



2018

Annual Report





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Note: Visit conexus.ca to view the consolidated financial statements and management discussion and analysis.

Message from the Board Chair

At Conexus Credit Union, our purpose is both why we exist and a compelling story of our future. Our values are the behaviours we demonstrate to deliver on our purpose and on the promise to our members. Last year marked the first year of our five-year strategic plan with new performance measures that fully align to improving members' financial well-being.

We strive to lead an organization that is authentic, bold and creative, and responsible – as evidenced by year-over-year growth, responsible spending, and investment in our communities. It's not just something we say. You can see and feel the difference with every interaction and we're proud that our promise attracted more than 3,000 net new members to Conexus last year.

Conexus is a member-owned co-operative that delivers personal, business, and agricultural financial services with ease, access, and value, now to more than 128,000 members right across Saskatchewan. As we grow, so does our need to continually evolve.

Conexus' board is very much a part of the continual transformation of Conexus that keeps us in a strong position to provide what matters to you. And not just for the present, but for the next generation of Conexus members as well. As the voice of our

membership, elected by you, we are incredibly proud to strategically steer Conexus forward.

We have put in considerable time and effort discussing how to ensure every member has a voice and opportunity to lead Conexus into the future. The result is a proposed bylaw change that will be shared with and voted on by the membership at the annual general meeting. We look forward to engaging with Conexus members on this important proposal.

What else have we been up to? We have been more focused than ever on investing in the province to help shift the needle in the area of financial well-being. In 2018, we invested over \$1.9 million to support 118 non-profit and charitable organizations across Saskatchewan. This includes investing in financial literacy programs, capital projects, 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 15 to 25 in the annual report.

We genuinely hope that you too see the changes to your credit union in becoming more focused every day on your financial well-being – whether that is for you personally or your business. Thank you for another great year!



A handwritten signature in black ink, appearing 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

Conexus has a tremendous legacy in Saskatchewan. In 2018 this story continued with transformational change in the ways we are delivering our promise to improve the financial well-being of our members and our communities in Saskatchewan. We are building the credit union of the future through financial literacy education, cultivating entrepreneurship, community investment, and evolving the member experience.

2018 was a turning point for Conexus. Our advocacy efforts were realized when the Province of Saskatchewan announced it will be introducing financial literacy into school curriculums in September 2019. We believe financial literacy is a pillar of healthy communities and strong, sustainable economies. We are incredibly proud of this outcome that reaches beyond our membership and into communities across Saskatchewan to help more youth and families adopt healthy behaviours and relationships with money early in their life.

Conexus employee trainers reached over 800 families in Saskatchewan communities through our Each One, Teach One financial literacy workshops. We tripled our accredited trainers last year, and we will continue to reach out to schools and families to help them learn about money. This really is a testament to the passion Conexus employees have for using financial literacy to help improve financial well-being in our communities.

Another part of our story is Conexus Building Communities. Conexus broke ground, beginning construction of our new head office. The driving

concept of the building is “the pavilion in the park, and a park in the pavilion” Twenty per cent of the head office building will be shared, public space. This building will house a space dedicated to the first credit-union led business incubator in Canada, where we will help founders launch, grow, and scale innovative startup companies right here in Saskatchewan. Through our business incubator and our programming, we’ll grow and enable successful startups right here at home, helping to build a stronger Saskatchewan. No longer will local entrepreneurs have to take their ideas elsewhere. We believe this is a critical component to building more local, sustainable economies in Saskatchewan.

Delivering service the way members want to be served is paramount to evolving the member experience. Last year we launched new banking tools like the online budget calculator, and introduced a new suite of Conexus MasterCard credit card solutions. This conversion was a significant undertaking in changing our business model to give us greater influence over the features, benefits, and functionality you have access to. We now have more control over the experience you have every time you use your card, allowing us to align your credit card solutions with what financial well-being means to you.

We’ve done our job when our members are financially better off by banking with us. It’s that simple. Our members’ financial well-being is how we measure our performance and what we hold ourselves accountable to at Conexus.

In 2018 we achieved a significant milestone in the journey to helping our members. Internally, we have introduced a new way to understand our members financial health. It allows us to focus on how best to help them achieve their hopes, goals, and dreams. Everyone in our credit union is invested in ensuring that our members are winning. No longer are we only using traditional bank metrics to measure our performance. Aligning our performance and our compensation to our purpose ensures we connect everything we do to serving our members and supporting their financial well-being. Your success is our success.



Eric Dillon
Chief Executive Officer
Conexus Credit Union

Who We Are

Our Purpose

Conexus Credit Union is driven by our purpose to improve the financial well-being of our members and communities. At Conexus, our purpose is both why we exist and a compelling story of our future.

Identity

We're all about improving our members' financial well-being by building relationships with them, increasing their financial health, and improving the economic well-being of Saskatchewan. Conexus is Saskatchewan's largest credit union and Canada's sixth largest credit union with \$8.26 billion in total funds managed.

Retail

With branches across the province, Conexus delivers personalized financial services to over 128,000 individual, small and medium-sized commercial, and agriculture business members. Our CU Dealer Finance Corporation also offers financing for vehicle and leisure craft purchases.

Conexus Business Solutions

Conexus' business advisors support our business and agriculture members across Saskatchewan with expert advice and practical financial solutions.

\$1.9
million in
community
investment in
Saskatchewan



128,598
members served



\$8.26
billion in total funds
managed



Employed **900+** people



118
community
investment
partnerships
to promote
financial
well-being

3,001
net new members



32
financial
literacy education
partnerships



Started piloting Canada's first authenticated
voice banking service using **amazon alexa**

Amazon, Echo, Alexa, and all related logos are trademarks of Amazon.com, Inc. or its affiliates.

Member Experience *Bank when you want, where you want, how you want*

What's New

We've done our job when our members are financially better off by banking with us. It's that simple. This means delivering service the way members want to be served and providing practical help and solutions. In 2018, Conexus introduced the following features and functionality that put your financial interests first, and help you track your progress in ways that matter to you.



Budget Calculator

Create and follow your monthly budget using Conexus' online budget calculator. Track your monthly expenses, savings, and debt repayment through the mobile app or on conexus.ca.

INTERAC® Autodeposit

Automatically deposit money into your account without having to answer a security question for every transaction. This gives you more convenience with the same value and security.

INTERAC® Request Money

When you send a request for money the recipient is notified instantly with the option to accept the request. Once the request is accepted the money will be automatically deposited into your account.

INTERAC® e-Transfer Business Limits

Business Online members can push the limits further on outgoing INTERAC® e-Transfer limits with increased maximum amounts.



Business Demand Suite

The business demand suite for business and agriculture financial services was changed to offer a more competitive product suite that is simple yet comprehensive, and makes it easy to understand and calculate fees. Some of these enhancements include eliminating the \$1 fee for business deposits and the monthly banking fee for the US Account.

Mobile App Password Update

We continually work to ensure the security of our members' banking information. As part of a security enhancement, we required all users to update their online banking and mobile app passwords.

ClickSWITCH™

A fast, secure, and convenient tool to move your external banking and recurring payments and direct deposits to your new Conexus chequing account with the click of a mouse in under ten minutes.

Credit Cards

We launched a new suite of Conexus Mastercard credit card solutions to give Conexus greater control over the experience you have, allowing us to align your credit card solutions with what financial well-being means to you.



Interac - ©INTERAC, INTERAC e-Transfer are registered trade-marks owned by Interac Inc., used under license.

ClickSWITCH - ClickSWITCH® is a registered trademark of ClickSWITCH LLC in the United States and may be pending or registered in other countries and are used under license.

The Conexus Mastercard is issued by Collabria Financial Services Inc. in a joint partnership with Conexus Credit Union 2006 pursuant to a license from Mastercard International Incorporated. Mastercard and the Mastercard Brand Mark are registered trademarks of Mastercard International Incorporated.

Our members' **financial health** + **financial wellness** = **financial well-being**.

We don't just say we care about your financial well-being, we are putting those words into action. These are the tools and outcomes Conexus is using to support members' financial well-being.



My Financial Health Indicators = The behaviours and habits that support me in reaching my financial goals.

1. Spend so I have something left over at the end of the month.
2. Access to \$2,000 in emergency funds.
3. Not going overdrawn in the past year.
4. Savings to cover 3 months of expenses.
5. Saving 10% of income.
6. Transferring \$ into a short-term savings account at least once a quarter.
7. Managing my debt to achieve my financial goals.
8. Diverse savings vehicles to support my short and longer-term financial goals.
9. Working towards saving for retirement.

My Financial Wellness = The emotional connection to my money and how confident, secure and satisfied I feel.

Financial Management - healthy financial behaviours and management

Financial Planning & Support - key enablers including a written financial plan, assigned financial advisor, and budget

Financial Satisfaction - financial satisfaction and sense of emotional financial well-being

Financial Confidence - financial confidence for the short, medium, and long term



Financial Well-being = reduced stress and improved relationships personally, professionally, and within the community.



The Taits, members, Holdfast

Thrive Wealth Management

Thrive is a credit union-owned wealth management company committed to doing what's best for you.

Through Thrive's life stage approach to financial planning, they can provide investments and opportunities that are directly related to your unique needs, no matter what stage or chapter of your life you are in. They listen with intent through the discovery phase until they fully understand your objectives and concerns.

They will work closely with your unique life stage to properly align you with wealth professionals to help you plan for your financial future. Thrive offers financial, investment, protection, estate and legacy planning services.

Visit thrivewealth.ca to learn more.



Member Perspective

We continuously measure our members' experiences by gathering feedback. It helps us empower our expert teams to understand your needs, create deeper relationships with you, and deliver our services the way you want them to be delivered.

Members are telling us they value the experience Conexus delivers and would recommend Conexus to others.

Net Promoter Score®

Conexus uses Net Promoter Score® as part of our member research program to measure and evolve the experience you receive.

82% of our members rated us a 9 or 10 for overall experience

79% of our members rated us a 9 or 10 for likelihood to use Conexus in the future

70% of our members rated us a 9 or a 10 for likelihood to recommend Conexus to others



Amie-Lynn , employee, Regina

Conexus Member Voice Panel



1,856 panel members participated in at least one in every three surveys



2,116 members committed to voluntarily providing feedback and options through the online Conexus member advisory panel



6 surveys conducted on credit union governance, ad effectiveness, feedback on financial well-being, and money management

Our People

Our employees make us who we are. Conexus employees represent a talented and diverse workforce, with over 900 employees across Saskatchewan. They are fierce advocates for finding solutions that create meaningful differences to improve you and your family's financial well-being.



*Promise delivered,
in his own words...*

Shane,
Conexus Financial Advisor

"It all started with Tammy setting up an appointment to meet with a member who was in overdraft by almost \$1,100 in a chequing account, and to top it off he was only 20-years-old. Tammy set up an aggressive plan to have this paid to \$0. We created a budget with the member and only eight months later he paid his overdraft debt. We have also worked with the member to set up a savings strategy so he can purchase a home.

*It goes to show that sometimes the member just needs to see we care, and we are not after them for their money. **The look on the member's face when I told him we successfully paid off his debt was priceless, and it's the reason I enjoy coming to work every day.**"*

Employee Engagement

In 2018, Conexus transformed the way we measure employee engagement and introduced the Employee Index. As a values-based co-operative we are intentional that what we measure has the highest correlation to the behaviours we are encouraging. We shifted from measuring feelings to measuring outcomes. This decision was shaped by employee feedback, the Governance and Human Resources Committee, and broad research.

We developed four primary themes in the Employee Index that are foundational to realizing our purpose:

- Personal Growth & Development
- Employee Sustainability
- Conexus Ambassadorship
- Living Our Values & Connection to Our Purpose



Rob and Cam, employees, Regina

U-inspire

A little thanks can go a long way. U-inspire is Conexus' employee recognition program. It gives employees a way to celebrate, recognize, and reward one another for living Conexus' values, going above and beyond the call of duty, or inspiring others through acts of encouragement and kindness.



Learning and Development

Conexus is built upon a diversely talented workforce with expert knowledge. To build the credit union of the future we need to attract and cultivate this talent today. Conexus has designed a broad range of employee learning and development opportunities. We know that our people are our best value proposition and supporting them in their careers goals and personal growth is important to the member experience.



Charity, employee, Lumsden



We are Conexus...

Ariel,

Conexus Financial Services Representative

"I just wanted to recognize Elizabeth for the inspiring member conversation she had. The member left feeling great about their visit and Elizabeth really connected with them on a personal level."

Recognized for "Be Authentic"

Employees are living the *Be Authentic* value when they're demonstrating commitment to providing an exceptional experience through every interaction, and collaborating with internal and external partners to achieve the best results.



Mentorship Program

Conexus' mentorship program is a nine-month program that selectively matches mentors with mentees to mutually build professional and interpersonal skills. Through purposeful conversations and intense curiosity they work together to establish goals and a personalized career development plan that broadens their learning. These relationships encourage vulnerability and authenticity, and are rooted in accountability and bold and creative thinking.

“*CEO of me...*”
Shaela,
Mentee

“Business Continuity Management directly relates to my role. Richard has played a huge role in assisting me, as I set the direction and develop the program for Conexus. Being able to access Richard’s knowledge has been instrumental to my development.”

“*CEO of me...*”
Jill,
Mentor

“I was able to assist with the Emotional Intelligence journey more than an area of expertise but that is what she needed most, I think. She was incredibly self-motivated and soaked up any advice like a sponge. I think her passion for self-awareness and learning will take her far!”

Measuring Our Performance

Conexus is undergoing transformational change to build the credit union of the future. Last year marked the first year of our five-year strategic plan with new performance measures that fully align to members' financial well-being. We scored 74 per cent overall on our Balanced Scorecard (BSC) and saw growth in new members and total funds managed, compared to 2017.

We achieved our targets in eight out of 14 of our performance measures. Some of these include the financial health indicator, contribution to community, and quality of channels. Conexus met the minimum range for wallet share and wealth relationships. Volatility in market conditions around the world led to higher than normal redemptions and lower sales in wealth business, and made members hesitant to invest.

In 2018 we introduced nine financial health indicators and defined financial wellness to score members' financial well-being. This is the most significant transformation we experienced. No longer are we using only traditional bank metrics to measure our performance. Aligning our performance and our compensation to our purpose ensure we connect everything we do to serving our members and supporting their financial well-being.

The new performance measures introduced last year will help lead Conexus into the future to continue meeting members' financial needs. Designing for the digital banking experience, developing diversely skilled and expert teams, and building tools for members to be able to track their financial well-being is where Conexus is going.

Top credit union in Canada for online and mobile banking experiences.

- Surviscors 2018 Canadian Mobile Banking Review

Industries best and brightest across Saskatchewan based on size, employees, and impact.

- Top 100 Companies in Saskatchewan

Canadians chose credit unions among all financial institutions in Canada for Customer Service Excellence and Branch Service Excellence for the fourteenth year in a row; and ATM Banking Excellence for the first time ever.

- IPSOS – Financial Service Excellence Awards 2018

Fundraised private capital to introduce the first ever national social impact bond to provide essential skills training to unemployed Canadians, with an 88 per cent success rate for skills improvement in the pilot program – Colleges and Institutes Canada (CICan) Essential Skills Social Finance (ESSF) pilot.

Started piloting Canada's first-ever authenticated voice banking service using Amazon Alexa, allowing members to use their voice to command actions for their bank accounts. Conexus is piloting this technology with Innovation Credit Union.

Measuring Our Performance

Conexus has a comprehensive, long-term strategy informed by the board of directors that guides where the credit union is going and how we are building the credit union of the future, today. 2019 marks the second year of the five-year strategic plan where we will continue to build upon the results we achieved in 2018, and deliver our promise to improve the financial well-being of our members and our communities.

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



- 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.

Members
We improve member's financial well-being...



People
by empowering our expert teams...



Process
through easy, seamless, well understood processes...



Financial
that result in the financial sustainability of Conexus.



Measure	2018 Target	2018 Results
• Wallet Share	\$63,000 - \$65,000 - \$67,000	\$62,008
• % of Wealth Relationships	12.5% - 13% - 13.5%	12.33%
• Member Growth	3,000 - 3,300 - 3,600	3,001
• Financial Health Indicator	Below - Achieving - Exceeding	Achieving
• Contribution to Community	Below - Achieving - Exceeding	Achieving
• Net Promoter Score	62.0 - 63.0 - 64.0	61.7
• Engagement Measure	Below - Achieving - Exceeding	Achieving
• Digital Index	Below - Achieving - Exceeding	Achieving
• Quality of Channels	Below - Achieving - Exceeding	Achieving
• Transformational Project Index	75% - 85% - 95%	89%
• Return on Assets	0.72% - 0.82% - 0.92%	0.87%
• Assets under Management	\$8.36B - \$8.50B - \$8.64B	\$8.42
• Non-Interest Revenue/Assets	0.55% - 0.57% - 0.59%	0.69%
• Operating Expense Ratio	2.28% - 2.21% - 2.18%	2.21%

Reported results are reflective of the calculation of the Balanced Scorecard 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.



Carmichael Outreach celebration, Regina

Conexus Cares

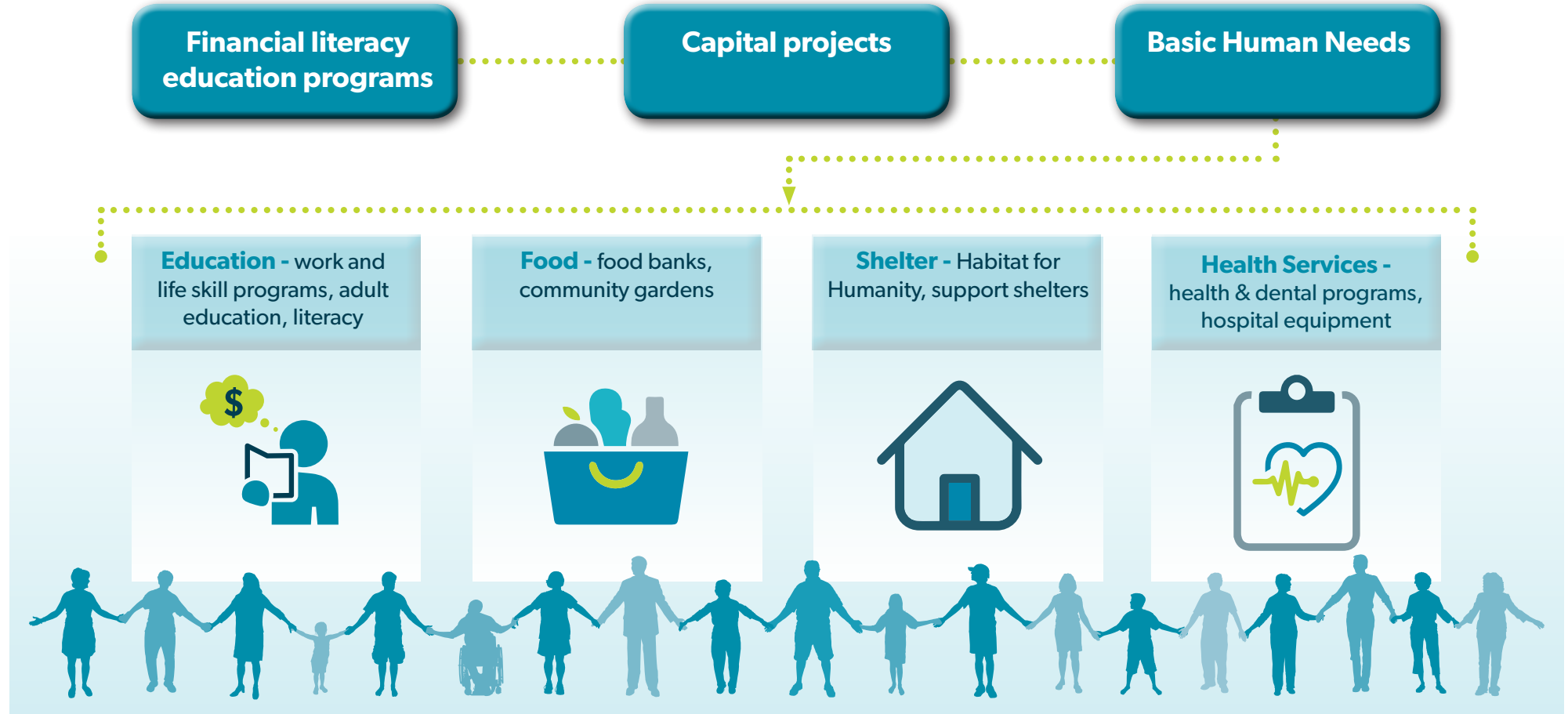


We have one priority at Conexus — the financial well-being of our members and communities across Saskatchewan.

Community Investment


In 2018 Conexus invested over \$1.9 million to support 118 non-profit and charitable organizations in Saskatchewan. Annually we invest 5 per cent of our pre-tax profits into our communities.

Together with non-profit and charitable organizations, we promote financial well-being through:




Conexus Building Communities

In partnership with University of Regina, Conexus is preserving history, restoring heritage, and building a community for the future through Conexus Building Communities. Conexus is providing an \$8.25 million financial contribution to support University of Regina's College Avenue Campus Renewal Project. This partnership is creating educational and cultural opportunities that will have a generational impact, cultivate entrepreneurship, and enhance Wascana Park. This partnership will:




Help the University meet its number one capital fundraising priority



Help turn the campus into an educational and cultural hub



Save the University millions as it restores their historic buildings



Support the return of Darke Hall to its former glory as a premiere performance facility



Support Saskatchewan entrepreneurs with a business incubator

\$8.25M
financial contribution

Conexus Building Communities milestones in 2018:

February 2018:
Hired PCL Construction Management as the project construction manager

May 2018:
Preconstruction work began including pile load testing, tree work, and road realignment

July 2018: Design approved by Provincial Capital Commission

August 22:
Unveiled design of our new head office building, a space for people to come together and create an educational and cultural hub for the future

October 2018:
Excavation work complete, formwork for the foundation started

November 2018:
Large tower crane assembled on site to assist in construction activities

The Atrium & Darke Hall Link Conexus Building Communities

Darke Hall is a cultural and heritage landmark in Saskatchewan and the building's link is a crucial piece of Conexus' building design. Linking through a shared atrium, Darke Hall will now be accessible to those with mobility

challenges, allowing everyone to enjoy a performance. The expanded lobby and crush space will enhance the patron experience, providing a space to gather during performance intermissions. Additionally, the Darke Hall link can also serve as a winter garden, public gathering space, and a presentation venue. Building adjacent to Darke Hall enables us to help the University by creating a shared atrium and allowing the University to save an estimated additional \$10 million on shared infrastructure, maintenance, and utilities costs.



Rendering view north west facing façade showing the Darke Hall link, Regina



Rendering view of the south entrance and plaza, Regina

There will be many direct benefits to the public, including public restrooms, water fountains, café, bike racks, and flex space.

Head Office Building **Conexus Building Communities**

Conexus broke ground, beginning construction of our new head office. More than 20 per cent of the head office building will be shared, public space. The driving concept of the building is “the pavilion in the park, and a park in the pavilion”. The building’s main floor will be accessible to the public to enjoy, with restrooms, water fountains, bicycle racks, a café, and flex space. Designing with the historic neighbouring buildings in mind,

our building steps back to ensure the original campus buildings are celebrated and remain the feature of the site. The design’s proportions, materials, and architectural expression are inspired by the heritage buildings. Conexus’ Regina-based corporate service employees will be centralized, reducing multiple locations across the city to just one location.

Business Incubator

Conexus Building Communities

Our new head office building will also house a space dedicated to the first credit union-led business incubator in Canada, where we will help founders launch, grow, and scale innovative startup companies right here at home. With this space,

no longer will local entrepreneurs have to take their ideas outside of Saskatchewan. Occupying approximately 15,000 square feet of the space, the incubator will include flex space, a pitch space, and have a connection to Darke Hall.

The Conexus business incubator hosted 24-Hour Startup. The event pulled together entrepreneurs, developers, designers, and makers to pitch ideas and build a minimum viable product in 24 hours. Sixty participants formed ten teams for the chance to win \$1,500 in prizes, and attracted a crowd of over 150 people.



Financial Literacy



(L to R) Jordan McFarlen – Business Incubator Manager, Conexus; Patricia Warsaba - Board Chair, Saskatchewan Chamber of Commerce; The Honourable Gordon Wyant – Deputy Premier & Minister of Education, Province of Saskatchewan; Dr. Shawn Davidson – President, Saskatchewan School Boards Association

Financial literacy coming to Saskatchewan classrooms

2018 was a turning point for Conexus. Our advocacy efforts were realized when the Province of Saskatchewan announced it will be introducing financial literacy into school curriculums in September 2019. Two elective Personal Finance

courses will be offered to grade 11 and 12 students and grades 7 to 9 teachers will also be able to introduce their students to financial literacy topics by using modules from these curricula in middle level Practical and Applied Arts courses.

Financial Literacy

Each One, Teach One

Conexus employee trainers reached 800 families in Saskatchewan through Each One, Teach One (EOTO) financial literacy workshops. EOTO is a national program led by Canadian Credit Union Association (CCUA) that trains and certifies employees of credit unions to teach financial literacy workshops in local communities. Conexus adopted this program in 2016 and by 2018, 40 Conexus employees were certified EOTO trainers, compared to 15 the year before.



Each One, Teach One



FOMO panelists, Regina

#FinLitMonth

Conexus celebrated Financial Literacy month in November by running a variety of events and sharing information, encouraging the community to take control of their finances, break the stigma around talking about money, and reduce financial stress. The 2018 #finlit month events included:

#finlit for Ladies – an internal lunch and learn outlining stigmas that exist around women and finance, why financial literacy is important, and how we can serve all members most effectively.

The FOMO Effect Panel Discussion – a community event that educated individuals on the effects social media can have on our financial well-being and mental health.

The Money Habitudes Experiment – a guerilla marketing campaign that educated employees and the community on their habits and attitudes towards money and how they can create more balance in their lives.

The Ultimate Personal Finance Challenge - Conexus employees were challenged to a 15 question quiz, challenging their knowledge on credit, savings, taxation, and investing.

Basic Human Needs

Joe's Place Youth Centre Moose Jaw

Conexus remained the title sponsor of Voltage – Youth Work Skills & Mentorship Program, entering its sixth year of the partnership with a \$15,000 investment in 2018. The program gives vulnerable youth, ages 14 –19, positive mentorship that instills life, work, and leadership skills in a safe and substance free environment. Joe's Place Youth Centre is the only drop-in centre in Moose Jaw.



Youth, Joe's Place Youth Centre, Moose Jaw



Jes and Courtney, employees, Regina

Carmichael Outreach Regina

Conexus gave a \$50,000 capital donation to Carmichael Outreach. This capital donation supported their Imagine Initiative to renovate their new building, which will allow them to expand the capacity of vulnerable people they are able to serve through programming and operations. Carmichael Outreach provides emergency services and long-term support to end the chronic experiences of poverty and homelessness in Regina. This partnership will grow in 2019 with a financial literacy education program delivered to Carmichael Outreach clients.

Basic Human Needs



Humboldt Strong Humboldt

The Humboldt Broncos bus crash was a devastating tragedy with the loss of 16 lives. Like so many around the world, Conexus felt this grief. We share a long history with the Humboldt Broncos as their financial institution and community partner, and it was important to us that we support those affected by this tragedy.

During the early days of this tragedy Conexus set up a general donations account to accept donations. The funds were managed by the HumboldtStrong Community Foundation, to allow for greater transparency. We provided volunteers to support administrative, crisis communications, financial, and fundraising support. Like many others, we left our hockey sticks outside our credit union doors to show our support.

Our donation towards initiatives that supported healing and fundraising reached over \$125,000. In many instances, the credit union system will stand together for a cause to make a greater impact. This was one of those instances. Together with our Saskatchewan credit-union partners we donated to the Saskatchewan Junior Hockey League (SJHL) Assistance Program to provide mental health assistance and counselling for all players of the SJHL. We thank them for their commitment and contribution of \$100,000 towards this tragedy.



Basic Human Needs

READ Saskatoon Saskatoon

Conexus continued its three-year partnership with READ Saskatoon, donating \$50,000 annually to support its financial literacy tutoring and workshops for their Financial Empowerment for Saskatchewan movement for economically disadvantaged families. Results show that once given the tools, guidance, advice, and connection to local resources, participants have made positive changes to their behaviours that result in savings and increased stability for themselves and their families.



READ, Saskatoon



Saskatchewan Hospital, North Battleford

Saskatchewan Hospital North Battleford

Conexus donated \$100,000 to the Saskatchewan Hospital New Beginnings Fundraising Campaign to rebuild the only psychiatric rehabilitation hospital in Saskatchewan. The Conexus Credit Union Quality of Life Centre at the hospital delivers programming to enable supervised and individual goal directed activities and life skills training. This helps prepare clients to live independently.

“ Invested in the communities
we serve...
Alvin,
Patient, Saskatchewan Hospital

“It’s good to talk in a group over a good cup of coffee. We learn new things that provide us with the tools to cope with our illness.”



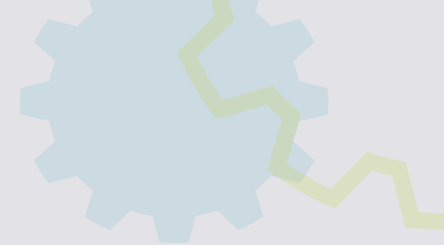
Board of Directors 2018 (left to right)

Karla Hardcastle, Malcolm Eaton, Kara Marchand, Rick Pattison, Joel Mowchenko, Jason Schenn, Karin Ferris, Sandra Kitts, Leah Clement, Curtis Kosolofski (Missing: John Benson)

Corporate Governance



Corporate Governance



Approach to Credit Union Governance

Our governance framework ensures Conexus is managed and operated in a sound and prudent manner, which includes:

- A qualified and independent board elected by members with diverse backgrounds, competencies, experience, and skills.
- A commitment to ethical leadership consistent with Conexus' purpose, values, and code of conduct.
- A set of governance principles to guide the board's own work.
- A qualified and dynamic chief executive officer to lead our credit union.
- Clearly defined roles and responsibilities and a collaborative relationship with executive management.
- A strategic plan and purpose, including performance measures shown in the balanced scorecard, with effective monitoring.
- Independent risk and control functions.
- Transparent disclosure of notable corporate information to members.

The Governance and Human Resources Committee works to ensure Conexus evolves and maintains high standards of credit union governance. Collaboratively, management and the Committee monitors the regulatory environment and corporate governance trends to identify opportunities for improvement.

Board of Director 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 Conexus' future.

Our members elect the board of directors through a one-member, one-vote process in accordance with Conexus' bylaws. Our board is comprised of 11 independent member directors from across the province. The terms are three years in duration, up to a maximum of three consecutive terms.

The Nominations Committee is established as a sub-committee of the Governance and Human Resources Committee and is responsible for overseeing the nomination process and election of directors in accordance with provincial legislation. Voting is done by electronic ballot or in-branch by paper ballot for businesses. The election results are announced at the Annual General Meeting.

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 always acts in the best interests of Conexus and our members.

In performing its role, our board determines our strategic direction and strategy map by establishing our purpose and values, makes significant decisions that affect our credit union and subsidiaries, monitors risk and results, and regularly meets in camera with and without management present.



Our board's responsibilities are fully described in the board's mandate and include:

- Managing the board's affairs, setting the governance practices, policies, and processes for the board to meet legislative and regulatory obligations.
- Determining the mandate and composition of board committees.
- Assessing the performance of the board, with a commitment to ongoing director education and competencies needed to inform the call for nominations.
- Ensuring an effective organizational structure that appropriately balances separation between retail and risk management control functions.
- Selecting the chief executive officer, establishing performance objectives and compensation, and evaluating performance.
- Reviewing and approving the strategic plan, annual business plan, and budgets.
- Monitoring risks and overseeing progress towards achieving strategic objectives.
- Reviewing and approving financial statements and regulatory filings, and overseeing timely and accurate reporting to members and the regulator regarding performance.
- Considering the legitimate business interests of members and stakeholders, and being accountable to them.

Committees of the Board

Our board enhances its efficiency and effectiveness through well-appointed and structured committees. Committee memberships are reviewed annually

and take into consideration the competencies and preferences of directors. 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. Each committee is composed of four directors with the board chair as an ex officio member on each committee:

Audit and Conduct Review Committee is responsible for the integrity of the financial reporting, performance of internal and external audit functions, and review of related party transactions.

Governance and Human Resources Committee is responsible for all governance and human resources related issues, and assists the board in developing and maintaining effective governance structures and processes to direct and oversee Conexus and its subsidiaries.


Nominations Committee leads the board renewal through oversight of the director nominations and election process. This approach is based on direction and thought leadership from the Governance and Human Resources Committee.

Risk Committee is responsible for ensuring the existence of a strong enterprise risk management framework. The committee provides reasonable assurance that strategic, operational, financial, and regulatory objectives are achieved in the creation and protection of member value.

Remuneration and Attendance

The Governance and Human Resource Committee is responsible for reviewing director remuneration, ensuring it is competitive and appropriate.

The director remuneration policy is reviewed biennially in accordance with 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 per cent is required, except where the Governance and Human Resources Committee determines that special circumstances prevented a director from meeting this minimum threshold.

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.

The board directors each possess a diverse combination of competencies, knowledge, and experiences, and are 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. The director learning and development policy is designed to combine required and elective opportunities. Additionally, directors are offered opportunities to

attend a variety of community, member, and employee events throughout the year.

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 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
- CUSource Foundations of Governance
- Canadian Credit Union Association (CCUA) national conference
- Government Relations Forum
- Media training

CEO Performance Management

The Governance and Human Resources Committee is responsible for facilitating the process to develop performance objectives for the CEO, evaluating performance, and recommending the CEO's compensation. Emphasis is placed on appropriate balance to incent achievement of short-term objectives and long-term success. The board determines the form and amount of CEO compensation based on recommendations from the committee. In 2018, a Special Committee of the board completed its work with a consultant to ensure alignment of the CEO's performance management framework with Conexus' purpose and values along with industry best practices.



John Benson, ICD.D
Regina
Director since: 2016
Current term expires: 2019

Board and Committee Meeting Attendance		Remuneration	
Board	7 of 8	Honorarium	\$18,000
Audit and Conduct Review – Chair	4 of 4	Per Diems	\$4,975
Special	1 of 1	Travel / Other	\$600
Total	12 of 13	Learning and Development*	\$310
		Total	\$23,885

*ICD.D learning and development was paid in 2017 and continued into 2018.



Leah Clement
Regina
Director since: 2018
Current term expires: 2021

Board and Committee Meeting Attendance		Remuneration	
Board	4 of 5	Honorarium	\$8,000
Audit and Conduct Review	3 of 3	Per Diems	\$3,750
Total	7 of 8	Travel / Other	\$36
		Learning and Development	\$1,534
		Total	\$13,320



Malcolm Eaton, CCD
Humboldt
Director since: 2017
Current term expires: 2020

Board and Committee Meeting Attendance		Remuneration	
Board	6 of 6	Honorarium	\$16,000
Governance and Human Resources	3 of 3	Per Diems	\$8,250
Risk – Chair	4 of 4	Travel / Other	\$7,652
Nominations	1 of 1	Learning and Development	\$11,293
Total	14 of 14	Total	\$43,195



Karin Ferris
Prince Albert
Director since: 2018
Current term expires: 2021

Board and Committee Meeting Attendance		Remuneration	
Board	4 of 5	Honorarium	\$8,000
Governance and Human Resources	2 of 3	Per Diems	\$3,000
Nominations	1 of 1	Travel / Other	\$4,643
Total	7 of 9	Learning and Development	\$0
		Total	\$15,643



Karla Hardcastle, ccd

Air Ronge

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance

Board	6 of 6
Governance and Human Resources – Chair	4 of 4
Nominations – Chair	2 of 2
Total	12 of 12

Remuneration

Honorarium	\$18,000
Per Diems	\$6,750
Travel / Other	\$8,328
Learning and Development	\$13,170
Total	\$46,248



Sandi Kitts, ccd

Moose Jaw

Director since: 2016

Current term expires: 2019

Board and Committee Meeting Attendance

Board	8 of 8
Risk	3 of 3
Special	2 of 2
Total	13 of 13

Remuneration

Honorarium	\$12,000
Per Diems	\$4,975
Travel / Other	\$2,670
Learning and Development	\$0
Total	\$19,645



Curtis Kosolofski

Regina

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance

Board	8 of 8
Audit and Conduct Review	3 of 3
Governance and Human Resources	3 of 3
Nominations	1 of 1
Special	1 of 1
Total	16 of 16

Remuneration

Honorarium	\$12,000
Per Diems	\$6,475
Travel / Other	\$0
Learning and Development	\$17,466
Total	\$35,941



Kara Marchand

Vice Chair

Regina

Director since: 2016

Current term expires: 2019

Board and Committee Meeting Attendance

Board	5 of 6
Audit and Conduct Review	2 of 4
Total	7 of 10

Remuneration

Honorarium	\$18,000
Per Diems	\$4,000
Travel / Other	\$600
Learning and Development	\$0
Total	\$22,600



**Joel Mowchenko, CCD, C.Dir
Chair (ex officio)**

Moose Jaw

Director since: 2015

Current term expires: 2021

Board and Committee Meeting Attendance		Remuneration	
Board	6 of 6	Honorarium	\$23,600
Audit and Conduct Review	3 of 3	Per Diems	\$12,175
Governance and Human Resources	3 of 3	Travel / Other	\$8,600
Risk	3 of 3	Learning and Development*	\$22,666
Nominations	1 of 1	Total	\$67,041
Special	1 of 1		
Subsidiary	3 of 3		
Total	20 of 20		

*C.Dir learning and development was paid partly in 2017 and the remainder in 2018.



**Rick Pattison
Lemberg**

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance		Remuneration	
Board	6 of 6	Honorarium	\$12,000
Risk	3 of 4	Per Diems	\$2,875
Subsidiary	2 of 2	Travel / Other	\$1,907
Total	11 of 12	Learning and Development	\$0
		Total	\$16,782



**Jason Schenn
Moosomin**

Director since: 2016

Current term expires: 2019

Board and Committee Meeting Attendance		Remuneration	
Board	5 of 6	Honorarium	\$12,000
Risk	3 of 3	Per Diems	\$3,250
Governance and Human Resources	1 of 1	Travel / Other	\$2,821
Nominations	1 of 1	Learning and Development	\$0
Total	10 of 11	Total	\$18,071



**Wayne Kabatoff, CCD
Prince Albert**

Director since: 2007

Term expired: 2018

Board and Committee Meeting Attendance		Remuneration	
Board	1 of 1	Honorarium	\$6,000
Audit and Conduct Review	1 of 1	Per Diems	\$1,250
Governance and Human Resources	1 of 1	Travel / Other	\$2,742
Nominations	1 of 1	Learning and Development	\$0
Subsidiary	1 of 1	Total	\$9,992
Total	5 of 5		



Bradyn Parisian, CCD, ICD.D
Regina
Director since: 2015
Term expired: 2018

Board and Committee Meeting Attendance		Remuneration	
Board	3 of 3	Honorarium	\$8,800
Audit and Conduct Review	1 of 1	Per Diems	\$4,000
Governance and Human Resources	1 of 1	Travel / Other	\$941
Risk	1 of 1	Learning and Development	\$0
Total	6 of 6	Total	\$13,741

Board and Committee Chair disclosures are as of April 2018. Wayne Kabatoff and Bradyn Parisian terms expired in April 2018.

Travel/Other includes home office allowance (prior to April 2018) and device reimbursement (after April 2018).

Combined Board Remuneration and Expenses	
Honorarium	\$172,400
Per Diems	\$65,725
Travel / Other	\$41,540
Learning and Development	\$66,439
Total	\$346,104

Credit Union Deposit Guarantee Corporation

Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions, and the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral) (together, Provincially Regulated Financial Institutions or “PRFIs”).

The Corporation is charged through provincial legislation, *The Credit Union Act, 1998*, with the main purpose of guaranteeing the full repayment of deposits held in Saskatchewan credit unions. The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By guaranteeing deposits and promoting responsible governance, the Corporation contributes to confidence in Saskatchewan credit unions.

For more information about deposit protection, the Corporation’s regulatory responsibilities, and its role in promoting the strength and stability of Saskatchewan PRFIs, talk to a representative at the credit union or visit the Corporation’s website at cudgc.sk.ca.

Contacting the Board

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

Email: contacttheboard@conexus.ca

Mail: Attention: Corporate Secretary
 Conexus Credit Union
 1960 Albert St. (2nd floor)
 Regina, SK S4P 2T4

For further information visit conexus.ca/aboutconexus/leadership

