



CREDIT UNION

Well beyond a bank.

June 26, 2020

Dear Members,

This has been an unprecedented winter and spring for many of us, filled with unexpected challenges and apart-but-together wonderful that can make our world so interesting.

New! Introducing our leadership and board team

Early in 2020, the Financial Services Regulatory Authority of Ontario (FSRA) began handing control back to PACE Credit Union members and elected a new Board of Directors. Four months later, PCU's new senior team was brought on, including myself, on April 6th. Many of us left larger institutions because we believe that being closely aligned with community and with members is both more personally fulfilling and future of business in the 21st century. We are all very pleased to be here to stay for members, employees and communities in Ontario. Watch our website for the posting of our bios.

Embracing change

It has been a busy first three months since our new leadership first stepped through the doors. To stabilize and position our business effectively, PACE needed deep change – and change is happening, thanks to our team, our Board and you.

Our team has begun charting a new course; a sustainable future focused on building a strong culture of member protection, effective compliance and open communication and collaboration.

We were featured in the Globe & Mail which outlined our first challenges requiring change. You can read the story [here](#) on our website.

While Ernst & Young is working through the closure of PACE Securities (PSC), we have been looking for way to support our impacted members during this difficult time. We have committed to a simple, four-point plan that will also benefit our entire community. All parties involved are moving slowly and carefully to ensure all data is captured and all questions explored. Job one is to launch a Compliance Review to be led by independent, external legal counsel, to examine what can be learned from the enrollment process and ensuring future sales practices are always in our members' best interests, measuring actions against published ["Best Practices" of Know Your Client and Suitability compliance regulations](#). A summary of findings will be presented to all PCU members at a town hall event later in 2020. You can find our Four-Point Plan at the bottom of this email and on our website.

Financial perspective

Our financial performance to-date has been tracking to budget. Our necessary focus on clearing up some of the portfolio has meant less overall profit, but this has been balanced by stronger credit performance than expected.

Looking ahead, we are anticipating some financial challenges as we manage through the continued uncertainty brought by the global pandemic. Despite this, fiscal priorities have been and *will continue to be set with member needs at the forefront*. A variety of financing programmes to support your borrowing needs, whether personal or business related, remain available.

PACE Savings & Credit Union Ltd.

8111 Jane Street, Unit 1, Vaughan, ON L4K 4L7 Tel. 905.738.8900 Fax. 905.738.2030 www.pacecu.com



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Community matters

Covid-19 brought out the worst in the market but the best in our communities. From learning to Zoom, to grocery shopping for those who must stay inside, our members and employees remind us daily that it is the little things that create the best togetherness.

To support the students among us, our 2020 bursary program launches June 15. This program is designed to help members enrolled (or enrolling) in post-secondary education. We are looking forward to sharing the stories about recipients. Help us spread the word. Applications are open until July 31, 2020.

As well, during these unprecedented times, the Canadian Emergency Business Account (CEBA) is available through PCU. CEBA is offered to businesses which meet the eligibility criteria. Subject to the ongoing availability of government funding, a loan of \$40,000 is available to businesses to help cover operating costs. <https://www.pacecu.ca/Personal/AboutUs/MediaCentre/CEBA/>

We want the value of community to underpin every decision we make going forward. From regularly refreshed online information as our PCU website evolves over the summer to understanding how best to communicate with you - our members - and keep you involved. We are interested in what our members have to say, from how often you hope to receive newsletters like these to the products you find most valuable. We will move steadily to a mutually profitable future.

Remember, our Contact Centre is always ready to take your calls and our Branch teams are happy to speak with you. Your deposits continue to be secure and your financial needs continue to be served. PACE Credit Union is here to stay.

We are working to uncomplicate and communicate; contact us any time.
Sincerely,

Barbara Dirks
President & CEO, PACE Credit Union