



BCU Incentive Award

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CONNECTING ANNUAL PERFORMANCE WITH REWARDS

Our Purpose at BCU is Empowering People To Discover Financial Freedom.

Just as we strive to empower our members, BCU works to provide our employees with this same opportunity.

The BCU Incentive Award program rewards the financial success we can achieve together in pursuit of our purpose.

The program is designed to:

- Provide a strong link between company performance and compensation;
- Reward each participant for their role in achieving key business objectives;
- Recognize individual performance; and
- Attract and retain exceptional employees.

This brochure details the BCU Incentive Award and is not an actual plan document. For more details, contact BCU Human Resources.



Our Shared Values help unify our culture:

We foster an environment of **INCLUSION**

We act with **INTEGRITY**

We display **COURAGE** in our convictions

We excel through **COLLABORATION**

We **WOW** our Members

A VALUABLE PART OF YOUR COMPENSATION

The BCU Incentive Award is a Discretionary Cash Award payable annually at the CEO's discretion. It is a form of "variable pay." The amount you receive can change from year to year, based on annual business performance and your individual performance.

PARTICIPATION

Participation in the BCU Incentive Award is based on your job and level within BCU's organizational structure. The BCU Incentive Award performance year is effective January 1 through December 31. To receive a payout, you must be an active employee as of the payout date (typically in February of the year following the performance year) and have been in a BCU Incentive Award eligible role as of November 16 of the performance year. Employees hired after November 16 of the performance year are not eligible for the BCU Incentive Award for that year because their contribution was not a sufficient number of months to affect the year's overall performance. Employees on temporary leave will remain eligible to participate in the BCU Incentive Award while on leave. New hires or those who move from a Department Incentive to the BCU Incentive Award after November 16 will be eligible for the BCU Incentive Award the following year. Employees promoted to an MICP eligible role or who change to a Department Incentive eligible role will be eligible to participate in the BCU Incentive Award on a prorated basis for the number of days they were eligible.



YOUR BCU INCENTIVE AWARD

Your annual BCU Incentive Award payout is expressed as a percentage of your base salary as of November 16 or the date which you were last eligible for this award during the year. Your award is based on both overall BCU performance and your individual performance, as assessed by your manager.

YOUR TARGET AWARD AMOUNT

Your target award amount is a percentage of your annual base salary during the performance year. The BCU Incentive Award will pay out at 5.0% of your base salary when BCU achieves our business goals. BCU Incentive Award payments can vary and are discretionary based on the CEO's determination. In Q1 of each year, you will receive a management communication, detailing BCU's performance and your BCU Incentive Award (if payable) for the most recent performance year.



BCU'S BUSINESS PERFORMANCE

At BCU we are focused on achieving and rewarding high performance, which includes strong financial performance and extraordinary member experiences. Achieving these goals increases the pool of funds available for the BCU Incentive Award payouts. Each year, BCU sets financial performance expectations for the business. Business results are calculated based on actual performance compared to the predetermined plan metrics.

The BCU Incentive Award performance metrics are communicated annually and reflect an important balance between achieving strong financial performance, driving member engagement and loyalty, and offering a competitive and valuable suite of products and services that results in quality membership growth.

Payout Levels Can Vary Based on Performance

Example: Payout levels assuming a \$40,000 base salary





YOUR INDIVIDUAL PERFORMANCE

Your individual performance is an important factor in determining your BCU Incentive Award. Each year, your manager will assess your performance regarding the BCU Incentive Award.

Your manager considers:

- Your achievement of individual performance goals;
- The success of your broader team;
- Your progress on your individual development plan; and
- Your demonstration of the BCU Shared Values and key behaviors.

Your manager will discuss your performance with you on an ongoing basis, including the impact your performance had on your BCU Incentive Award. Individuals with poor performance will receive a reduced payout or possibly no payout. BCU also reserves the right to adjust payments for scheduled hour changes or make any other payout changes deemed necessary to ensure payouts reflect the individual contribution for the year.

EXAMPLE: PAYOUT CALCULATION

Here is an example of how the awards would be determined for an individual participant. In this example, we will assume:

1. The target award is \$2,000 (annual base salary is \$40,000 and target award is 5.0% of salary – $\$40,000 \times 0.050 = \$2,000$.)
2. The business performance exceeded expectations, and the CEO decides to fund BCU Incentive Awards.
3. Your Manager's assessment of your individual performance for the year allows your participation in the award at 100%.

Your actual BCU Incentive award is \$2,000 or 100% of your target.



YOUR AWARD

BCU Incentive Awards are paid following the end of the performance year. Payouts are generally made by the end of February of the year following the performance year. For details on payout timing for a given year, contact Human Resources. Thank you for your commitment to BCU and for your contributions to our shared success.