

Also, this calculation does not include a factor to recognize the credit union's corporate structure making the fee structure even more reasonable. Currently, the credit union owns or is invested in five organizations through which motor vehicle leasing, mortgage, and commercial lending, and the credit union's charitable activities are conducted.

Another factor not included in the asset size formula is that CUTX operates in a hyper-competitive and rapidly growing local economy. On a national basis, Texas is ranked 2nd in GDP and DFW is ranked 6th.

We also need to account for the significant time commitment directors invest in our community engagement strategy. This is an important aspect of being a board member. The presence of, or participation by, board members at events is strongly encouraged as it demonstrates the credit union's interests in the well-being of the community and its members and employees.

Meeting fees will be reviewed annually in January and adjusted as needed based on prior year-end assets.

Payment of meeting fees is applicable only if Credit Union of Texas is not operating under a Net Worth Restoration Plan.

Any Director may opt-out of receipt of the authorized meeting fees. An applicable donation will be made to a charity supported by Credit Union of Texas on behalf of the director.

2021 Meeting Fees

- The Board has determined that Board members shall be paid a reasonable fee of **\$2,750** for attending each regular and duly called meeting of the Board. Virtual or physical attendance at the duly called meeting is required to receive payment of the meeting fee. In addition to regular board meeting fees, the **Board Chairman** shall be paid a reasonable fee of **\$500** for attending regular and duly called board meetings.
- The Board has also determined that Board Committee members shall be paid a reasonable fee of **\$350** for attending duly called Board Committee meetings.

2022 Meeting Fees

- The Board has determined that Board members shall be paid a reasonable fee of **\$3,050** for attending each regular and duly called meeting of the Board. Virtual or physical attendance at the duly called meeting is required to receive payment of the meeting fee. In addition to regular board meeting fees, the **Board Chairman** shall be paid a reasonable fee of **\$500** for attending regular and duly called board meetings.
- The Board has also determined that Board Committee members shall be paid a reasonable fee of **\$350** for attending duly called Board Committee meetings.

2021 Itemized Fees

Director	Meeting Fees
Jerry Christian	\$43,200
Márelou Cisneros	\$42,550
Troy Mathieu	\$40,850
Randall Chaddick	\$39,250
Chris White	\$39,150
Janie Worst	\$43,050
Rafael Diaz	\$40,700
Adrian Williams	\$40,500
Anthony Barber	\$39,750
Brian Harvey	Charitable Donation
Kelly Walker	\$17,350
Total	\$386,350