



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



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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

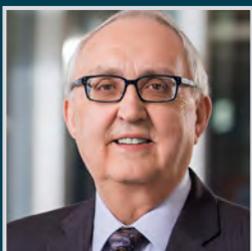


**Jason Schenn
Moosomin**

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

