



Harborstone Credit Union Notice of Officials' Compensation (September 6, 2018)

Harborstone Credit Union (Harborstone) has established a Compensation Policy to provide reasonable compensation for its Board of Directors and Supervisory Committee (Officials) as allowed by Washington law and the credit union's bylaws, beginning effective October 1, 2018.

Given the evolution of the credit union industry in an increasingly competitive financial services marketplace, the Harborstone Credit Union Board of Directors has adopted an Officials' compensation schedule designed to support and promote the professionalism, independence and accountability of the Board and Supervisory Committee in achieving the vision, mission, values, and goals of Harborstone Credit Union and its membership. Increased efforts to strengthen the capacity, knowledge, commitment, and skills of the Board and Supervisory Committee will be acknowledged and facilitated through the implementation of reasonable compensation consistent with industry standards.

The Board of Directors is responsible for the general direction and control of the credit union. The Directors typically serve on multiple committees and meet monthly. The Board establishes the strategic plan, annual budget and policies, and reviews 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 Harborstone 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.

Compensation Schedule for 2018-2019. The credit union provides reasonable compensation in the form of an annual stipend, paid monthly, 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 2018-2019, following the date of this notice:

Board Chair	\$20,000
Director	\$15,000
Supervisory Committee Chair.....	\$11,000
Supervisory Committee Member	\$ 6,000

The Board elects the Board Officers following the Annual Meeting held each March.