

Conexus Board of Directors 2020



Joel Mowchenko



Kathryn Pollack



Annette Bester



Mark Borgares



Leah Clement



Karin Ferris



Karla Hardcastle



Adam Hicks



Sandra Kitts



Ken Kosolofski



Kara Marchand



Governance at Conexus

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

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

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

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

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

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

Elections and Member Engagement

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

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

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

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

Approach to Governance and Board Responsibilities

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

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

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

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

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

Board Committees

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

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

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

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

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

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

Board Effectiveness and Renewal

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

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

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

Orientation and Director Education

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

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

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

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

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

Remuneration and Attendance

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

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

Board of Directors



Board Members	Joel Mowchenko	Kathryn Pollack	Annette Bester	Mark Borgares	Leah Clement	Karin Ferris	Karla Hardcastle
	Chair	Vice-Chair	Director	Director	Director	Director	Director
Year First Elected¹	2015	2019	2020	2020	2018	2018	2017
Year Current Term Ends	2021	2022	2023	2023	2021	2021	2023
Committee Assignments Pre AGM 2020 (April 7, 2020)	Ex officio member of all Committees	Member of Governance and Human Resources Committee			Member of Governance and Human Resources, and Audit and Conduct Review Committees	Member of Risk Committee	Chair of Governance and Human Resources Committee
Committee Assignments Post AGM 2020	Ex officio member of all Committees except Nominations Committee	Chair of Risk Committee	Member of Audit and Conduct Review Committee	Member of Nominations, and Risk Committees	Member of Governance and Human Resources, and Risk Committees	Member of Governance and Human Resources Committee	Chair of Governance and Human Resources, and member of Nominations Committee
Meeting Attendance²	26/26	14/14	9/9	12/12	15/18	9/13	17/17
Remuneration							
<i>Honorarium & Per Diems</i>	\$43,400	\$21,750	\$11,750	\$12,250	\$16,875	\$15,250	\$23,500
<i>Expenses³</i>	\$8,309	\$14,493	\$10,967	\$804	\$19,770	\$3,078	\$3,580
Total	\$51,709	\$36,243	\$22,717	\$13,054	\$36,645	\$18,328	\$27,080

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

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

³ Includes out of pocket expenses, learning & development, Conexus paid benefits.

Board of Directors (Continued)



Board Members	Adam Hicks	Sandra Kitts	Ken Kosolofski	Kara Marchand	Malcolm Eaton	Curtis Kosolofski	Rick Pattison
	Director	Director	Director	Director	Outgoing Director	Outgoing Director	Outgoing Director
Year First Elected¹	2019	2016	2020	2016	2017	2017	2017
Year Current Term Ends	2022	2022	2023	2022	Term ended April 2020	Term ended April 2020	Term ended April 2020
Committee Assignments Pre AGM 2020 (April 7, 2020)	Member of Audit and Conduct Review Committees	Chair of Nominations, and member of Risk Committees		Chair of Audit and Conduct Review, and member of Nominations Committees	Chair of Risk, and member of Governance and Human Resources Committee	Vice-Chair and member of Risk Committee	Member of Audit and Conduct Review Committee
Committee Assignments Post AGM 2020	Member of Audit and Conduct Review, and Nominations Committees	Chair of Nominations, and member of Governance and Human Resources Committees	Chair of Audit and Conduct Review Committee	Member of Audit and Conduct Review and Risk Committees			
Meeting Attendance²	16/16	20/20	9/9	18/20	6/6	4/4	2/4
Remuneration							
<i>Honorarium & Per Diems</i>	\$18,625	\$26,625	\$16,000	\$21,500	\$8,125	\$7,250	\$4,750
<i>Expenses³</i>	\$12,032	\$23,971	\$2,773	\$21,820	\$1,764	\$804	\$898
Total	\$30,657	\$50,596	\$18,773	\$43,320	\$9,889	\$8,054	\$5,648

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

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

³ Includes out of pocket expenses, learning & development, Conexus paid benefits.