



2019

Annual Report



2019 Annual Report Contents

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

Cover photo:
Sanny, Conexus employee, Regina



Namekus Lake, Prince Albert National Park, Saskatchewan

Message from the Board Chair

At Conexus, our purpose to improve the financial well-being of our members and our communities is central to everything we do. This purpose, along with our values, is the guiding light that informs how we move forward with all decisions and actions. Delivering on our purpose remained at the core of the changes experienced in 2019, and it is what will continue to guide us in the future. On behalf of myself and the board, we thank you for your continued trust in us as the voice of our membership, to strategically lead our credit union into the future. This is something we take very seriously as we navigate the quickly changing financial industry.

What's new? Part of our transformation last year was the changes to our bylaws, approved by the membership following the 2019 annual general meeting. This included switching to elections being conducted through a 'Directors at Large' model, which saw the removal of the geographic districts. This change instantly enabled all eligible members to run for the board every year making the process more consistent, inclusive and easier to understand. Another part of this approved decision was the introduction of a process to recommend candidates that was introduced in the 2020 director election process. The job of a director has become much more complex, especially for a credit union of our size. The recommendation of candidates is our way of helping members identify the competencies, experience and diversity needed by the board each year. The nominating committee will recommend a group of candidates, but ultimately members will have the final say in who's elected. We believe that these changes strike the right balance between allowing our members

to participate in the democratic control of our credit union, while at the same time, ensuring that our board remains well equipped to oversee our credit union.

Of all the changes in 2019, the closure of nine branches across Saskatchewan was the most difficult. Throughout the process, Conexus engaged with communities, including holding member information sessions, to help ease the transition. Our advisors worked directly with affected members to understand their needs and ensure a smooth transition to how we would continue to serve them. As the needs of our members change, we know these decisions are necessary, but it is not lost on us how difficult change can be for all of us. The board continues to receive reports from management on the transition of our members to ensure they are well served. We sincerely thank our members for their continued relationship and willingness to bank, in some cases, differently than what they were used to.

We remain committed to the communities that we serve regardless if there is a physical branch present. Part of this commitment was the donation of the buildings in Regina, Cupar, Young, Drake, Middle Lake and Mossbank. The Conexus Board was pleased to donate the buildings, helping to ensure we're fulfilling Conexus' purpose, as financial well-being, includes the health of the family and the community.

My board colleagues and I feel the proudest when we can see our community investments making a difference across the province. Through 151 donations, over \$3.1 million was given back

into communities across Saskatchewan by our Community Investment Program this past year. You can read more about each of these community investments and more on pages 18-21.

Conexus is focused on the people of Saskatchewan, no matter where their lives take them in this very mobile world. We know that banking is no longer a place we go but rather something we do, with a desire from our membership to access their money from wherever they are, with ease, speed, and visibility into the full financial picture. We will continue to serve and support every one of our 127,000 members to fulfill the purpose and values of Conexus. Thank you again, for your continued relationship in 2020 and beyond.



Sincerely,
Joel Mowchenko
Chair, Conexus Board of
Directors

Message from the CEO

2019 was a difficult year financially for many in the province. The financial well-being of our members is paramount and, as such, our efforts to support members were focused and intentional. We are proud to say that despite the economic challenges, our members were able to maintain their overall level of financial health. We are definitely leading our competitors in measuring the financial health of our members and we've made great progress this year.

The rapid pace of change in the industry, and for our members, will require that we become much more proactive in anticipating ways to help. We have invested heavily in building a Data and Analytics team that has brought a level of sophistication that helps us better understand our members more than we ever have. We also shifted how we got work done by creating laser-focused teams to address the member experience on several platforms. This shift in approach allows us to quickly test ideas, iterate and implement new ways to create value for our members.

In 2019, we also had several challenges to overcome. One of these challenges was the sunset of the Global Payment Mastercard®; a card, whose features we know are still missed by some members. This change required members to change card products more broadly, but at the same time, allows Conexus to more directly control our own destiny with respect to payment products and how our members use them every day. We believe that access to your money when and where

you want will be a significant part of the value that Conexus will deliver in the future and the migration to new products was a large first step on this journey.

The hardest decision that any of us face within Conexus is the sustainability of our branches. In 2019, we recommended to the board that we close a number of branches and move to serve our members differently. We know this was difficult on our members and the communities impacted. I am pleased with how we worked with each community, and with each of our members directly. I am most proud that, throughout the process, Conexus teams responded personally and thoughtfully to every member concern or question. I believe we are serving those affected members more effectively today than before the closures and I am happy to report that we continue to serve virtually every member from those affected communities.

Conexus officially launched Cultivator, a one of a kind business incubator, which is currently supporting 30+ Saskatchewan founded start-ups. In addition, in true entrepreneurial spirit, the Conexus Venture Capital Fund, the first in Canada to be established by a credit union, was launched and has generated over \$30 million to invest in potential high growth companies in Saskatchewan. We have already invested in five high growth Saskatchewan companies and

are continuing to look for other opportunities to support the entrepreneurs of Saskatchewan.

Finally, I'm excited that so much progress was made in 2019 on the new head office and our partnership with the University of Regina. The College Avenue Campus of the University has been largely restored and we are eagerly awaiting the re-opening of Darke Hall in the near future. We look forward to the community experiencing the vision that we had for a reimagined College Avenue Campus with many features and amenities for them.

As Conexus continues to design and build the credit union of the future, we are committed to serving our members in ways that matter to them and improve their financial well-being. Conexus is an important part of this province and you, our members, are the most important part of Conexus. We will continue to do our very best to serve you and make a difference in all of our communities across Saskatchewan.



Eric Dillon
Chief Executive Officer
Conexus Credit Union

Who We Are

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 **\$3.1**
million
given back to
communities across
Saskatchewan



3,700
net new members

151
initiatives supported
through our Community
Investment Program



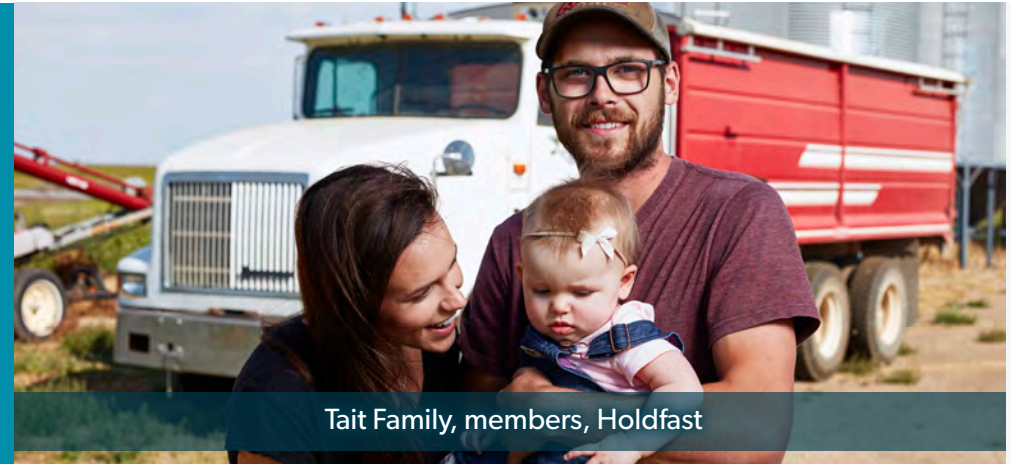
127,972
members

Member First

Bank when you want, where you want, how you want

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 best every day.



Tait Family, members, Holdfast

Financial Health + Financial Wellness = **Financial Well-Being**

So, what does that all mean?

Financial Health is: *The behaviours and habits that support me in reaching my financial goals.*

How do we do that?

Our nine financial health indicators help make sure you're on the right track –

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 three months of expenses
5. Saving 10% of income
6. Transferring money 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

Financial Wellness is: *The emotional connection to my money and how confident, secure and satisfied I feel.*

How do we do that?

We have four areas that we focus on that help us improve how members feel about their finances:

1. Financial management – healthy financial behaviours and management
2. Financial planning & support – key enablers including a written financial plan, an assigned financial advisor and a budget
3. Financial satisfaction – financial satisfaction and sense of emotional financial well-being
4. Financial confidence – financial confidence for the short, medium and long term

These added together create financial well-being, that along with reduced stress may improve relationships personally, professionally, and within the community.



Credit Card Program Update

Over the last couple of years, we have been transforming how we offer credit card solutions. It started with a move to a new partner and a different credit card system. These changes give us more control so we can better align the credit card experience to your overall financial well-being. Unlike the former credit card system, Conexus now owns and operates its own credit card program.

We understand a credit card is a critical tool for members. Credit cards can help members to build a credit history and provide them with access to emergency funds. Members can shop online and in stores within and outside Canada knowing they're protected by zero liability and insurance coverages like purchase protection and extended warranty. Above all, credit cards allow members to access their money where and when they want it.

Throughout 2019, the Conexus team embraced wide-ranging Mastercard initiatives. A significant priority included managing changes to the Global Payment Mastercard® (GPC) program which ended for all credit unions across Canada in 2019.

To support a smooth changeover for our approximately 25,000 GPC cardholders, a project team rallied to transition members to a debit card and/or Conexus Mastercard before the GPC end date. Additionally, the project team created a new process for members to either redeem or transfer unused rewards points to their Conexus Mastercard account. Kudos to Conexus members, and staff for their patience throughout this transition.

New Credit Card Features

Now that our members are carrying a Conexus-owned Mastercard, we will continue to enhance our credit cards in ways our members want, adding real value to our members' purchasing experience. With this in mind, we introduced a series of improvements and new features for our credit cardholders in response to feedback received from members in 2019. Here's a quick snip!

AutoPay feature - Conexus launched the AutoPay feature on May 1. It allows members to have their monthly credit card payments automatically deducted from their chequing or savings account.

Apple Pay platform - Conexus launched the leading edge Apple Pay platform for our credit cards in February and then introduced SMS (text messaging) provisioning for Apple Pay users in December. We know members operate within a number of platforms, so we are excited to jump in to make the process easiest!

Cash back to demand feature - This feature continued in development throughout 2019 and is expected to launch in 2020. We're excited that it will be another way for members to use their earned points to improve their personal financial well-being.



Transaction limit increase - With members needing more flexibility in their financial planning, we took measures to increase their maximum transaction limit. We've heard back this often helps to meet some seasonal purchase needs.

Member First

Branch Closures

At Conexus, we always want to be good stewards of our members' money – and that sometimes means making difficult decisions. Closing nine branches around the province was an incredibly tough decision. Banking continues to change at a rapid pace, it is no longer a place that you go, but something you do. It is more common that financial transactions are done digitally, and we're responding to that change. We know that it's the financial advice we provide that makes the most meaningful impact on a member's financial well-being. More than ever our advisors are proactively connecting with members to understand needs and continue to provide advice and solutions regardless of a member's location. In fact, today almost one in four Conexus members live outside of communities with branch locations.

Conexus employees worked tirelessly over the four-month notification period to ensure the members who used the locations were aware and helped transition them through the change. Although the physical locations closed, members' accounts remain fully functional at Conexus. Members can access their accounts through any Conexus branch in Saskatchewan, through the Conexus Member Contact Centre, online at www.conexus.ca or through the Conexus mobile app. More and more of our members are now conveniently accessing their accounts through online and mobile banking services rather than in a branch. Plus, we are better equipping our teams to provide advice when and where it best suits our members.

We continue to support our members communities across Saskatchewan, and branch locations don't change that. We are here for our members' financial well-being.

Donation of Buildings

Part of our commitment to support our members' communities, led to the Request for Offer (RFO) process to provide new uses for the buildings that were focused on wellness in the community. Seven of the nine building donations include:

- 5th Avenue (Regina) – Circle Project
- Wallace Street (Regina) – Ignite Adult Learning
- Cupar – Town of Cupar
- Young Branch – Village of Young & RM of Morris
- Drake – Village of Drake
- Middle Lake – Three Lakes Economic Development Region Inc.
- Mossbank – Town of Mossbank.

This is just part of our commitment to continue to support our members' communities.



Photo courtesy of Circle Project, Regina

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, 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 regulatory and deposit protection responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's website at www.cudgc.sk.ca.

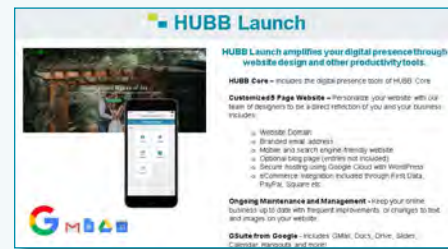
Conexus Business Solutions

Conexus' business advisors support our business and agriculture members across Saskatchewan with expert advice and practical financial solutions. We're here to help from your very first steps through the growth of your business.

The HUBB

Business needs are changing, so our business advice also needs to change. The goal is to support businesses with value-added solutions beyond traditional financial offerings. To that end, we partnered with Vendasta, Saskatchewan's largest and leading tech company, to power our white-labelled solution, Conexus HUBB Marketing. HUBB (Helping U Beyond Banking) is a digital marketing solution that will analyze and improve the digital presence, reputation and findability of a business while providing detailed online reporting to measure progress. Conexus HUBB is first to market in the financial services space, providing everything from custom logo and website development, to online review and social media management.

The pilot was launched to 10 business members in December 2019 with positive results and will be launched to additional businesses in March 2020.





Jase, Small Business Advisor, Fort Qu'Appelle

JUDI AI

JUDI AI is a new lending platform that uses information from a variety of financial and other non-traditional sources, to provide adjudication for unsecured small business lending under \$250,000 (loans or lines of credit). The entire application process now takes approximately six minutes! Along with the fast application, funding is expedited given electronic document signing – shortening the end-to-end experience from what could be days or weeks, to potentially hours!

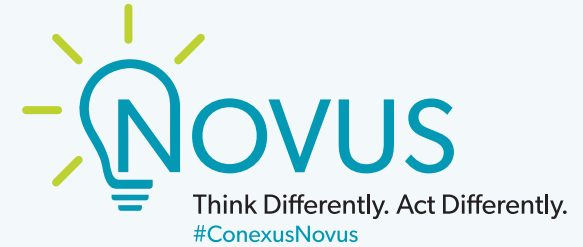
JUDI AI rolled out to Small Business Advisors in the fourth quarter of 2019. Next iterations will focus on:

- Credit card adjudication
- Onboarding credit upon account opening
- Secured lending
- Ability to use the tool remotely by the Virtual Business Advisor team

Talk about an improved member and employee experience!

NOVUS Pilot Program

Conexus is positioned to become the province's financial institution of choice for the Saskatchewan of the future. 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 need to embrace digital transformation, reimagine the member experience and embody an entrepreneurial culture in the way it undertakes work going forward. Conexus NOVUS is a different way to work, designed to help reimagine the credit union of the future. We created five different agile teams to tackle various business problems. These teams are working differently, solving problems with new approaches, with a focus on tomorrow.



Novus Team, Regina



Thrive Wealth Management

Credit unions have been serving Saskatchewan for almost 100 years giving the people of Saskatchewan a better option for banking; however, wealth management was largely left in the hands of the publicly shared companies who continue to place profits before people.

When credit union owners (the members) saw this, they asked if something could be done. Why couldn't there be a wealth management company that held the same values as they did. They wanted a company that would manage their wealth like the credit unions manage their banking, so Thrive Wealth Management was created. Thrive shares the values of the credit union while providing the expertise and professionalism of an accredited team that is vital for investment management.

Conexus members have a trusted partner in Thrive Wealth Management, accessing Thrive with financial planning, investment management, succession and estate planning, and wealth protection.



Our People *Living the values and purpose to serve you better*

Our employees live and breathe our Purpose and Values in their everyday work. Conexus employs over 900 people across the province, dedicated to improving the financial well-being of our members and our communities.

Understanding Our People

Delivering an exceptional member experience requires a dedicated and engaged team which is why we feel the employee experience is important at Conexus.

Our Employee Index measures personal growth, employee sustainability, Conexus ambassadorship, and connection to our purpose through living our values.

We continue to improve how we measure the experience of our employee, focused on the areas that are critical to our transformation. We are augmenting this strategic area with real time data throughout 2020 to ensure we are staying the course.

Learning and Development

The world of banking is changing quickly. And we don't want to keep up, we want to set the pace and our employees are key in delivering that. This requires an investment in our people to ensure their skills and expertise are growing at the same rate that Conexus is redefining banking. We have made a number of changes to our development programming to ensure we are building leaders that have the skills to face today's unique challenges and have the necessary skills needed to lead us through our transformation.

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



30,000+
hours spent on learning
and development

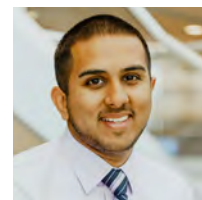
U-inspire

U-inspire is our employee recognition program providing a way to give a virtual 'high-five' to one another for living Conexus' values, going above and beyond or giving a special 'Thank you'. Why do we do this? Because everyone deserves to know how much they are appreciated.



In 2019, over
19,000
recognitions were given.

Now that is worthy of a high-five!



We are Conexus...

Sanny,

Ambassador of the Year

"Winning ambassador of the year confirms that I was on the right track. You sometimes wonder when you step up to be an ambassador of Conexus if you are doing all the right things. All the learning and development I have received allows me to better serve my members, and I am able to encourage and empower other Conexus employees to do the same."

Mentorship Program

We believe it is important to share skills and knowledge to support others in their learning. That's why we offer a nine-month 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.



CEO of me...

Aubrey,
Mentor

"It is a great way to expand your network within Conexus, help others with their development, and expand coaching/ leadership skills."



CEO of me...

Charity,
Mentee

"This program is amazing! The goals are between yourself and your mentor. The advice that was given with each meeting was something I will take with me for forever. My leadership learning was enhanced, and sped up my learning of the leadership role. I value the relationship built with my mentor during this short time. You can do this program from anywhere."

Measuring Our Performance

Conexus is continuing to undergo transformational change. 2019 was the second year of the current strategy, focused on our purpose to improve the financial well-being of our members and communities.

In 2018, Conexus introduced nine drivers to create a financial health indicator (FHI) and defined financial wellness to reflect members' financial well-being. This was so significant we added it as a metric to our 2019 Balanced Scorecard. No longer are we using only traditional banking metrics to measure our performance. Conexus now aligns our performance and compensation to our purpose to improve the financial well-being of members.

While there was only a slight increase of 13 points in FHI in 2019 we are proud of the fact that in a tough economic year, when our members were facing some financial challenges, Conexus was able to reverse the declining trend in FHI from previous years. This is a sign that we are making an impact on members financial behaviours. We've done our job when our members are financially better off by banking with us. It's that simple!

Part of changing financial health isn't just in the numbers but in the stories of individuals as well. We are walking alongside the lives of our members and learning more about their priorities and needs to better support them.

With financial health comes improved financial literacy, and to make a real impact on this Conexus advocated to ensure that it is now a part of curriculum in school. In September 2019, the province began offering two elective Personal Finance courses to grade 11 and 12 students, and grade 7 to 9 teachers will be able to introduce their students to financial literacy topics in middle level Practical and Applied Arts courses.

Overall in 2019, we achieved 85% of our balanced scorecard (BSC) measures, an improvement of 11% from the previous year. Six measures reached our goal targets with four of those measures achieving more than 120% of the stretch targets. Those six measures were:

- Member Growth
- Contribution to Community
- Employee Index
- Surviscor Score
- Transformational Project Index
- Non-interest Revenue

Our long-term strategy guides how we will evolve to meet the needs of our members. We will continue to progress and transform to do banking differently with a focus on the financial health and well-being of our members and communities.



Conexus has a comprehensive, long-term strategy overseen by the board of directors that guides where we are going and how we are evolving Conexus to meet the needs of our members. In 2020 we will build on the 2019 progress to transform how banking is done with a full focus on 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	2019 Target	2019 Results
• Wallet Share	\$62,000 - \$63,000 - \$64,000	\$62,386
• % of Wealth Relationships	12.4% - 12.9% - 13.4%	12.17%
• Member Growth	3,100 - 3,400 - 3,700	3,761
• Financial Health Indicator	1,405 - 1,445 - 1,485	1,438
• Contribution to Community	Below - Achieving - Exceeding	Achieving
• Net Promoter Score	61.0 - 62.0 - 63.0	55.9
• Employee Index	83% - 85% - 87%	91%
• Digital Index	80 - 100 - 120	83
• Survisor Average Peer Score	61% - 63% - 65%	68%
• Transformational Project Index	75% - 85% - 95%	93%
• Return on Assets	0.79% - 0.89% - 0.99%	0.87%
• Assets under Management	\$8.67B - \$8.85B - \$9.02B	\$8.66B
• Non-Interest Revenue/Assets	0.55% - 0.57% - 0.59%	0.63%
• Operating Expense Ratio	2.26% - 2.21% - 2.16%	2.22%

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.

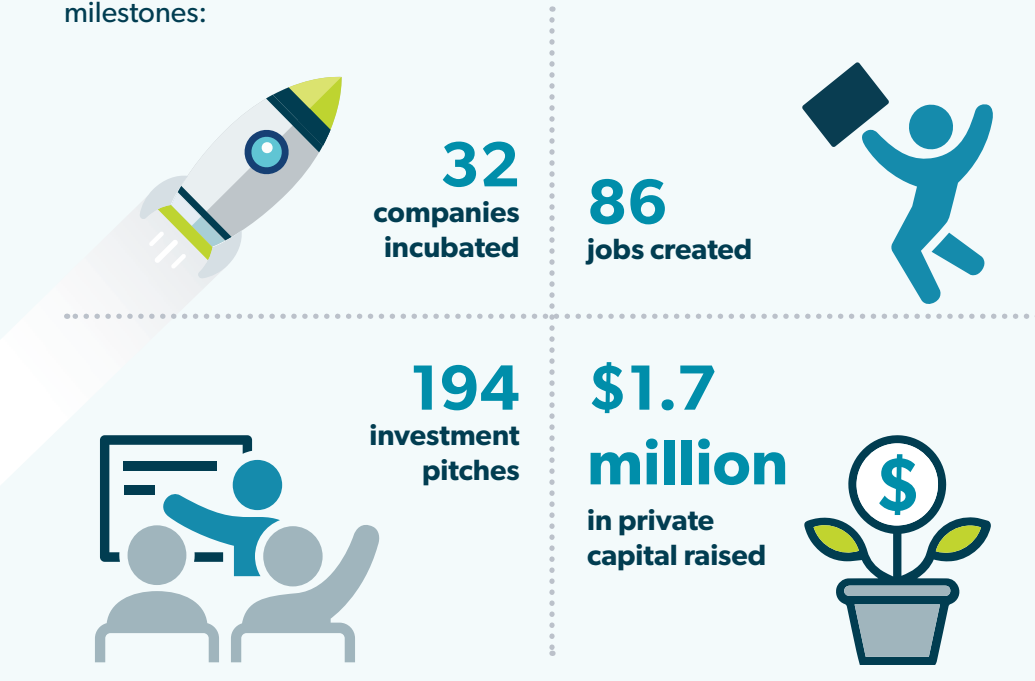
Conexus Building Communities

Cultivator

At Conexus, we're committed to helping high growth companies launch, grow, and scale from right here in Saskatchewan. In 2019, we proudly launched Cultivator, Canada's first credit union led business incubator - another Conexus first!

Cultivator exists to help grow innovative Saskatchewan companies who are looking to scale through programming, mentorship, services, access to capital, and more. Conexus started Cultivator because as a co-operative, member-owned organization we're about making a difference in our community and are always looking for new and innovative ways to improve the economic well-being of Saskatchewan.

In just our first year of programming, we've already hit some impressive milestones:



We also hosted a variety of high impact ecosystem events celebrating and launching new startups. A few to mention are: Cultivator's 24 Hour Startup, 24 Hour Startup AgTech at Canada's Farm Progress Show, our monthly CultivateYQR series and our first conference, Sask Startup Summit. In 2020, we're continually expanding and improving our programming so that we can help many more entrepreneurs start and grow in the future.



Visiting Mentor Jeanne Lam of Wattpad, Toronto

Conexus Venture Capital Fund

We're committed to growing Saskatchewan, so the growth of businesses in our province just makes sense for everyone. Traditionally, Saskatchewan technology start-ups have been underfunded and overlooked. Companies were often required to look outside the province, and often relocate, to access funding. We decided this needed to change. That's why in July 2019 we launched the Conexus Venture Capital (CVC) Fund, the first VC fund managed by a Canadian credit union. We have exceptional entrepreneurs in Saskatchewan and we believe that investing in them will drive outsized returns for our investors, members, and communities.

In its first six months the CVC fund grew to just over \$32 million, which will provide capital to help local companies grow, keeping local-businesses local. A few companies we have already invested in include, Coconut Software, SalonScale, 7shifts, Taiv, and SafetyTek.



Head Office Building

We believe strongly in building and supporting communities. So, when the University of Regina put out a call for development partners for its College Avenue Campus renewal project, we knew we had to answer the call.

The University of Regina specifically sought proposals for development on land already marked for potential future development. By building next to Darke Hall, we're helping the university save millions and making improvements that will preserve the building as a heritage performance space, while bringing its systems and structures up to today's standards and codes.

The project provides:

- \$8.25 million to support the university's plans to save the historic College Avenue campus. This includes \$3.25 million to lease the land next to Darke Hall.
- An office space to house Conexus corporate services employees. We'll turn the building over to the university when our 90-year lease runs out.
- Space for Cultivator, a business incubator, to support the mentoring, teaching and growth of aspiring Saskatchewan entrepreneurs.
- Space for the Conexus Venture Capital Fund, the first VC fund to be established by a credit union – working to ensure local businesses stay local.

We're excited in 2020 to bring together Conexus corporate services employees, Cultivator and, the Conexus Venture Capital Fund into a building that will be directly giving back to the University of Regina, and the public for generations to come.



Being a part of the community is just who we are. We invest in people and communities across Saskatchewan, so our members can continue to thrive.

Conexus' community investment program is aligned to our purpose to improve the financial well-being of our members and communities. We provide financial support in three key focus areas:

- Financial literacy education programs
- Basic human needs programs: food, shelter, education, 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 2019, we supported 151 initiatives through our community investment program, investing over \$3.1 million back into our communities. Beyond giving financial support we waived \$245,000 in banking fees for non-profits and charities, so they can use those savings to deliver additional care to clients who depend on their services.

United Way Regina & United Way Saskatoon

With United Way Regina (\$40,000 donated over two years) and United Way Saskatoon (\$30,000 donated over three years), we're turning the page for lifelong success with partnerships that support their Summer Success program. These are literacy-focused camps for students in grades 1 to 3 who may be vulnerable to learning loss over the summer months. A child who is not reading at a grade three level on time is four times more likely to drop out of high school, and that's a major barrier to financial well-being. In 2019, 30 Summer Success camps helped kids read hundreds of books and learn about food nutrition.



United Way, Regina



Habitat for Humanity, Saskatoon

Habitat for Humanity

We believe that everyone deserves a safe and affordable place to live, so building upon our relationship with Habitat for Humanity, we were proud to establish the Conexus Youth Engagement Program. This is a five-year, \$1 million partnership that will give youth skilled trades experience building 80 homes with Habitat for Humanity in Regina, Prince Albert, Moose Jaw, and Saskatoon over four years. May is Conexus Youth Engagement Month where every year we will deliver financial literacy education to participating youth on build sites.

Optimist Hill Campaign

We announced a new community investment partnership with the Optimist Club of Saskatoon, contributing \$1 million to phase two of the Optimist Hill Campaign. Optimist Hill, Saskatoon's winter destination, provides a full range of activities for children and adults, located in Diefenbaker Park. This funding will be used for the future permanent chalet, to be named the Conexus Riverview Chalet. Supporting capital projects, like Optimist Hill, contributes to the economic growth and stability of our communities.

The Optimist Hill Campaign (OSP Community Development Corp.), which began in 2013, is the Optimist Club of Saskatoon's largest project to date, and once complete, it will provide both outdoor and indoor facilities. Phase one includes a 70-foot hill with groomed lanes for snow-tubing, skiing and snowboarding, terrain park, and a Sunkid carpet conveyor system for an easy commute to the top of the hill - all now open to the public.



Optimist Club, Saskatoon

Feeding Our Future

Conexus entered a three-year, \$75,000 partnership with Lake Country Co-operative Association Ltd. to help remove hunger from classrooms in Prince Albert with the Feeding our Future program. This program gives emergency school lunches to students who arrive without a lunch. Students who live with food insecurity experience lower learning outcomes from hunger distraction and the inability to concentrate. Last year, the program provided over 65,000 emergency lunches to students.



Meal planning and preparation, Foodbank



Joel Mowchenko, Conexus Board Chair

Cancer Foundation of Saskatchewan

We were #strongertogether and stood up to cancer with a \$500,000 contribution to the Cancer Foundation of Saskatchewan (The Foundation) to support their CT Simulator Community Campaign. The Foundation is fundraising to replace the CT Simulators in the Regina Allan Blair Cancer Centre and the Saskatoon Cancer Centre. These new machines will improve patient care and help medical teams determine more precise treatment plans for those who need radiation therapy as part of their cancer treatment.

Cancer doesn't discriminate and this financial contribution to The Foundation supports local access to modern cancer care for Saskatchewan families across the province.



Photo courtesy of the Jim Pattison Hospital Foundation

Jim Pattison Children's Hospital Foundation

Together, with the Jim Pattison Children's Hospital Foundation we fundraised \$141,905 for pediatric and maternal health care for families in Saskatchewan. This is part of a five-year partnership with the Jim Pattison Children's Hospital Foundation to support health services, because we know that we can't improve the financial well-being of our members and our communities when they don't have access to medical care close to home.

Through the first year of the five-year Making Spirits Bright Holiday Giving Campaign, Conexus matched every dollar donated up to \$50,000. One hundred per cent of these funds are used for life saving medical technology and to improve patient care. This total is over 90% more funds raised than in 2018.



Photo courtesy of the Jim Pattison Hospital Foundation



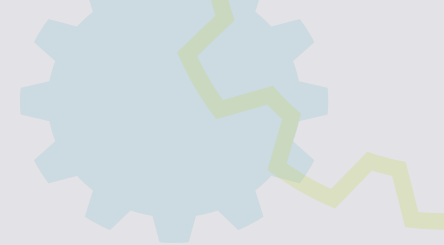
Board of Directors 2019 (left to right)

Malcolm Eaton, Rick Pattison, Kathryn Pollack, Joel Mowchenko (Chair), Leah Clement, Karin Ferris, Sandra Kitts, Adam Hicks, Curtis Kosolofski (Vice-Chair), Karla Hardcastle, Kara Marchand

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.


In 2019, members approved amendments to the Conexus Credit Union Bylaws. The most notable change was the removal of five geographic districts and moving to an at large governance structure. Given this change, a decision was also made to move forward with recommending candidates in future director elections.

Starting in 2020, our members will elect the board of directors each year through a 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 responsible for board renewal and overseeing the nomination process, recommending candidates and election of directors in accordance with provincial legislation. Voting is done by electronic ballot or in-branch by paper ballot for commercial 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. 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.

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, recommending candidates 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% 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, by 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 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

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.



Leah Clement

Regina

Director since: 2018

Current term expires: 2021

Board and Committee Meeting Attendance	
Board	5 of 7
Audit and Conduct Review	3 of 4
Governance and Human Resources	3 of 3
Total	11 of 14

Remuneration	
Honorarium	\$12,000
Per Diems	\$4,875
Travel / Other	\$2,271
Learning and Development	\$0
CPP / Benefits (Conexus Paid)	\$2,782
Total	\$21,928



Malcolm Eaton, CCD

Humboldt

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance	
Board	6 of 7
Governance and Human Resources	4 of 4
Nominations	1 of 1
Risk – Chair	4 of 4
Total	15 of 16

Remuneration	
Honorarium	\$18,000
Per Diems	\$6,500
Travel / Other	\$4,702
Learning and Development	\$4,419
CPP / Benefits (Conexus Paid)	\$2,603
Total	\$36,223



Karin Ferris

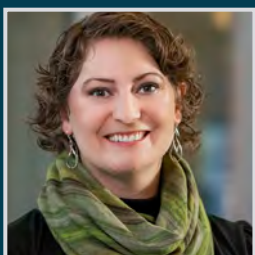
Prince Albert

Director since: 2018

Current term expires: 2021

Board and Committee Meeting Attendance	
Board	6 of 7
Governance and Human Resources	1 of 1
Nominations	1 of 1
Risk	2 of 3
Total	10 of 12

Remuneration	
Honorarium	\$12,000
Per Diems	\$4,500
Travel / Other	\$4,427
Learning and Development	\$2,457
CPP / Benefits (Conexus Paid)	\$2,779
Total	\$26,163



Karla Hardcastle, CCD

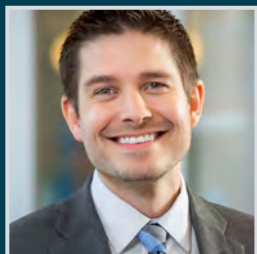
Air Ronge

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance	
Board	7 of 7
Governance and Human Resources – Chair	4 of 4
Nominations – Chair	1 of 1
Total	12 of 12

Remuneration	
Honorarium	\$18,000
Per Diems	\$5,625
Travel / Other	\$9,847
Learning and Development	\$4,320
CPP / Benefits (Conexus Paid)	\$3,314
Total	\$41,106



Adam Hicks

Regina

Director since: 2019

Current term expires: 2022

Board and Committee Meeting Attendance	
Board	5 of 5
Audit and Conduct Review	3 of 3
Total	8 of 8

Remuneration	
Honorarium	\$8,000
Per Diems	\$4,375
Travel / Other	\$2,107
Learning and Development	\$37
CPP / Benefits (Conexus Paid)	\$1,927
Total	\$16,446



Sandra Kitts, CCD

Moose Jaw

Director since: 2016

Current term expires: 2022

Board and Committee Meeting Attendance	
Board	7 of 7
Risk	4 of 4
Nominations - Chair	3 of 3
Total	14 of 14

Remuneration	
Honorarium	\$16,000
Per Diems	\$6,625
Travel / Other	\$2,376
Learning and Development	\$0
CPP / Benefits (Conexus Paid)	\$2,391
Total	\$27,392



Curtis Kosolofski, ICD.D

Vice-Chair

Regina

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance	
Board	7 of 7
Audit and Conduct Review	1 of 1
Governance and Human Resources	1 of 1
Nominations	1 of 1
Risk	3 of 3
Total	13 of 13

Remuneration	
Honorarium	\$16,000
Per Diems	\$6,125
Travel / Other	\$307
Learning and Development*	\$0
CPP / Benefits (Conexus Paid)	\$2,261
Total	\$24,693

*ICD.D learning and development was completed in 2019, taken in 2017-2018.



Kara Marchand, CCD

Regina

Director since: 2016

Current term expires: 2022

Board and Committee Meeting Attendance	
Board	6 of 7
Audit and Conduct Review - Chair	3 of 4
Nominations	2 of 3
Total	11 of 14

Remuneration	
Honorarium	\$18,000
Per Diems	\$4,250
Travel / Other	\$15
Learning and Development	\$0
CPP / Benefits (Conexus Paid)	\$2,955
Total	\$25,220



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

Moose Jaw

Director since: 2015

Current term expires: 2021

Board and Committee Meeting Attendance		Remuneration	
Board	7 of 7	Honorarium	\$26,400
Audit and Conduct Review	4 of 4	Per Diems	\$15,750
Governance and Human Resources	4 of 4	Travel / Other	\$11,726
Risk	4 of 4	Learning and Development	\$4,510
Nominations	4 of 4	CPP / Benefits (Conexus Paid)	\$4,085
Total	23 of 23	Total	\$62,471



Rick Pattison

Lemberg

Director since: 2017

Current term expires: 2020

Board and Committee Meeting Attendance		Remuneration	
Board	5 of 7	Honorarium	\$12,000
Audit and Conduct Review	1 of 3	Per Diems	\$2,875
Risk	1 of 1	Travel / Other	\$1,441
Total	7 of 11	Learning and Development	\$0
		CPP / Benefits (Conexus Paid)	\$2,604
		Total	\$18,920



Kathryn Pollack

Lumsden

Director since: 2019

Current term expires: 2022

Board and Committee Meeting Attendance		Remuneration	
Board	4 of 5	Honorarium	\$8,000
Governance and Human Resources	3 of 3	Per Diems	\$4,750
Total	7 of 8	Travel / Other	\$486
		Learning and Development	\$555
		CPP / Benefits (Conexus Paid)	\$1,869
		Total	\$15,660



John Benson, ICD.D

Regina

Director since: 2016

Term expired: 2019

Board and Committee Meeting Attendance		Remuneration	
Board	2 of 2	Honorarium	\$6,000
Audit and Conduct Review – Chair	1 of 1	Per Diems	\$1,000
Total	3 of 3	Travel / Other	\$0
		Learning and Development	\$0
		CPP / Benefits (Conexus Paid)	\$974
		Total	\$7,974



Jason Schenn

Moosomin

Director since: 2016

Term expired: 2019

Board and Committee Meeting Attendance

Board	2 of 2
Risk	1 of 1
Total	3 of 3

Remuneration

Honorarium	\$4,000
Per Diems	\$1,125
Travel / Other	\$656
Learning and Development	\$0
CPP / Benefits (Conexus Paid)	\$872
Total	\$6,652

Board and Committee Chair disclosures are as of December 2019. John Benson and Jason Schenn terms expired in April 2019; Sandra Kitts and Kara Marchand were re-elected in April 2019.

Combined Board Remuneration and Expenses

Honorarium	\$174,400
Per Diems	\$68,375
Travel / Other	\$40,361
Learning and Development	\$16,297
CPP / Benefits (Conexus Paid)	\$31,415
Total	\$330,849

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

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