

2020  
Annual Report

conexus

conexus  
Credit Union



Shaundra, Corporate Services

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# Annual Report Contents

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**Note:** Visit [conexus.ca](http://conexus.ca) to view the consolidated financial statements and management discussion and analysis.

# Message from the Board Chair

Conexus' purpose and values are central to who we are, it permeates every aspect of the organization. From strategic transformation, to the relationships that employees build with members every single day, improving our members' financial well-being is our sole purpose.

Conexus is a member-owned co-operative that supports its members with personal, business, and agricultural financial services. We are committed to being here to serve and support our 131,000+ members across Saskatchewan wherever life takes them and well into the future.

2020 was a year of unpredictability, resilience and determination. As COVID-19 continues to impact our daily lives, I'm proud of how Conexus has continued to be focused on its purpose. Despite the pandemic, the Conexus Financial Health Indicator metric (a score used to measure financial health and well-being of our members) not only increased but exceeded expectations, a clear sign that the Conexus team didn't waiver in their commitment to our members. The ultimate goal is to empower our members' financial well-being through simple and personalized experiences.

While we want to recognize the holistic successes, we also know it has been a difficult year for some of our members, and the recovery process will be unique for each member. Conexus will continue to be here with the same unwavering support for our members as we were before, during and after COVID-19.

The co-operative values are alive and well at Conexus. A special thank you to the team at Conexus, who demonstrated creativity, courage and care throughout the year. Their response to COVID-19 and ability to come together and serve our members, while also dealing with the strain from a rapidly changing industry was inspiring.

Financial well-being isn't just about being there for our members' banking needs, but to be there for our communities as well. Though it was a challenging year, we were still able to reach out and support our Saskatchewan communities. In 2020, we invested over \$1.5 million to support non-profit and charitable organizations across Saskatchewan. This includes investing in financial literacy programs, and commitments that address the basic human needs of education, food, shelter, and health services. To read more about these partnerships and our investment in Saskatchewan, please head to pages 22 to 25 in the annual report.

You, our members, have entrusted the board to oversee the credit union and we will continue to do so to ensure that Conexus meets the needs of its members – both today and well into the future.

2021 is a year full of possibilities, and on behalf of the board, we thank you for your continued trust in us as the voice of our membership, to lead our credit union into the future. We truly wish you health and financial wellness in the coming year.



A handwritten signature in black ink, which appears to read 'Joel Mowchenko'. The signature is fluid and cursive, written over a white background.

Sincerely,  
Joel Mowchenko  
Chair, Conexus Board of Directors

# Message from the CEO

2020 was a year that will not soon be forgotten. It'll forever be a year shadowed by COVID-19, but it also showed the tenacity and powerful determination of people and communities who came together during a difficult time.

Financial institutions were designated a critical service to keeping society and the economy running. We didn't take this designation lightly but moved forward with the thoughtfulness and understanding needed by our members. We found creative solutions to make sure we continued to focus on what sets us apart, finding ways to support our communities and improve the financial well-being of our members.

New protocols were introduced at all Conexus locations with a digital first approach, focused on keeping our members and employees healthy and well. I'm humbled and proud by the swift action of the Conexus team to provide additional in-person support at branches, necessary cleaning and protective gear, rolling out new processes for deposits, electronic signatures and so much more.

While we ensured our physical locations were safe to visit, we helped personal, business and agriculture members access assistance programs through Conexus and those made available by the Federal Government. Many businesses had to change direction overnight, reinventing in real time, and we were there to support them.

One of the new Federal Government assistance programs included the Canada Emergency

Business Account (CEBA). Conexus received administration revenue for helping our members access the program and we used that revenue to create the Conexus Kindness Capital Fund. In a time when so many felt uncertainty, Saskatchewan's residents' first instinct was to help others. Through this initiative, we awarded \$5,000 to 42 deserving recipients across Saskatchewan, to recognize their acts of kindness and to help them continue their good deeds, re-investing \$210,000 back into Saskatchewan communities.

Over the past year we continued our commitments to help grow Saskatchewan startups through both Cultivator, a business incubator powered by Conexus and our venture capital fund. Small and medium sized businesses are the backbone of a strong economy. We believe that investing into new and emerging businesses is the path to grow a more local, sustainable economy for the future of Saskatchewan and is so important to the economic recovery from the pandemic.

Through Cultivator and the Conexus Venture Capital (CVC) Inc. we've witnessed significant growth in Saskatchewan's tech ecosystem, and experienced an exciting first for Conexus. ServiceBox, a Regina-based startup, and one of the first startups to go

through Cultivator programming, announced the close of a \$600K seed round investment, led by our CVC Inc. This is the first Cultivator startup to receive a CVC Inc. investment. You can read more great highlights from Cultivator on page 19 and Conexus Venture Capital Inc. on page 20.

Another milestone in 2020 was the opening of our new head office, which includes several new community features and amenities such as Slice Café, locally owned by Aimee Schulhauser. A revitalized College Avenue Campus was always the goal of our partnership with the University of Regina and we are very close to seeing that vision come to life with the opening of Darke Hall in the near future. Soon after the pandemic subsides, College Avenue will return to the cultural and educational hub of our community that it was always meant to be.

Through all the challenges and highlights in 2020, at Conexus we will always stay committed to you, our members, and our communities. In 2021, we will move onward and upward together.



A handwritten signature in black ink, appearing to read 'Eric Dillon', written over a white background.

Eric Dillon  
Chief Executive Officer  
Conexus Credit Union

# Who We Are

We're a forward-thinking, Saskatchewan-based credit union committed to our members and their financial well-being.

We're Saskatchewan's largest credit union with 30 branches and over 900 employees across the province. In 2020, we managed \$8.99 billion in total funds and delivered personalized banking services to over 131,000 individuals, small and medium-sized commercial and agriculture business members.

## Our Purpose

At Conexus we are passionate about our purpose: **To improve the financial well-being of our members and communities.**

## Our Promise

We're all about our members – ensuring their financial well-being drives everything we do. That's not just something we say on our website, it's a promise. A promise that's delivered by over 900 employees across Saskatchewan.

## Our Values

Our values are the behaviours we demonstrate when we deliver our purpose and promise.



*Be Authentic* – we create open and trusting relationships through communication, empathy and deep respect for all people inside and outside Conexus.



*Be Bold & Creative* – we act with courage, curiosity and are willing to challenge the status quo to create new ways to grow our credit union, members and each other.



*Be Responsible* – we are accountable for our actions and are good stewards of our members' resources. As stewards, we are careful and responsible managers of what has been entrusted to our care.



Over **\$1.5 M**  
invested back into  
Saskatchewan communities

**55** initiatives supported  
through our Community  
Investment Program



**3,400**  
net new members

**131,000**  
members served



**900+**  
employees

**\$8.99B**  
in funds managed



## Awards and Recognition

Receiving awards and recognition help confirm we're on the right track in delivering our purpose and the difference we're making in our communities. In 2020, we were honoured to receive several local and national awards, including:

- 2020 Surviscor Best Customer Service Experience Award, ranking #1 amongst Canadian digital banking firms
- Canadian Credit Union Association – Community Economic Development Award for our Sweet Dreams Project
- Future for Good - A Canada Top 100 Recovery Project for our Conexus Kindness Capital Fund
- Regina Prairie Dog Best Credit Union Branch – Crossing Branch
- The Humboldt and District Chamber of Commerce's Mark of Excellence Community Involvement Award
- One of Saskatchewan's Top 100 Companies in 2020 (Sunrise Publishing)



Ebony, Personal Banking

## Credit Union Deposit Guarantee Corporation

*Deposits Fully Guaranteed*

Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The Corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are considered Provincially Regulated Financial Institutions or "PRFIs". The Corporation is mandated through provincial legislation, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016* in performing its duties.

Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to confidence in Saskatchewan PRFIs.

For more information about the Corporation's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at [www.cudgc.sk.ca](http://www.cudgc.sk.ca).



# Member First

Financial Health  
+ Financial Wellness  

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Financial Well-Being

Financial health is the behaviours and habits that support you in reaching your financial goals.

Financial wellness is the emotional connection to your money and how confident, secure, and satisfied you feel.

## Measuring Financial Well-Being

For us, financial well-being isn't just a statement, but a formula we live by that challenges us to bring our very best. We've gone all-in on this concept and it's a primary measure on our balanced scorecard and the primary method for measuring financial advisor success. When our members succeed, we succeed.

Our proprietary Financial Health Indicator (FHI) allows us to measure our members' financial well-being by looking at nine specific drivers that lead to improved financial well-being:

1. Spending so that I have something left at the end of the month
2. Access to \$2,000 emergency fund
3. Not going overdrawn in the past year
4. Savings to cover 3 months expenses
5. Have financial ability to save 10% in the month at least once a quarter
6. Transferring money into a savings account at least once a quarter
7. Effectively managing my debt
8. Diverse savings vehicles to support medium and long-term financial goals
9. Working towards saving for retirement

## Improving Our Members' Financial Well-Being

In 2020, we soft-launched Balanced, a tool that provides insights into our members' financial behaviours. A pilot group of 30 members is actively using the tool, providing feedback and helping guide what features get developed next.

We also launched What is Advice, an initiative helping us to understand our members better. This includes identifying challenges and barriers that prevent our members from reaching out to us for advice, preferred communication methods, and more. Through this initiative, we'll be able to design and test experiences that align with our vision and explore how we can provide meaningful advice to support and empower all of our members, including Saskatchewan's underserved and unbanked communities.



Michaela and Janelle, Conexus Members

## Supporting our Members Through COVID-19

Throughout the COVID-19 pandemic, our commitment to our members stayed strong. We were dedicated to helping our members and communities navigate through uncertainties and being a key support in reducing any financial stress they were experiencing. We continued to provide a critical service to our members and communities when they needed it most.

Doing our part to reduce the spread of COVID-19, and keeping our employees, members, and communities healthy and well, we introduced new protocols at all Conexus locations with a digital-first approach. We reduced our branch hours, shifted when necessary to 100 percent virtual advice appointments, and increased our Member Contact Centre (MCC) capacity. By deploying employees to our MCC to help with the increase in call volumes, we were able to quickly help our members when they needed us and kept our average MCC times to less than one minute.

As 2020 was a difficult year financially for many, we worked with our members directly to understand their financial situation and provided solutions to meet their individual needs whether personal, business or agriculture, including options to skip or defer payments.

### Helping Our Business Members

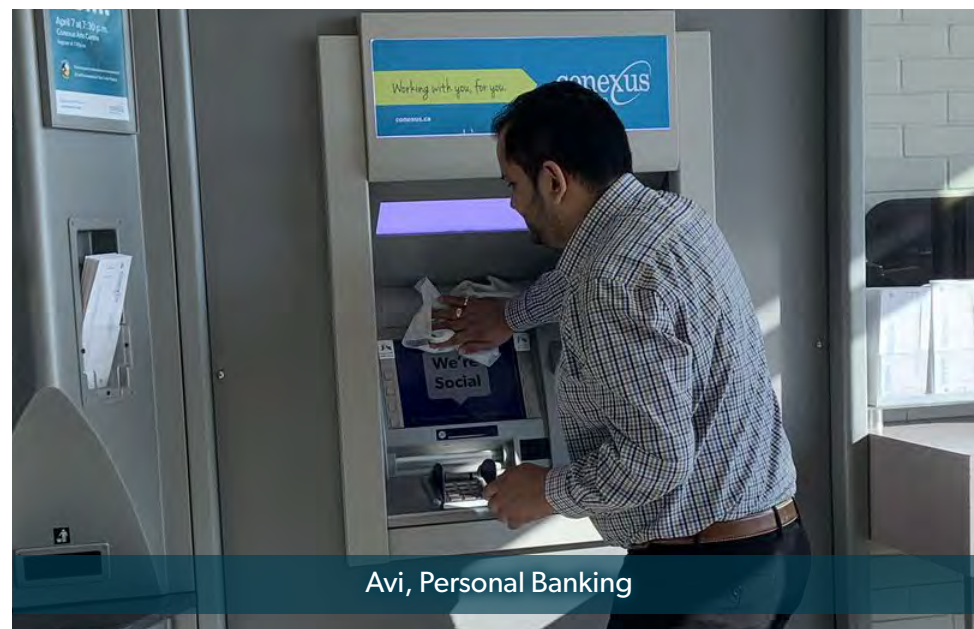
We understand the worry our members may experience, especially as it relates to money. We know that each business is unique, and challenges may be complex.

We provided numerous supports to our business members throughout the pandemic, including being one of the first credit unions to administer the Canada Emergency Benefit Account (CEBA) federal loan program. Since COVID-19 began, we've supported over 3,000 Saskatchewan businesses – 12 percent of all Saskatchewan small businesses who applied for CEBA – and provided over \$92.21 million. Using the administration revenue generated

from delivering the CEBA federal loan program to our members, we created the Conexus Kindness Capital Fund, re-investing \$210,000 back into our community and recognizing acts of kindness across Saskatchewan.

We're continually monitoring all financial relief programs provided by the federal and provincial governments and provide up-to-date information to our members. This includes the creation of a Business Government Funding Centre of Excellence allowing our members to call in and speak to an advisor about the different programs and supports available to them. A team of eight advisors is there to answer all pandemic business relief questions including, available supports (Conexus or government), how to apply, what documentation is needed to apply, where to find more information, and more.

We were there for our members before COVID-19, during COVID-19 and we will continue to be there to support them after COVID-19.



Avi, Personal Banking





Member Experience NOVUS Team, Corporate Services

## The NOVUS Way

To be ready for the future, we need to change how we're doing things today and that includes how we solve business problems and improve our processes. We created a new approach to work, called NOVUS, using human-centred design, agility, and lean startup methodologies, designed to help reimagine the credit union of the future.

In 2020, we had several teams working to tackle various business problems including member experience and preferences, and processes. Though COVID-19 shifted us to work differently, our work carried on with little impact. In-person collaboration shifted to virtual and we were more deliberate in "accidental" collisions by reaching out to people to have the virtual conversations that normally would have taken place by the water cooler, in the lunchroom, etc.

## Prairie Payments Initiative

The payment landscape around the globe is changing rapidly where new market entrants and fintech offerings are creating both opportunities and challenges for credit unions. Credit unions must evolve and that means looking for strategic partnerships and modernized approaches to business to keep up with the rapid pace of change in payments.

Our Prairie Payments Initiative is about prairie centrals and credit unions coming together to find a solution to transform our payments processing infrastructure. The infrastructure will be efficient, cost-effective, and service the growing demands of our members in the future. It's a multi-phased project that will initially see our payment systems transition to a Payments as a Service (PaaS) model in partnership with IBM. Moving to this PaaS model with IBM will ensure credit unions have a future-ready solution that drives innovation and mitigates the technology and regulatory risk that will characterize our future.

Our first order of business is to understand where we're at with our current state of payments. Looking to the future, we'll examine how we can modernize the payments experience, providing benefits to our members and employees in ways such as speed, efficiency, convenience, and security; all while helping us deliver our purpose of improving the financial well-being of our members and communities.



Stella NOVUS Team, Corporate Services

## Credit Union Dealer Finance Program (CUDF)

CUDF supports western Canadian credit unions with its members' automotive and recreation vehicle needs in over 600 dealerships throughout Manitoba, Saskatchewan, and Alberta. Through this program, our members have quick and easy access to competitive financing and can complete their purchases at their preferred dealership without ever having to go into a branch.

In our efforts to reduce financial stress due to COVID-19, CUDF helped members and dealers across Saskatchewan by offering enhanced repayment options and dealer's financing selections to find the appropriate payment for buyers. At Conexus, we provided many of our dealer finance loan members the option to skip payments for up to six months.

In 2020, Conexus' Dealer Finance team ranked #3 in the *JD Powers 2020 Survey* (measuring Canadian dealer satisfaction) and were the only Canadian credit union to receive such a distinction. At Conexus, we focus on delivering exceptional experiences how and when our members need it, and this recognition confirms this commitment.



Brian and Dana, Thrive Wealth Management

## Thrive Wealth Management

Thrive Wealth Management (Thrive) is a local, credit union company, helping to grow our members' wealth and financial well-being.

Thrive shares the values of the credit union while providing the expertise and professionalism of an accredited team that is vital for investment management. It understands that investing money can be overwhelming and its goal is to simplify this for everyone who walks through their door.

Conexus and Thrive work together as advice-based teams providing our members with financial advice focusing on their future goals, and tailoring solutions unique to them. Through our partnership, our members have a trusted partner in Thrive and can access Thrive for all their wealth services needs including financial planning, wealth management, success and estate planning, and wealth protection.



# Team Conexus

With over 900 employees across the province, our teams work tirelessly in delivering our values and ensuring the financial well-being of our members and communities. They're more than just individuals who come to work each day. Each employee is a vital part of our organization.

## Our Team

Our employees are authentic, bold, creative, and responsible. Delivering an exceptional member experience requires a dedicated and engaged team, which is why we feel the employee experience is important at Conexus.

We incorporate various measures such as personal growth, employee knowledge defined by our members, and employee retention as part of our balanced scorecard. We continue to improve how we measure the experience of our employees, by focusing on the areas that are critical to our transformation.



## Inclusion and Diversity

We're an organization that incorporates inclusion directly into our core values; it isn't something separate. Inclusion and diversity are key elements of our effort to transform our culture as we take a stand against racism and seek inclusion for all minorities.

In 2020, several political and social movements rose across the world, including the Black Lives Matter Movement. We know it isn't enough to be bystanders. We are and will continue to do the work to aid in the fight for inclusiveness and equality, including:

- Holding authentic conversations with our employees about racism and oppression;
- Identifying and providing tools, resources, and training to our employees to end racism and bias of any form; and
- A single contribution of \$10,000 to the Multicultural Council of Saskatchewan to help foster equity and anti-racism education.

We will continue living our values and doing our part as a co-operative organization to raise consciousness in this area, to provide the inclusion all humans are deserving of.

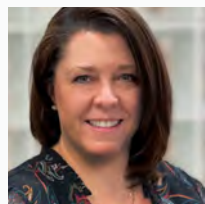
## Learning and Development

The world of banking is changing quickly. We don't want to keep up but instead be the ones to set the pace, and our employees are key in delivering that.

We invest in our employees to ensure their skills and expertise are growing at the same rate that we're redefining banking. We're building leaders that have the skills to not only face today's unique challenges but also tomorrow's challenges and to successfully lead us through our transformation.

By empowering our teams in their learning and development, it increases their ability to deliver an exceptional member experience.

*In 2020, our employees spent over **27,000+** hours advancing their expertise and skillsets.*

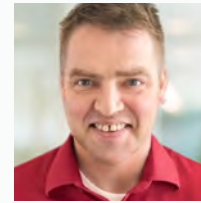


*We are Conexus...*

**Crystal Weal,**

Mentee

"I think it's amazing that Conexus offers this program. Being from a smaller community, I don't get the opportunity to grow my network and seek mentorship as broadly as I'd like. This has opened the doors for me."



*We are Conexus...*

**Aaron Spelliscy,**

Mentor

"I recommend the program to more people every year. It has helped me to think of things in new ways and I have overcome challenges because of the change in thought pattern inspired by the different mentors and mentees that I've worked with throughout the program."

## Mentorship Program

We believe it's important to share skills and knowledge to support others in their learning. That's why we offer a Mentorship Program that selectively matches mentors with mentees to mutually build professional and interpersonal skills.

Through purposeful conversations and intense curiosity, the mentee works with the mentor to establish goals and a personalized career development plan to enhance the mentee's learning.

*In 2020, **178 employees** took part in our Mentorship Program.*

## U-inspire

Everyone deserves to know how much they are appreciated. Our U-inspire employee recognition program provides a way for our employees to give virtual feedback to one another for living our values, going above and beyond, or giving a special thanks.

Our annual U-inspire and Dedication Awards allows us to reflect and celebrate the accomplishments of our employees from the past year. Each year, employees nominate one another for a variety of award categories including Ambassador of the Year, Community Hero, Rookie of the Year, and more. In 2020, over 380 nominations were made recognizing exceptional performance.

*In 2020, over  
**13,000 recognitions**  
were given!*



*We are Conexus...*



**Sharlene Bukurak,**  
Ambassador of the Year

"I truly feel being a part of Team Conexus is more like being a part of a family. Our Conexus values are not just a poster hanging on a wall, but something each employee delivers on each day. Working for a company that is so passionate about helping others and our community is inspiring and is the reason I am proud to talk about and be an ambassador of Conexus."



Macintyre, Corporate Services

# Measuring Our Performance

The year 2020 will be forever known as the year of COVID-19. There was no aspect of the Conexus strategy left untouched by the pandemic, as social distancing, working from home, rapid adoption of digital technologies, and personal economic uncertainty reigned.

Despite the challenges brought by COVID-19, we remained focused on our long-term strategy and many important projects aimed at building the credit union of the future and improving the financial well-being of our members and communities. This included enhancing our digital tools available to members, refining internal processes for service delivery, and improving how we deliver personalized advice to our members.

Our areas of focus on our 2020 balanced scorecard included specific measures and targets related to our members, our employees, our processes, and our financial sustainability. Though it was a challenging year full of many uncertainties, we were able to adapt and remain focused on providing a critical service to our members and communities. The impact of the pandemic varied for each of our members and while we worked with many members on payment deferrals and applications for government relief programs, we also saw the financial well-being of our members increase by 65 points from 2019 – a positive outcome in such a challenging year due to COVID-19, and a result of our employees working closely with our members to help them manage their individual situations.

Overall, we achieved 99 percent of our balanced scorecard measures, an improvement of 14 percent from 2019. Ten measures reached our goal targets with six of those measures surpassing the stretch targets:

- Member Growth
- Financial Health Indicator
- Net Promoter Score
- Digital Transactions
- Process Time
- Volume of Paper

We expect there will be long-term behavioural, cultural, and technological shifts that come out of the pandemic, such as the accelerated use of digital channels and tools; however, the impact on our strategy over the medium to long term is still unclear. In 2021, our long-term strategy will continue to guide us as we evolve, progress, and transform with a focus on our members' and communities' financial well-being.



Justin, Amie-Lynn and Reshma, Business Banking



## Our Purpose

Improving the financial well-being of our members and our communities.

## Our Values

Our values govern how we act, make decisions and communicate; they are the basis of our culture. Every day, every interaction we will...

Be Authentic



Be Responsible



Be Bold & Creative



Conexus has a comprehensive, long-term strategy overseen by the board of directors that guides where we are going and how we are evolving to meet the needs of our members. In 2021, we will build on the 2020 progress to transform how banking is done with a full focus on the financial well-being of our members and our communities.

- Result is at the mid-point of the target range or above.
- Result is between the mid-point and minimum of the range.
- Result is below the minimum of the range.



Measure	2020 Target	2020 Results
• % of Member Wealth Relationships	9.65% - 10.10% - 10.55%	10.11%
• Member Growth	1,600 - 1,900 - 2,200	3,416
• Financial Health Indicator	1,418 - 1,438 - 1,458	1,503
• Contribution to Community	Below - Achieving - Exceeding	Achieving

• Net Promoter Score	54.9 - 55.9 - 56.9	58.5
• Personal Growth	80.0% - 100.0% - 120.0%	105.1%
• Aggregate Employee Knowledge	65.0 - 70.0 - 75.0	69.0
• Turnover Less Than 1 Year	7.90% - 7.44% - 6.98%	7.55%

• Digital Transactions	87.50% - 88.80% - 90.10%	90.65%
• Process Time	1,000 - 1,500 - 2,000	2,901
• Volume of Paper (millions of pages)	6.04 - 5.64 - 5.24	4.43

• Return on Assets	0.57% - 0.67% - 0.77%	0.39%
• On-Book Asset Growth	2.46% - 3.51% - 4.57%	2.14%
• Operating Expense Ratio	2.09% - 2.06% - 2.03%	2.04%
• Non-Interest Revenue/Asset	0.43% - 0.47% - 0.51%	0.45%

Reported results are reflective of the calculation of the balanced scorecard (BSC) measure as targeted. BSC measures are used for internal performance reporting and are not comparable to the ratios presented in the Management Discussion and Analysis. Ratios reported in the Management Discussion and Analysis are reflective of the Audited Consolidated Financial Statements.

# Financial Literacy

Financial literacy is a critical life skill. It's the foundation to navigating the financial world; having the tools, knowledge, confidence, and resources enabling you to make smart, responsible decisions with your money. We're actively educating and bringing awareness to financial literacy within our communities and do so through a variety of programs, initiatives, and tools.

## Financial Literacy Partnerships

In 2020, 13 of our Community Investment Program partnerships included a financial literacy program or a Conexus employee facilitated presentation. A few of our partners included:

- Saskatchewan WHL and SJHL hockey teams
- Food banks across Saskatchewan
- Saskatchewan Roughriders
- Prince Albert Literacy Network
- Allan Blakeney Adult Campus
- READ Saskatoon
- Humboldt Community Soup Kitchen



Regina Pats Financial Literacy Presentation



Each One Teach One Financial Literacy Presentation

## Each One Teach One

Each One Teach One (EOTO) is a national program led by the Canadian Credit Union Association (CCUA) that trains and certifies credit union employees across Canada to teach financial literacy workshops in local communities using basic and plain language.

In 2020, we have a total of 47 Conexus employees certified as EOTO trainers. Due to COVID-19, all presentations were delivered virtually.



## Innovative Tools and Resources

Our goal is to provide meaningful advice to help our members improve their overall financial well-being. Two ways we do this is through our Conexus #MONEYTALK blog and What Connects Us podcast.

Launched in 2017, Conexus #MONEYTALK shares expert advice, practical help, and solutions on topics related to money including budgeting, investing, retirement, and more. Over 90 blogs have been shared to date and can be found at [www.conexusmoneytalk.ca](http://www.conexusmoneytalk.ca).



Money is the gatekeeper to so many of our dreams and the fuel for so many of our fears. We're connected by this underlying thread of money, yet we don't directly address it. The What Connects Us podcast, launched in 2020, changes this and is our first podcast that sparks human connection through authentic conversation, personal stories, and a hint of financial literacy. In 2020, we shared six stories showcasing the experiences of local people and had over 3,000 listeners from across the province, and even a few international listeners. You can find What Connects Us on all major music streaming platforms including Spotify, Apple Podcasts, and Anchor.

# Contribution to Community

## Conexus Building Communities

We believe strongly in building and supporting communities. So, when the University of Regina (University) put out a call for development partners for its College Avenue Renewal Project, we knew we had to answer. Our partnership with the University is an example of what's possible when the community comes together to collaborate and solve problems.

Through our partnership with the University, we:

- Provided \$8.25 million to support the University's plans to save the historic College Avenue Campus. This included \$3.25 million to lease the land next to Darke Hall.
- Helped the University save an additional \$10 million on infrastructure, maintenance, and utilities such as the shared heating and cooling system, and the cost of a shared atrium link. These improvements contribute to the overall revitalization of Darke Hall, including making it accessible and bringing its systems and structures up to today's standards.
- Created an office space to house our corporate services employees who were previously dispersed among several locations in the community.
- Created a communal space with amenities for our community to enjoy for many years to come. More than 20 percent of the building is shared, public space consisting of washrooms, water fountains, and on-site Slice Café, owned and operated by local chef and entrepreneur Aimee Schulhauser.

Though the pandemic caused some minor delays in our construction schedule, our project was completed in spring 2020. Our employees began transitioning into our new building on College Avenue in Regina in the summer of 2020.

Our new building provides an agile workspace for our teams helping to foster collaboration, innovation and increase productivity and efficiencies. It supports our vision of bringing people together as we evolve to be the credit union of the future.



Conexus Head Office

## Cultivator Powered by Conexus

We believe the prairies are home to some of the world's most resilient founders. In 2020, we proudly celebrated the first anniversary of the launch of Cultivator, Canada's first credit union led business incubator, helping high-growth tech companies start, grow, and scale right here in Saskatchewan.

Cultivator is another way we can invest in our communities and businesses, further improving the economic well-being of Saskatchewan. Through programming, mentorship, space, access to capital, and more, Cultivator adds fuel to our economy. It's about growing new and innovative companies, cultivating the entrepreneurial spirit that exists in our province, and putting Saskatchewan startups on the map boldly and creatively.



In just two years, Cultivator has seen tremendous growth and made some major impacts within Saskatchewan's tech ecosystem.

**52**

Companies Incubated

**\$13.4M**

Private Capital Raised

**\$8.4M**

Revenue Generated

**396**

Investor Connections

**\$17.8M**

Public Funding Obtained

**\$72**

Jobs Created



Sask Startup Summit Event

In 2020, Cultivator fully transitioned to digital-by-default programming due to COVID-19, hosted several virtual high impact ecosystem events, such as 24-Hour Startup, our monthly CultivateSK series, and the Sask Startup Summit. It also launched several in-residence programs including partnering with MNP as our CFO in-residence, Kayla Kozan – Founder of Peak Wellness Co. for our mindfulness in-residence, and McKercher LLP as our legal in-residence.

On top of it all, Cultivator moved into its brand-new headquarters space, occupying over 15,000 square feet of the new Conexus head office building. In 2021, Cultivator will use this new space to further expand and grow its programming, allowing us to help more founders start, grow, and scale their companies right here at home.

## Conexus Venture Capital Inc.

Conexus Venture Capital (CVC) Inc. extends our efforts to put the Saskatchewan startup community on the map and contribute to economic growth. Traditionally, Saskatchewan technology startups have been underfunded and overlooked. We decided this needed to change, and in 2019, we launched the Conexus Venture Capital Fund (the first fund of CVC Inc.) - another Canadian credit union first.

CVC Inc. will manage multiple funds focusing and investing in local and national high-growth startups. In 2020, it managed one fund, the CVC Fund, and plans to launch a second fund in 2021 focused on Canadian agtech, food-tech, and agri-business innovation.

In 2020, CVC Inc. saw over \$11 million in venture capital funding raised by its portfolio companies and invested in five companies. One of these investments was in ServiceBox, a B2B SaaS field service management company. ServiceBox is the first company to go through Cultivator programming and receive funding from our CVC Fund. A few of our other portfolio companies to date include SalonScale, 7Shifts, Coconut Software, Taiv, and Callia Flowers.

Further to funding startups, CVC Inc. also serves on many of our portfolio company boards and provides continual guidance to startups on operations, growth, and more. We have exceptional entrepreneurs in Saskatchewan, and we believe that investing both time and money in them will drive outsized returns for our investors, members, and communities.



Jon, ServiceBox, CultivateSK Event



Sean, 24 Hour Startup Event

## Conexus Kindness Capital Fund

Care for the community is a principle we wholeheartedly believe in and when the pandemic hit, we knew we wanted to do something. Using the administration revenue generated from delivering the Canada Emergency Business Account (CEBA) federal loan program, we created the Conexus Kindness Capital Fund (Kindness Capital) to celebrate and re-invest in the kindness that was improving the well-being of our communities.

Through Kindness Capital, we recognized 42 individuals and businesses across Saskatchewan with \$5,000 each, a total of \$210,000, who were going above and beyond during these challenging times.

In Saskatchewan, we have this great way of coming together when we need to. COVID-19 inspired stories of kindness across our province, creating moments that connect us. Throughout this initiative, we received over 200



nominations from communities and treaty territories across Saskatchewan. We heard stories from across the province including the story of Kathleen Ritchie from Harris, Saskatchewan, who delivered 120 handmade greeting cards to every household in her community. Regina's Stacey Laing created kits providing healthy meals, mental health activities, and hygiene products for families living in poverty; and Natalie Guimond from Prince Albert was leading the effort to feed hundreds of children, elders, and vulnerable populations through the Community Cares Kitchen initiative in collaboration with various other organizations and non-profits.

This campaign recognized those who championed and are leading our province to recovery. For us, investing in basic human needs to improve the well-being of our members and communities is guided by our purpose. Kindness Capital invested in food security, health services, mental health and keeping people connected. In total, over 38,000 meals were served or donated, and over \$380,000 was fundraised to support 33 non-profits and charities across Saskatchewan.

COVID-19 disrupted our lives in many ways and during a time when so many felt uncertainty, Saskatchewan residents' first instinct was to help others. This truly showcases what it means to be a community and we're sincerely grateful to have been a part of it. Well done Saskatchewan!



## Investing in Our Communities

Being connected to our communities across Saskatchewan is a commitment we have upheld for the last 80+ years – it's part of our fabric and our Community Investment Program reflects just that. We partner with community and non-profit organizations that are making a meaningful difference in the well-being of communities across our province.

Our Community Investment Program aligns with our purpose to improve our members' and communities' financial well-being. We know it's only when someone's basic human needs are met that they can become financially well, which is why we provide financial support in three key focus areas:

- Financial literacy education programs
- Basic human needs programs: food, shelter, education, and health services
- Capital projects, specifically facilities that directly impact, improve, or benefit lives in the community and contribute to its economic growth and sustainability

In late March 2020, we made the difficult decision to pause our program due to COVID-19 and didn't accept applications for the remainder of the year. Given the circumstances around us, we shifted our focus to critical business functions and on serving our members through the health crisis.

Despite this disruption, we remained committed and supported 55 initiatives through our Community Investment Program, investing over \$1.5 million back into our communities. Beyond giving financial support, we also waived \$180,000 in banking fees for non-profits and charities, allowing them to use these savings to deliver additional care to clients who depend on their services.



## STARS

To continue our support for basic human needs, such as critical health care services, and to put the most cutting-edge tools in the hands of the best talent to save lives, a new fleet of helicopters was needed in Saskatchewan. On behalf of our members, we are proud to have donated \$500,000 to the STARS Keep the Fight in Flight capital campaign.

Critical health care services are foundational to our purpose. By investing in STARS they can provide the very best in care when time is of the essence for our members, our employees, and all the people of Saskatchewan.

## Canadian Mental Health Association

More than 200,000 people in Saskatchewan will experience mental illness in their lifetime. We're committed to supporting mental health care in the province by partnering with organizations such as the Canadian Mental Health Association (CMHA) who are providing cutting-edge services and supports for mental health. In 2020, we provided \$50,000 to CMHA to support the HOPE Learning Centre, the first Recovery College in Saskatchewan.



HOPE Learning Centre, Community Partner



Mobile Crisis Services, Community Partner

## Farm Stress Line

Over the last two years, Saskatchewan farmers have faced several challenges during growing and harvest seasons, increasing the number of calls to the Farm Stress Line.

To continue our support for health services, ensuring this essential service is available to all individuals in Saskatchewan's agriculture sector, we donated \$100,000 to Mobile Crisis Services in support of the Farm Stress Line.

## Multicultural Council of Saskatchewan

In 2020, the Black Lives Matter Movement not only brought attention to systemic racism for our communities, but also made us look internally at how we can start recognizing, educating, and making changes for the better.

We know it isn't enough to be bystanders and made a stand to do the work to aid in the fight for inclusiveness and equality. This included contributing \$10,000 to the Multicultural Council of Saskatchewan (MCoS). MCoS is committed to promoting, fostering, improving, and developing multiculturalism in our province while working to achieve equality for all residents.



Multicultural Council of Saskatchewan, Community Partner



Mother Teresa Middle School, Community Partner

## Mother Teresa Middle School

In recognition of the increasing number of youths facing significant social and emotional challenges that create barriers to learning, we entered a three-year, \$75,000 partnership with Mother Teresa Middle School (MTMS) - a first of its kind partnership in Canada, and is leading the education of mental health for students.

Towards the end of our second partnership year with MTMS, things changed due to COVID-19. The school closures in March reflected a very real gap in our society - the opportunity for equitable education.

Education is a basic human need, but that need cannot be met without technology solutions. MTMS helped to problem solve and support families in acquiring internet services for students. This not only provided equitable learning opportunities for the youth MTMS serves, but it has also facilitated a way for students to engage with their classmates through daily virtual instruction - all of which support greater mental health and well-being.



## Boys & Girls Club of Saskatoon

Boys & Girls Club's mission is to provide a safe, supportive place where children and youth can experience new opportunities, overcome barriers, build positive relationships, and develop confidence and skills for life. They know that when families are supported, stronger families are created.

With our support of a three-year, \$36,000 partnership, the Boys & Girls Club was able to start a Parenting Program at St. Mary's Wellness & Education Centre in Saskatoon.

When faced with the challenge of COVID-19, the Boys & Girls Club of Saskatoon continued to support those they serve, by providing food and personal care packages for families in need, which also include online and education tools. Additionally, they extended the age requirement guidelines for their early learning centre to include school-aged children, providing a place to go for essential service parents' children.



Boys & Girls Club, Community Partner



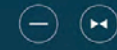
Moose Jaw Transition House, Community Partner

## Moose Jaw Transition House

With Saskatchewan's rate of domestic violence highest among all Canadian provinces, and the heightened risk of domestic violence during COVID-19, we partnered with Moose Jaw Transition House (Transition House) with a financial donation of \$6,500.

Transition House's mission is to work toward ending the cycle of abuse and violence within the Moose Jaw and district community. Transition House is a respected community agency, providing services to those experiencing interpersonal violence and abuse – offering five key programs: Shelter Services, Crisis Line, Community Outreach Program, Children Exposed to Violence Program, and Shelter Support & Follow Up Program.

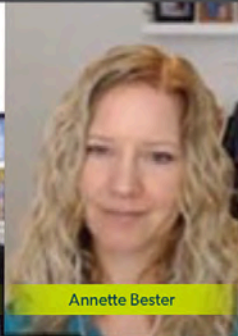
# Conexus Board of Directors 2020



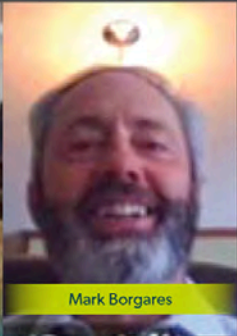
Joel Mowchenko



Kathryn Pollack



Annette Bester



Mark Borgares



Leah Clement



Karin Ferris



Karla Hardcastle



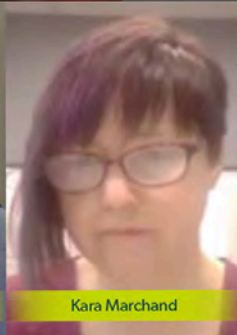
Adam Hicks



Sandra Kitts



Ken Kosolofski



Kara Marchand



# Governance at Conexus

**Our board of directors is committed to governance excellence and is representative of the 131,000 members we serve. Made up of our members and voted on by our members – our board keeps us grounded to our commitment and purpose of putting our members first.**

2020 was a year of unpredictability, resilience, and determination. Throughout, our board ensured it continued its governance responsibilities and was accountable for our credit union's strategy, risk management framework, senior management oversight, and internal controls. It continually adapted to the changing environment by moving to virtual meetings, increasing meetings as needed to adjust to our new reality, changing in real-time to a new Annual General Meeting format that honoured full member participation, and more.

The board met their expectations to execute its essential duties, and in 2020 accomplished the following deliverables:

- Managed and executed the new recommendations process for director elections for the first time since coming into effect.
- Approved a new ownership structure for Thrive Wealth Management, where it is now solely owned by Conexus. This includes approving a new governance structure of the entity, which came into effect on January 1, 2021.
- Updated and approved several governing policies to reflect a commitment to continuous improvement and adjusted to our fiduciary environment.
- Reviewed and updated board operations including revising its competencies and defined the board's aspirational competency make-up, updated its remuneration policy, and revised and combined its policies for learning and development and orientation into one policy, the Director Orientation and Continued Learning and Development Policy.
- Reviewed and approved key plans related to the operation and transformation of our credit union including 2021-2023 internal audit plan, 2021 budget, quarterly financial reports, 2021 balanced scorecard, and more.

Throughout the year, our board remained focused on sustainability and the transformation needed to ensure Conexus continues its support for our members and our communities across Saskatchewan – both today and well into the future.

In the coming year, the board will continue its commitment to strong governance by participating in annual planning sessions to set the future direction of Conexus, engaging in strategic discussions; participating in credit union system initiatives, and continuing to assess its own performance.

## Elections and Member Engagement

The election of our board of directors is an important component of democratic co-operative governance. By participating in the democratic process, our members shape and direct our future.

Our members elect the board of directors through a one-member, one-vote process following our bylaws. Each director is elected for three-year staggered terms and may serve up to a maximum of three consecutive terms.

Our board is composed of 11 directors, elected to serve the interests of our membership in all its diversity. We believe a board that is inclusive, while reflecting the diversity of our membership, helps ensure it can provide better oversight of Conexus while also expressing the needs of the members we serve. For clarity, at Conexus diversity is defined to include abilities and challenges, age, ethnicity, gender and sexuality, geography (rural, urban, north, south), and personal life experiences.

The Nominations Committee is responsible for overseeing the nomination process, recommending candidates, and the election of directors per provincial legislation. Voting is done by electronic ballot or in-branch by paper ballot. We announce election results yearly at our Annual General Meeting.

## Approach to Governance and Board Responsibilities

Our board has overall responsibility for the stewardship of Conexus and ensuring our credit union can successfully meet the challenges of the rapidly changing financial services industry and its growing regulatory requirements. Our board of directors has a fiduciary responsibility to Conexus and follows all laws and standards set out in *The Credit Union Act, 1998*, *The Credit Union Regulations, 1999*, and the Standards of Sound Business Practice. The day-to-day management is delegated to Conexus' Chief Executive Officer (CEO).

Our board ensures we are managed and operated in a sound and prudent manner, and its responsibilities include:

- Ensuring our board is a qualified and independent board elected by members that is representative of the members we serve. This includes considering the legitimate business interests of members and stakeholders and being accountable to them.
- Demonstrating our commitment to ethical leadership consistent with our purpose, values, and code of conduct.
- Managing the board's affairs, determining the mandate and composition of board committees, and setting the governance practices, policies, and processes to guide the board's work and meet all legislative and regulatory obligations.
- Assessing the performance of the board, with a commitment to ongoing director education and competencies needed to inform the call for nominations.
- Selecting a qualified and dynamic CEO to lead our credit union, establishing performance objectives and compensation, and evaluating performance.
- Clearly defining roles and responsibilities and a collaborative relationship with executive management.
- Ensuring an effective organizational structure that appropriately balances separation between operations and risk management control functions. This includes deliberate strategic planning, setting performance measures for the organization in the balanced scorecard, monitoring risks, and overseeing progress towards achieving strategic objectives.

- Reviewing and approving financial statements, annual budgets, regulatory filings, and overseeing timely and accurate reporting to members and the regulator regarding performance.
- Providing transparent disclosure of notable corporate information to members.

The Governance and Human Resources Committee works to ensure we evolve and maintain high standards of credit union governance. Collaboratively, management and the committee monitor the regulatory environment and corporate governance best practices to identify opportunities for continuous improvement.

## Board Committees

Our board enhances its efficiency and effectiveness through well-appointed and structured committees. Committee memberships are reviewed annually, taking into consideration the competencies and preferences of directors. Each committee is composed of four directors with the board chair as an ex officio member on each committee.

Each committee has a mandate outlining its purpose and responsibilities. Committees meet quarterly throughout the year and provide meeting minutes and reports to the entire board. Outside advisors may be independently engaged to assist as needed.

**Audit and Conduct Review Committee** assists the board in its oversight of Conexus' financial performance, the integrity of the financial reporting, the effectiveness of internal controls, and the performance of internal and external audit functions. It is also responsible for conduct review oversight and the approval of related party transactions.

**Governance and Human Resources Committee** assists the board in developing and maintaining effective corporate structures and processes to direct and oversee the organization and its subsidiaries. It is also responsible for facilitating the process to develop performance objectives for the CEO, evaluating performance, and recommending the CEO's compensation.

**Nominations Committee** leads the board renewal process, based on the direction, and thought leadership from the Governance and Human Resources Committee, as approved by the board. This includes overseeing the annual nomination, recommending candidates and director election process, proactively searching for nominees, and leading the review and interviewing of qualified candidates process.

**Risk Committee** assists the board in its oversight of Conexus' risk management framework and provides reasonable assurance that strategic, operational, financial, and regulatory objectives are achieved in the creation and protection of member value.

## Board Effectiveness and Renewal

The board is committed to excellence through effective credit union governance and building a board that oversees Conexus and acts as a strategic resource. The board strives toward continuous improvement.

The Governance and Human Resources Committee facilitates an annual board evaluation process to assess the effectiveness of board operations. Results of the evaluation form the basis of recommendations to the board for improving governance practices, opportunities for board development, and helps determine the competencies the board is seeking to support the call for nominations. The Governance and Human Resources Committee monitors progress against these plans.

Each director possesses a diverse combination of competencies, knowledge, and experiences, and is further committed to continuous learning. Plans for renewal and succession are part of Conexus' ongoing governance journey.

## Orientation and Director Education

Directors participate in education sessions tailored to meet the development needs and interests of the board. Each director is provided with a learning and development allowance to encourage their participation in continuing education opportunities that support their personal development goals. Additionally, directors are offered opportunities to attend a variety of

community, member, and employee events throughout the year. Due to COVID-19, all learning and development and event participation were done virtually in 2020.

Education is important in helping directors understand the operations and emerging issues affecting our business, in addition to maintaining and building governance skills. An orientation program is provided to familiarize new directors with business operations and the expectations of our directors.

The Director Orientation and Continued Learning and Development Policy is designed to combine required and elective opportunities. The range of learning and development pursued by Conexus' Board of Directors includes and is not limited to:

- Institute of Corporate Directors (ICD.D) University of Toronto – Rotman School of Management
- Chartered Director Program (C.Dir) – DeGroote School of Business at McMaster University
- Credit Union Executives Society (CUES) Governance Leadership Institute (CCD)
- CUSource Foundations of Governance
- Various in-house training such as financial literacy, director orientation, and more

## Remuneration and Attendance

The Governance and Human Resource Committee is responsible for reviewing director remuneration, ensuring it's competitive and appropriate. Updated in 2020, the Director Remuneration Policy is reviewed triennially, following the board policy review cycle or as needed.

Preparation, attendance, and active participation in regular board and committee meetings, strategic planning sessions, and other special meetings are an expectation of our directors. Accountability is integral, and a minimum attendance rate of 75 percent is required, except where the Governance and Human Resources Committee determines that special circumstances prevented a director from meeting this minimum threshold.

# Board of Directors



Board Members	Joel Mowchenko	Kathryn Pollack	Annette Bester	Mark Borgares	Leah Clement	Karin Ferris	Karla Hardcastle
	Chair	Vice-Chair	Director	Director	Director	Director	Director
<b>Year First Elected<sup>1</sup></b>	2015	2019	2020	2020	2018	2018	2017
<b>Year Current Term Ends</b>	2021	2022	2023	2023	2021	2021	2023
<b>Committee Assignments Pre AGM 2020</b> (April 7, 2020)	Ex officio member of all Committees	Member of Governance and Human Resources Committee			Member of Governance and Human Resources, and Audit and Conduct Review Committees	Member of Risk Committee	Chair of Governance and Human Resources Committee
<b>Committee Assignments Post AGM 2020</b>	Ex officio member of all Committees except Nominations Committee	Chair of Risk Committee	Member of Audit and Conduct Review Committee	Member of Nominations, and Risk Committees	Member of Governance and Human Resources, and Risk Committees	Member of Governance and Human Resources Committee	Chair of Governance and Human Resources, and member of Nominations Committee
<b>Meeting Attendance<sup>2</sup></b>	26/26	14/14	9/9	12/12	15/18	9/13	17/17
<b>Remuneration</b>							
<i>Honorarium &amp; Per Diems</i>	\$43,400	\$21,750	\$11,750	\$12,250	\$16,875	\$15,250	\$23,500
<i>Expenses<sup>3</sup></i>	\$8,309	\$14,493	\$10,967	\$804	\$19,770	\$3,078	\$3,580
<b>Total</b>	<b>\$51,709</b>	<b>\$36,243</b>	<b>\$22,717</b>	<b>\$13,054</b>	<b>\$36,645</b>	<b>\$18,328</b>	<b>\$27,080</b>

<sup>1</sup> Terms are three years. Directors may serve up to three consecutive terms (if elected). Director terms begin at the close of the Annual General Meeting.

<sup>2</sup> In 2020, the total number of meetings for the board and each committee were: Board (9), Audit and Conduct Review (4), Governance and Human Resources (5), Nominations (7), Risk (4).

<sup>3</sup> Includes out of pocket expenses, learning & development, Conexus paid benefits.

# Board of Directors (Continued)



Board Members	Adam Hicks	Sandra Kitts	Ken Kosolofski	Kara Marchand	Malcolm Eaton	Curtis Kosolofski	Rick Pattison
	Director	Director	Director	Director	Outgoing Director	Outgoing Director	Outgoing Director
<b>Year First Elected<sup>1</sup></b>	2019	2016	2020	2016	2017	2017	2017
<b>Year Current Term Ends</b>	2022	2022	2023	2022	Term ended April 2020	Term ended April 2020	Term ended April 2020
<b>Committee Assignments Pre AGM 2020</b> (April 7, 2020)	Member of Audit and Conduct Review Committees	Chair of Nominations, and member of Risk Committees		Chair of Audit and Conduct Review, and member of Nominations Committees	Chair of Risk, and member of Governance and Human Resources Committee	Vice-Chair and member of Risk Committee	Member of Audit and Conduct Review Committee
<b>Committee Assignments Post AGM 2020</b>	Member of Audit and Conduct Review, and Nominations Committees	Chair of Nominations, and member of Governance and Human Resources Committees	Chair of Audit and Conduct Review Committee	Member of Audit and Conduct Review and Risk Committees			
<b>Meeting Attendance<sup>2</sup></b>	16/16	20/20	9/9	18/20	6/6	4/4	2/4
<b>Remuneration</b>							
<i>Honorarium &amp; Per Diems</i>	\$18,625	\$26,625	\$16,000	\$21,500	\$8,125	\$7,250	\$4,750
<i>Expenses<sup>3</sup></i>	\$12,032	\$23,971	\$2,773	\$21,820	\$1,764	\$804	\$898
<b>Total</b>	<b>\$30,657</b>	<b>\$50,596</b>	<b>\$18,773</b>	<b>\$43,320</b>	<b>\$9,889</b>	<b>\$8,054</b>	<b>\$5,648</b>

<sup>1</sup> Terms are three years. Directors may serve up to three consecutive terms (if elected). Director terms begin at the close of the Annual General Meeting.

<sup>2</sup> In 2020, the total number of meetings for the board and each committee were: Board (9), Audit and Conduct Review (4), Governance and Human Resources (5), Nominations (7), Risk (4).

<sup>3</sup> Includes out of pocket expenses, learning & development, Conexus paid benefits.

## Contacting the Board

Members and other interested parties may communicate with the Board through our Governance Office by:

**Email:** [contacttheboard@conexus.ca](mailto:contacttheboard@conexus.ca)

**Mail:** Attention: Corporate Secretary  
Conexus Credit Union  
P.O. Box 1960 Stn Main  
Regina, SK S4P 4M1

For further information visit  
[conexus.ca/aboutconexus/leadership](https://conexus.ca/aboutconexus/leadership)

