

April 17, 2023

Central 1 Credit Union SEDAR Statement of Executive Compensation

(Form 51-102F6)

Amendments to Re-file form (Form 51-102F6)

To whom it may concern,

This letter is to outline the changes in the amended version of Form 51-102F6 that was originally filed on behalf Central 1 Credit Union on April 6, 2023.

Form 51-102F6 filed on April 6, 2023 showed incorrect Bonus and Total Compensation information for Chief Executive Officer (CEO) Sheila Vokey for the 2022 year. The amount in the Bonus column was listed incorrectly as \$887,492 when the amount should have been reported as \$711,011 which is the actual bonus amount paid to Ms. Vokey on April 12, 2023. Given the error in reporting the Bonus amount, this also impacted the amount reported under the Total Compensation column incorrectly as \$1,519,141, when total compensation for Ms. Vokey for 2022 was \$1,342,660. This error was corrected after further review of the Long-Term Incentive Plan (LTIP) eligibility and corrected before the bonus payment was issued on April 12, 2023. As a result, the amounts reported under the Bonus column and Total Compensation column in the tables outlined below reflected the corrected, adjusted amounts.

Page 1 - Bonus amount and Value of all other compensation for Sheila Vokey for the 2022 Year

Name and Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽²⁾ (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽³⁾ (\$)	Value of all other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
Sheila Vokey CFO ⁽⁷⁾ Interim President and CEO President and CEO	2022	498,000	711,011	-	94,305	39,344	1,342,660
	2021	452,885	447,204	-	13,659	54,128	967,876

Page 5 – Estimated Incremental Payments triggered by termination without cause (per month)

Calculation is based on new Total Compensation amount divided by 12 (\$1,342,660/12)

Name and Principal Position	Termination without cause	Estimated incremental payments triggered by termination without cause (per month)
Sheila Vokey, President & CEO	12 months	111,888

Page 12 – Total Bonus excludes the overpayment of \$176,481 previously reported

Interim President and CEO's Incentive		
Name	Performance	Weighting
Sheila Vokey	Short Term Incentive Plan Corporate Performance	70%
	Short Term Incentive Plan Individual Performance	30%
	Long Term Incentive Plan Corporate Performance	100%
	Total Payout \$711,011	

Please accept this revised copy of Form 51-102F6 for filing.

Sincerely,

"Elmira Moghadam"

Elmira Moghadam
Senior Legal Counsel

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

“NEO” or “named executive officer” means:

- each individual who, in respect of Central 1 Credit Union (“Central 1”), during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO,
- each individual who, in respect of Central 1, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO,
- in respect of Central 1 and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year, and
- each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of Central 1, and was not acting in a similar capacity, at the end of that financial year.

Directors and Named Executive Officers’ Compensation

The table below sets forth all compensation paid, payable awarded, granted, given, or otherwise provided to each NEO and each director for the years ended December 31, 2022, and 2021. Central 1 does not grant options, stock appreciation rights, shares, units or other compensation securities as part of its compensation framework and has no outstanding equity compensation plan.

Name and Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽²⁾ (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽³⁾ (\$)	Value of all other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
Mark Blucher President & CEO ⁽⁶⁾	2022	-	-	-	-	-	-
	2021	86,538	-	-	30,061	1,479,274	1,595,873
Sheila Vokey CFO ⁽⁷⁾ Interim President and CEO President and CEO	2022	498,000	887,492	-	94,305	39,344	1,519,141
	2021	452,885	447,204	-	13,659	54,128	967,876
Brian Li Acting Chief Financial Officer ⁽⁸⁾	2022	241,621	81,067	-	15,961	13,111	351,760
	2021	183,609	66,888	-	12,800	11,478	274,775
Brent Clode Chief Investment Officer	2022	334,100	505,032	-	18,158	35,308	892,598
	2021	324,800	482,562	-	15,179	34,908 ⁽⁵⁾	857,449
Carolyn Burke ⁽⁹⁾ Director	2022	21,995	-	18,700	-	-	40,695
	2021	12,478	-	15,100	-	-	27,578
Chris Catliff ⁽¹⁰⁾ Director	2022	-	-	-	-	-	-

Name and Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽²⁾ (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽³⁾ (\$)	Value of all other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
	2021	5,524	-	15,400		-	20,924
Paul Challinor ⁽¹¹⁾ <i>Director</i>	2022	25,990		12,600			38,590
	2021	18,002	-	43,900	-	-	61,902
Richard Davies ⁽¹²⁾ <i>Director</i>	2022	18,001		20,000			38,001
	2021	12,478	-	16,000	-	-	28,478
Barry Delaney ⁽¹³⁾ <i>Director</i>	2022	21,995		20,400			42,395
	2021	12,478	-	15,800	-	-	28,278
Connie Denesiuk ⁽²¹⁾	2022	11,984		11,400			23,384
	2021	-	-	-	-	-	-
Mary Falconer <i>Director</i> ⁽²²⁾	2022	10,027		4,600			14,627
	2021	29,951	-	20,300	-	-	50,251
Rick Hoevenaars ⁽¹⁴⁾ <i>Director</i>	2022	-	-	-	-	-	-
	2021	7,364	-	9,800	-	-	17,164
Bill Kiss <i>Director</i> ⁽²³⁾	2022	10,027		9,200			19,227
	2021	33,307	-	36,000	-	-	69,307
John Klassen ⁽¹⁵⁾ <i>Director</i>	2022	18,002		21,400			39,402
	2021	12,429	-	9,300	-	-	21,729
John Kortram <i>Director</i>	2022	20,005		27,700			47,705
	2021	22,159	-	28,600			50,759
Shelley McDade <i>Vice Chair of the Board</i>	2022	30,000		16,200			46,200
	2021	28,158	-	32,900	-	-	61,058
Penny-Lynn McPherson <i>Director</i>	2022	30,509		22,100			52,609
	2021	35,079	-	35,100	-	-	70,179
Jan O'Brien <i>Director</i> ⁽¹⁶⁾	2022	-	-	-	-	-	-

Name and Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽²⁾ (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽³⁾ (\$)	Value of all other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
	2021	5,524	-	7,500	-	-	13,024
Rob Paterson <i>Chair of the Board</i>	2022	45,000		28,200			73,200
	2021	38,556	-	32,900	-	-	71,456
Blaize Reich <i>Director</i> ⁽¹⁷⁾	2022	-	-	-	-	-	-
	2021	7,364	-	8,300	-	-	15,664
Sanjit (Sunny) Sodhi <i>Director</i>	2022	21,995		19,900			41,895
	2021	18,002	-	30,000	-	-	48,002
Christie Stephenson <i>Director</i> ⁽¹⁸⁾	2022	18,001		20,600			38,601
	2021	12,478	-	14,400	-	-	26,878
Art Van Pelt <i>Director</i> ⁽²⁴⁾	2022	11,984		11,700			23,684
Tom Vandeloos <i>Director</i> ⁽¹⁹⁾	2022	18,001		20,200			38,201
	2021	12,478	-	12,800	-	-	25,278
Cheryl Wallace <i>Director</i>	2022	18,001		14,400			32,401
	2021	19,842	-	24,000	-	-	43,842
Rob Wellstood <i>Director</i> ⁽²⁰⁾	2022	-	-	-	-	-	-
	2021	5,524	-	6,200	-	-	11,724

(1) [Except as otherwise indicated,] Compensation reported is compensation earned in the specified calendar year.

(2) Amount includes long term incentive plan (S. Vokey and B. Clode) and annual short-term incentive plan (S. Vokey, B. Li, and B. Clode). Short term Incentive earned each year is paid the following year to NEOs that are employed on the incentive payment date (April 12th in 2023). LTIP amounts in this column were vested in 2022 and paid the following year to NEOs that are employed on the incentive payment date (April 12th in 2023).

(3) Amount includes club memberships, car maintenance (S. Vokey B. Clode), car allowance, (S. Vokey, B. Li, B. Clode), car parking (S. Vokey and B. Li) and untaken vacation payout (S. Vokey, B. Li), wellness fund (B. Li). Club members, car allowance, and car parking determined based on market comparable data. Car maintenance based on actual amount spent and untaken vacation payout based on outstanding vacation. Untaken vacation payout (S. Vokey) was accrued during time in CFO role.

(4) Amount includes employer contributions related to Group RRSP (B. Li and S. Vokey), Registered pension plan (B. Clode) and SERP (B. Clode and S. Vokey). Amount does not include LTIP amounts granted during the 2022 year, which do not vest until later years. The anticipated value of such unvested LTIP amounts is \$425,000 (S. Vokey) and \$202,680 (B. Clode) subject to satisfaction of performance conditions. These unvested amounts will be included in the year in which such amounts are paid, if and when payment occurs.

(5) Amount reflected in this column is different than the amount reflected in the company's statement of executive compensation filed on SEDAR on April 20, 2022. This amount now does not include LTIP amounts granted during the 2021 year, which do not vest until later years. The anticipated value of such unvested LTIP amounts was \$215,242 (B. Clode) as of April 20, 2022, subject to satisfaction of performance conditions. These unvested amounts will be included in the year in which such amounts are paid, if and when payment occurs.

(6) Mark Blucher retired from Central 1 effective February 25, 2021.

(7) Sheila Vokey was appointed CFO on October 9, 2018. Ms. Vokey was appointed Interim President & CEO effective February 25, 2021. Amounts represent Ms. Vokey's compensation during 2021 and 2022 in the foregoing roles. Effective January 25, 2022, Ms. Vokey was appointed President & CEO.

(8) Brian Li was appointed Acting CFO on February 25, 2021. Prior to such appointment, Mr. Li served as AVP, Financial Reporting and Accounting. Amounts represent Mr. Li's compensation during 2021 in the foregoing roles.

(9) Carolyn Burke commenced her term as director effective April 23, 2021.

(10) Chris Catliff served as director from May 5, 2020, to April 23, 2021.

(11) Paul Challinor commenced his term as a director effective May 5, 2020.

- (12) Richard Davies commenced his term as director effective April 23, 2021.
- (13) Barry Delaney commenced his term as director effective April 23, 2021.
- (14) Rick Hoevenaars term as a director ended April 23, 2021.
- (15) John Klassen commenced his term as director effective April 23, 2021.
- (16) Jan O'Brien's term as a director ended April 23, 2021.
- (17) Blaize Reich's term as a director ended April 23, 2021.
- (18) Christie Stephenson commenced her term as director effective April 23, 2021.
- (19) Tom Vandeloo commenced his term as director effective April 23, 2021.
- (20) Rob Wellstood's term as a director ended April 23, 2021.
- (21) Connie Denesiuk commenced her term as director May 3, 2022
- (22) Mary Falconer's term as director ended May 3, 2022
- (23) Bill Kiss' term as director ended May 3, 2022
- (24) Art Van Pelt commenced his term as director May 3, 2022

Employment Contracts

A. Compensation

Central 1 is party to an employment contract with each of the NEOs. Central 1 has not entered into any employment or compensation agreement with any of its directors. The NEOs' employment contracts contain material terms relating to the compensation provided to the NEOs during the 2022 financial year. Also, the NEOs' employment contracts do not contain any provisions providing for incremental payments triggered by, or result from, provisions.

Management functions of Central 1 and its subsidiaries are not performed by any person other than the directors or senior officers of Central 1 or its subsidiaries. There is no relationship between any NEO and any other NEO or director of Central 1 or its subsidiaries.

B. Termination

The employment of the NEOs may be terminated by any of the following means:

- Termination with cause
- Termination without cause
- Death
- Retirement
- Resignation

If any of the NEOs resign, they are not entitled to any severance or other payment. The NEOs may resign by providing Central 1 with notice of resignation. The table below sets forth the minimum resignation notice requirements for the NEOs:

Name and Principal Position	Minimum Notice Required
Sheila Vokey, President & CEO	6 months
Brian Li, Acting Chief Financial Officer	2 weeks
Brent Clode, Chief Investment Officer	6 weeks

If any of the NEOs are terminated with cause, they are not entitled to any notice of termination or payment in lieu. In such circumstances, the NEOs are only entitled to receive their base salary and vacation accrued but unpaid, prior to the date of termination.

If any of the NEOs are terminated without cause, they are entitled to severance in the form of the monthly base salary, incentive payment and associated other compensation benefits, excluding pension obligations that the NEOs would have received during their severance period under their respective employment agreement for the following number of months:

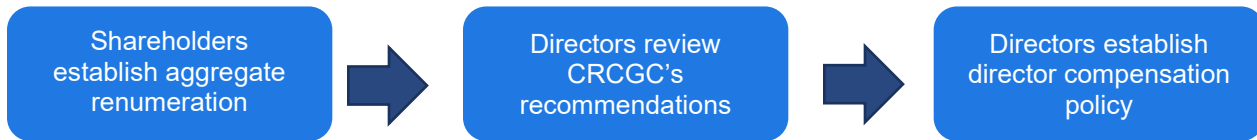
Name and Principal Position	Termination without cause	Estimated incremental payments triggered by termination without cause (per month)
Sheila Vokey, President & CEO	12 months	126,595
Brian Li, Acting Chief Financial Officer ⁽¹⁾	n/a	n/a
Brent Clode, Chief Investment Officer	15 months	74,383

(1) Brian Li was appointed Acting Chief Financial Officer on February 25, 2021. Under Mr. Li's employment contract, payments upon termination would be determined in accordance with applicable employment laws.

Oversight and Description of Directors and Named Executive Officers Compensation

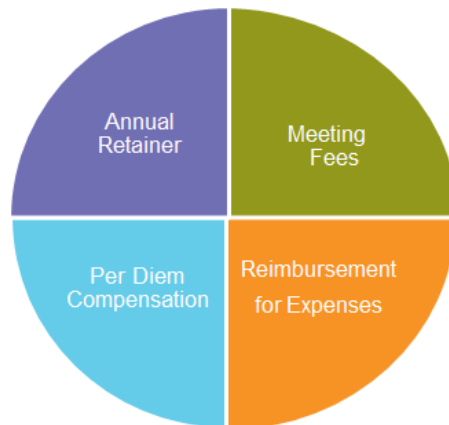
A. Director Compensation Governance

The process to determine the directors' compensation is outlined below.



In accordance with Section 110(1) of the *Financial Institutions Act* (British Columbia), the members of Central 1 determine, from time to time, the aggregate remuneration paid to the directors of Central 1, including annual retainers and per diems for attendance at meetings. The members of Central 1 have resolved that such amount will be allocated and distributed to the directors of Central 1 at the discretion of the Board.

Compensation for directors of Central 1 consists of:

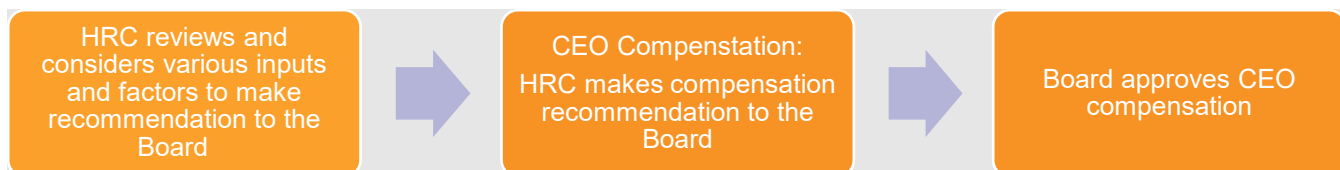


The Board recognizes that strong corporate governance is a key ingredient to an organization's success. The Board has determined that, subject to the limits set by the members of Central 1 by resolution, the directors of Central 1 should be remunerated at approximately the 50th percentile of directors' compensation for comparable entities. The group of comparable entities is determined, from time to time, by the Board, on the recommendation of the Conduct Review and Corporate Governance Committee (**CRCGC**), giving due consideration to the qualifications, liability, experience, and involvement in value-added decision making commensurate with Central 1's size, complexity, and functions.

B. Executive Compensation Governance

The Board approves executive compensation for the CEO and reviews the compensation of the NEOs. Central 1 requires all of its directors to complete mandatory director education to ensure they have the necessary knowledge to effectively govern the organization.

The following diagram sets out the approval process for CEO compensation.



Central 1's Human Resources Committee (**HRC**) is a Board committee that is responsible for reviewing and approving the compensation of the executive leadership team, including the NEOs. It is also responsible for recommending Central 1's compensation philosophy to the Board and ensuring adherence to the approved

philosophy. The review of the compensation programs includes, in part, periodically reviewing Central 1's compensation programs, reviewing salary and recommending salary increases that are incorporated into the annual budget proposal.

The HRC's responsibilities include reviewing and approving the total compensation package and arrangements of the executives, including NEOs. All directors serving on that committee are independent. The members of the HRC are Shelley McDade (Chair), Carolyn Burke, Rob Paterson, Sunny Sodhi, Art Van Pelt and Cheryl Wallace. All HRC members have had exposure to executive compensation issues at their own organizations as either executive officers or directors.

The HRC recognizes the importance and complexity of executive compensation and retains outside expertise as necessary to advise and assist in formulating the appropriate recommendations to the Board. An outside consultant is utilized to conduct a market review of the salaries of the executives, including NEOs. The consultant conducts a comprehensive market review every three years and supplements the survey data with data from its in-house database. A total compensation approach is used, which uses a combination of base and incentive compensation.

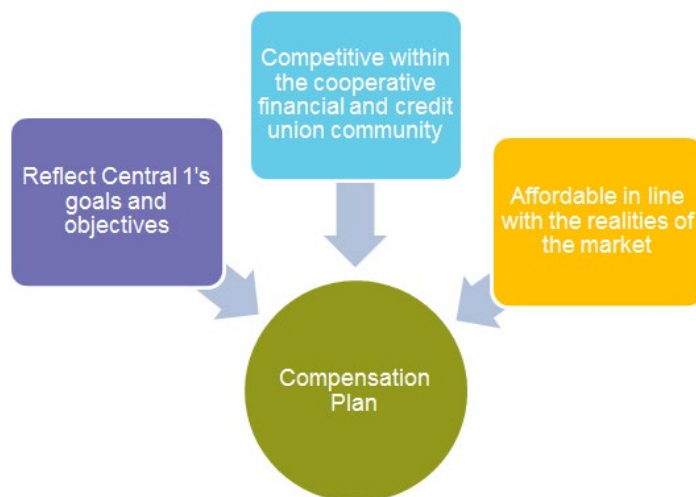
A market review was conducted with Korn Ferry Hay Group at the end of 2020 and the HRC approved the new ranges to be used for the period 2021 to 2023 for annual compensation reviews of the CEO and Executive Leadership Team (ELT), including the NEOs. HRC also used the independent services of Hugessen Consulting to assist in ensuring a well-designed executive compensation framework.

While the HRC may rely on external information and advice, all the recommendations with respect to executive compensation are made by the HRC and may reflect factors and considerations other than, or that may differ from, the information and recommendations provided by consultants.

C. Executive Compensation

Central 1's compensation philosophy is designed to attract, retain and motivate high-performing employees needed to deliver Central 1's products and services to its member credit unions and to their members. Central 1 believes the compensation an executive receives should be aligned to the contribution he or she makes to the overall short- and long-term objectives of Central 1.

Central 1's compensation program is designed with three objectives:



The executive compensation program, which is applicable to the NEOs, contains a mix of cash compensation and non-cash benefits. The components of the executive compensation program are summarized in the section that follows below.

Other than as set out in this Statement of Executive Compensation, (i) no significant changes to Central 1's compensation policies were made during or after the most recently completed financial year that could or will have an effect on any director or NEO compensation and (ii) no significant events occurred during the most recently completed financial year that have significantly affected compensation for any NEO (including any waiver or change to any performance criterion or goal).

Executive Compensation Overview

Central 1 seeks a balance between establishing cash compensation (both base salary and at-risk incentive pay) to attract qualified people from the financial and non-financial community and providing non-cash benefits commensurate with those in the designated market. Overall, the executive compensation program is primarily cash-based. Central 1 does not grant options, stock appreciation rights, shares, units or other compensation securities as part of its compensation framework and has no outstanding equity compensation plans.

Cash Compensation Component	Description	Compensation Type
A. Base Salary	Provides executives with fixed compensation	Cash
B. Short Term Incentive Plan Compensation	Variable compensation that rewards the executives for their achievement of the performance objectives established by the Board	Cash
C. Long Term Incentive Plan	Variable compensation that rewards the specific executives for their achievement of the performance objectives established by the Board	Cash
D. Perquisite Allowance	Provides the executives with market competitive perquisites	Vacation allowance, car allowance, car maintenance, and parking benefits
Non-Cash Component	Compensation Description	Compensation Type
E. Benefits	Promote the executive's general wellness and preventative care	Central 1 paid health benefits, time off with pay, and access to an executive medical program
	Support executives to stay connected to his or her profession or industry	Membership and association fees
F. Retirement Plans	Assist the executives to build retirement income during his or her working years	Group RRSP, RPP and SERP

A. Base Salary

Base salary for executives, including the NEOs, is determined at the beginning of each year in line with the executive's individual performance and the median level of compensation for his or her position in the designated market. The designated market for Central 1 is a blend of two peer groups, 1) Credit Union System & Crown corporations and 2) Broader Private Sector Market organizations.

B. Short Term Incentive Plan (STIP) Compensation

Central 1 has a short-term variable incentive program that is designed to reward the achievement of performance objectives in the short term by providing a cash incentive.

The Board determines the target and maximum incentive payments framework for the executive management team, including the NEOs. The table below defines the target and maximum incentive payments for the NEOs. These targets are a percentage of base salary and are calculated based on actual earnings in the year.

	Target Incentive Payment % of Base Salary	Maximum Incentive Payment (150% of target)
Sheila Vokey, President & CEO	70%	105%
Brian Li, Acting Chief Financial Officer	35%	52.5%
Brent Clode, Chief Investment Officer	75%	112.5%

Due to the strategic nature of the position of the President & CEO and executives, including the NEOs, a higher percentage of their 'at risk pay' under the STIP is aligned with the achievement of the corporate performance metrics as outlined in the table below.

Collective Weighting		
Roles	Corporate Performance Metrics	Individual Performance Metrics
President & CEO and Executives	70%	30%

Corporate performance is measured on the following core elements including Financial/Operational Performance, Client Satisfaction and Strategic Initiatives.

For each element, the Board pre-established targets and the NEOs' performance is measured relative to these targets. Metrics were established for the 2022 year. The Corporate metrics apply to all employees including the President & CEO and executives, including the NEOs.

2022 Short Term Incentive Corporate Metrics

Metric	Measure ⁽¹⁾	Target	Weighting
Financial/Operational	Operating Income	\$177M	15%
	Operating Expenses	(\$153M)	15%
	Operating and Investment Ratio	120% Revised 111%	15%
Client Satisfaction	Net Promoter Score	Increase by 3 points	15%
	Client Satisfaction Score	75-85%	10%
Strategic	Forge 2.0	All Backbase use terminated in Q2 2022 Achieve 129 implementations by December 31, 2022 All target roadmap items are completed by October 31, 2022	10%
	Payments	Successful implementation of Fiserv platform and onboarding of clients prior to October 31 Industry freeze period. Interac e-Transfer for business. Receive implementations equivalent to 35% of e-transfer payments volume by December 31, 2022, or as agreed to with Interac.	10%
	Fit for Future	Complete key program initiatives by year end; and achieve \$5M in gross savings	5%
	Culture Review	Planning and implementation plan completed in Q2; and two areas of culture have substantially shifted.	5%

(1) Central 1 uses a number of financial measures and ratios to assess overall performance. Some of these measures do not have a standardized definition prescribed by Generally Accepted Accounting Principles (GAAP) and might not be comparable to similar measures presented by other companies.

The program is based on a threshold or minimum level of performance for each measure which must be achieved before any incentive payout is received. Performance below the threshold for a particular measure will result in no payout for that measure. Once the threshold is reached for a particular measure, the measure will receive 50 percent of its weighting.

Target performance will result in a payment of 100 percent of the weighting for that measure. The maximum performance level represents a stretch which should be achievable approximately 20 percent of the time and is worth 150 percent of the weighting for that measure. The maximum performance level for each measure is limited to a maximum of 150 percent.

The program is designed to ensure that unnecessary risks are not encouraged through taking a balanced approach including member satisfaction and limits paid out for each measure.

Risk Modifier:

As per a requirement identified in BC Financial Services Authority (FSRA)'s 2020 Supervisory Review Governance at Central 1, a high-level process to ensure alignment between performance assessments and the quality of risk management practices was introduced in 2021. Led by the Chief Risk Officer (CRO), the process will include the review of data on Key Risk Factors. This process will apply only to a smaller subset of employees identified as Senior Officer and Material Risk Takers including the President & CEO and executives, including the NEOs. If deemed appropriate the CRO recommends adjustments to compensation and in discussion with the CEO, the Board approves a decision to adjust compensation based on the review of the Key Risk Factors.

Clawback Policy:

The Board has approved a Clawback Policy which provides for the recoupment of certain compensation to senior management in the event of material noncompliance with applicable laws. This applies to incentive compensation that is approved, awarded or granted to covered persons (including all of the NEOs other than the Acting CFO) pursuant to STIP and LTIP (defined below).

C. Long Term Incentive Plan (LTIP)

Central 1 has a long-term incentive program to direct and reward specific executives to longer term strategic success. This is complemented with the short-term incentive program which is designed to direct and reward the in-year operationalization of the strategy.

Each year, a new 3-year LTIP cycle is created with defined metrics. Targets are either set over the same 3-year period, or set for the first year of the cycle, and adjusted for subsequent years, depending on the prior year results.

2022 LTIP Framework

Based on a review of the STIP and LTIP Design in 2020 with an external consultant, the following changes were made to the LTIP framework:

- LTIP awards granted at the beginning of fiscal year (FY) 2022 will vest equally at the end of FY2022, FY2023 and FY2024, based on the 1, 2, and 3-year performance periods, respectively.
- Targets/shoulders for each performance period were set at the beginning of FY2022

The President and CEO and all executives (including all NEOs other than the Acting CFO), were made eligible for LTIP in 2021 with varying target %'s assigned based on their total target direct compensation (salary, short term incentive and long-term incentive).

2022 Long Term Incentive Corporate Metrics

Metric	Measure ⁽¹⁾	2022 Target	Weighting
Financial/Operational	Return on Equity – 3-year average	-3% to -2%	60%
Client	Net Promoter Score – 3-year average	Increase from 2021 blended score of 3 points	20%
OHI	Organizational Health Index	65-70	20%

(1) Central 1 uses a number of financial measures and ratios to assess overall performance. Some of these measures do not have a standardized definition prescribed by Generally Accepted Accounting Principles (GAAP) and might not be comparable to similar measures presented by other companies.

Each cycle has an on target earning potential which differs for each NEO with a minimum payout of 0% and a maximum payout of 150%.

	LTIP Target Incentive Payment % of Base Salary	LTIP Maximum Incentive Payment (150% of target)
Sheila Vokey, President & CEO	85%	127.5%
Brian Li, Acting Chief Financial Officer ⁽¹⁾	Not eligible	Not eligible
Brent Clode, Chief Investment Officer	60%	90%

(1) Brian Li is not eligible for the LTIP.

Neither Central 1's short term incentive plan nor long-term incentive plan is approved by shareholders.

1. President & CEO Incentive

The Board establishes the performance objectives for the President & CEO. The Board reviews the performance of the President & CEO at the end of each year and its evaluation determines the amount of incentive compensation that is awarded to the President & CEO. The 2022 performance objectives included a combination of corporate performance and individual performance metrics as set out below.

President & CEO Corporate Performance Metric

The 2022 Short Term Incentive Corporate metrics (described in the 2022 Short Term Incentive Corporate Metrics table above) apply to all employees including the President & CEO and executives, including the NEOs.

The 2022 Long Term Incentive metrics (described in the 2022 Long Term Incentive Corporate Metrics table above) apply to the President & CEO and permanent executives (including all of the NEOs other than the Acting CFO).

President & CEO Individual Performance Metric

The Board sets and assesses the individual performance for the President & CEO, which is applicable to the Short-Term Incentive Plan. The measures of success are assessed through both qualitative and quantitative measures with a similar minimum-maximum payment framework of 0 - 150 percent.

Measure	Scale
Superior	140%-150%
Exceeded	110%-139%
Achieved	100-109%
Partially Achieved	50-99%
Not Met	0%

Sheila Vokey

In the role of President and CEO, Ms. Vokey was responsible for providing enterprise leadership to Central 1, its members and clients. With accountability to the Board of Directors, she had three areas of focus as it relates to the sustainable success of Central 1. Key achievements under Ms. Vokey's leadership included the development of a comprehensive strategic plan for 2023-2024 to strengthen C1's delivery of quality products and services essential to the system, enhancements to solidify the enterprise, and strengthen relationships with stakeholders. In this respect, she put in place a new executive leadership structure and team, made significant progress in revamping our client engagement model and moved forward on our commitment to operational excellence.

All achievements falling under the prioritized focus of: 1) Strategy (30%), 2) Organization Stabilization (30%), and 3) External Relations (40%).

The total payout of the STI and LTI of the President & CEO for 2022 and the weighting of corporate and individual performance within each plan is summarized in the table below:

Interim President and CEO's Incentive		
Name	Performance	Weighting
Sheila Vokey	Short Term Incentive Plan Corporate Performance	70%
	Short Term Incentive Plan Individual Performance	30%
	Long Term Incentive Plan Corporate Performance	100%
	Total Payout \$887,492	

(1) Short term Incentive earned for 2022 is paid in 2023 to NEOs that are employed on the incentive payment date (April 12th in 2023). LTIP amounts included in this amount were vested in 2022 and paid the following year to NEOs that are employed on the incentive payment date (April 12th in 2023)

2. Executive Management Incentive Compensation

The remaining NEOs are also included in Central 1's short-term variable incentive program that is developed by the Board. The program measures corporate and individual performance, with the amount of the incentive being a combination of the two. All of the NEOs other than the Acting CFO are included in Central 1's Long Term Incentive Program'

Executive Management – Corporate Performance Metric

The 2022 Short Term Incentive Corporate metrics (described in the 2022 Short Term Incentive Corporate Metrics table above) apply to all employees including the President & CEO and executives, including the NEOs.

The 2022 Long Term Incentive metrics (described in the 2022 Long Term Incentive Corporate Metrics table above) apply to the President & CEO and executives (including all of the NEOs other than the Acting CFO).

Executive Management – Individual Performance Metric

Each year, individual performance priorities are jointly established by the President & CEO and each executive, including the remaining NEOs, which are applicable to the Short-Term Incentive Plan. These priorities and metrics vary depending on the executive's role. The measures of success are assessed through both qualitative and quantitative measures.

The remaining NEOs' individual performance metrics, along with the weight assigned to each individual performance metric.

Brian Li
Support Strategy Development and Financial Leadership (20%) Capital Rule Changes (30%) Strengthening Systems and Processes (50%)
Brent Clode
Management and Completion of Key Treasury Deliverables (30%) Treasury Management (40%) Strategic Projects (30%)

The overall payout of the STI and LTI of the remaining NEOs and the weighting of corporate and individual performance within each plan is summarized in the table below:

Named Executive Officer's Incentive		
Name	Performance	Weighting
Brian Li	Short Term Incentive Plan Corporate Performance	70%
	Short Term Incentive Plan Individual Performance	30%
	Long Term Incentive Plan Corporate Performance	Not Eligible
	Total Payout \$81,067	
Brent Clode	Short Term Incentive Plan Corporate Performance	70%
	Short Term Incentive Plan Individual Performance	30%
	Long Term Incentive Plan Corporate Performance	100%
	Total Payout \$505,032	

D. Perquisite Allowance

Central 1 offers a market competitive perquisite program, including a car allowance, to the NEOs and other executives.

E. Benefits

Non-cash benefits include employer-paid benefits, time off with pay, membership and association fees, pension plan contributions and benefits, Supplemental Executive Retirement Plan (**SERP**) benefits, and access to an executive medical program.

Non-cash benefits are provided at a level equal to, and in some cases greater than, those prevailing in the credit union system to ensure that Central 1's benefits remain competitive.

F. Retirement Plan

Retirement benefits are considered an integral part of total compensation. Central 1 sponsors a group BC registered retirement savings plan (the **Group RRSP**), a Registered Pension Plan (**RPP**) in Ontario and a defined benefit pension plan (**Defined Benefit Pension Plan**) for its salaried employees. All executives, including the NEOs, participate in one of Central 1's retirement plans. The directors of Central 1 are not permitted to participate in Central 1's retirement plans. The Defined Benefit Pension Plan is still in place but is now closed to new employees who are hired after January 1, 2011, and none of NEO's participate in this plan. In addition to the Group RRSP, RPP and the Defined Benefit Pension Plan, Central 1 offers a Supplemental Executive Retirement Plan to NEOs who are affected by the RRSP contribution limits or RPP money purchase limits imposed under the *Income Tax Act* (Canada) (**ITA**).

1. Group Registered Retirement Savings Plan

The Group RRSP provides a retirement benefit based on employee and employer contributions that are accumulated with investment earnings. Under the Group RRSP, employees may make mandatory contributions to the plan and Central 1 matches the employees' contributions, up to six percent. Employees who participate in the plan direct their own investments within the plan.

All Central 1 contribution to the Group RRSP vest immediately. If the employee terminates employment with Central 1, he or she may transfer the accumulated contributions and investment income to another registered plan; take the funds as taxable cash; or use the funds to purchase an annuity or retirement income fund. If the employee dies while employed, the contributions and investment income will be payable to his or her named beneficiary or the employee's estate if no beneficiary was named.

The normal retirement age under the plan is 65 however an employee may retire early at 55. The amount of retirement income that an employee will receive under the plan will depend on when the employee retires and the amount the employee accumulated in his or her account.

Ms. Vokey, Mr. Li participate in the Group Registered Retirement Savings Plan.

2. Registered Pension Plan

The Registered Pension Plan (RPP) in Ontario also provides a retirement benefit based on employee and employer contributions that are accumulated with investment earnings. Under the RPP, employees may make mandatory contributions and Central 1 matches the employees' contributions, up to six percent. Employees who participate in the plan direct their own investments within the plan.

All Central 1 contributions to the RPP vest immediately. If the employee terminates employment with Central 1, he or she may transfer the accumulated contributions and investment income to another locked-in RRSP (LIRA), to registered plan of a new employer as a locked-in amount (if that plan allows), to a Life Income Fund or buy an annuity from a life insurance company starting any time after age 55. If the employee dies while employed, the contributions and investment income will be payable to his or her named beneficiary or the employee's estate if no beneficiary was named.

The normal retirement age under the plan is 65 however an employee may retire early at 55. The amount of retirement income that an employee will receive under the plan will depend on when the employee retires and the amount the employee accumulated in his or her account.

Mr. B. Clode participates in the Registered Pension Plan.

Supplemental Executive Retirement Plan

Since the ITA imposes maximum limits on benefits provided under RRSPs and RPPs, Central 1 provides a SERP to all executives, (including the NEOs other than the Acting CFO), who are impacted by these limits. The SERP enables these employees to receive the benefit that they would have received if the ITA limits were not imposed on the registered plans.

The SERP is administered as an unfunded non-registered pension plan with two divisions, defined benefit and defined contribution, and is secured through a letter of credit.

Central 1 offers the SERP Defined Contribution Pension Plan to executives who participate in the Group RRSP or the RPP. The pension under the SERP Defined Contribution Pension Plan is determined based on the following provisions:

Contribution Formula	Central 1 makes notional contribution to the plan member's account equal to 6% of the plan members' earnings less amounts contributed on behalf of the plan members to the Group RRSP or RPP i) A plan member is neither required nor permitted to make contributions to the plan
Pension Payment	Amount credited to the plan member's notional account up to the plan member's retirement date, termination date, or death
Calculation of Interest Credited	The notional rate of return is equal to the Consumer Price Index (CPI) change plus 3% per annum

	i) The consumer price index change is the CPI in the year of the anniversary date divided by CPI in the year prior to the year of the anniversary date minus 1 a) CPI is determined using the 12 months average of the CPI for Canada ending in October
Retirement or Termination	A plan member receives benefits under the plan when he or she retires, ceases to be employed by Central 1, or dies before payment of any benefits under the plan i) All benefits under the plan are made to the plan member in a single lump sum payment a) At the discretion of the HRC, a plan member that retires or ceases to be employed by Central 1 may be provided with an option to receive the benefit over a fixed term in periodic payments

The earnings used to calculate the contribution is the plan member's total base pay plus 50 percent of the regular annual bonus payments. A plan member's earnings do not include taxable benefits; lump sum payments on termination of employment, such as vacation pay, sick leave, or severance pay; and any extraordinary payments.

The table below sets out information regarding the defined contribution plans applicable to the NEOs, being the Group RRSP (including SERP other than in the case of Mr. Li) for Ms. Vokey and Mr. Li and the RPP (including SERP) for Mr. B. Clode.

Defined Contribution Plan			
Name	Accumulated Value at Start of Year	Compensatory	Accumulated Value at Year end
Sheila Vokey	101,335	39,344	151,740
Brian Li ⁽¹⁾	165,485	16,986	174,679
Brent Clode	348,782	34,343	379,804

(1) Brian Li is not eligible for SERP.

About Central 1's Director Compensation

The Board of Central 1 represents its members and provides critical stewardship through guidance and oversight. Central 1 believes that better boards produce better results, and that better boards are made up of dedicated and competent members. Central 1's directors must possess the skills and expertise relevant to Central 1's strategic initiatives in an increasingly complex environment. Directors spend considerable time and effort carrying out their duties with due care and diligence.

Central 1 provides financial, digital banking products, payment processing solutions and direct banking services, as well as leadership and advocacy to its members. It is important that it attracts and retains directors with the appropriate experience, skills and expertise to provide the oversight required to help Central 1 achieve current and future goals. Appropriate compensation is a component of ensuring that Central 1's Board attracts qualified candidates.

Central 1's philosophy is to provide director remuneration, subject to the limits set by the members of Central 1 by resolution, at approximately the 50th percentile of director compensation for comparable entities as that group is determined from time to time by the Board giving due consideration to the qualifications, liability, experience and involvement in value-added decision making commensurate with Central 1's size, complexity and functions.

The Conduct Review and Corporate Governance Committee reviews director compensation at least triennially.

Annual Retainers and Meeting Fees

Central 1's members may approve by resolution at an annual general meeting an aggregate amount that is available for compensation of directors and committee members. Currently, the aggregate amount that is available for the compensation of directors is \$800,000. Central 1's members have given the authority to the Board to allocate and distribute this amount.

In 2022, the Board's compensation was determined as follows:

Content	2022
Annual Director Retainer (except Chair)	\$18,000
Annual Chair Retainer	\$45,000
Annual Vice Chair Retainer	\$24,000
Committee Chair (other than the Chair of the Audit and Finance Committee or the Risk Review & Investment and Loan Committee)	\$6,000
Chair of the Audit and Finance Committee and Risk Review & Investment and Loan Committee	\$12,000
AGM/Special Meeting Fee	\$0
Board and Committee Meeting Fee	Meetings equal to or less than 4 hours: \$500 Meetings more than 4 hours: \$800
Per Diem Fees for Central 1 business events or functions, etc.	Meetings equal to or less than 4 hours: \$500 Meetings more than 4 hours: \$800
Per Diem for Travel Time	For travel less than 4 hours: \$0 For travel 4 hours or more: \$500
Reasonable Expenses for Meetings and Business Events	Actual
Expenses for Spousal/Companion Event	\$0
Technology Allowance To support the purchase of personal computer equipment (e.g., iPad or other handheld technology necessary to assist the director in carrying out his or her duties to Central 1	Up to \$1,500 per 3-year term
For basic voice/data plan For costs incurred in relation to internet connection and email address	Up to \$75/month