

BY-LAW NO. 2
("Borrowing By-Law")

A by-law providing for the exercise of power for borrowing by the
FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

WHEREAS pursuant to section 9 of the *Financial Services Regulatory Authority of Ontario Act, 2016* (the "Act"), the Financial Services Regulatory Authority of Ontario ("**Corporation**") is authorized to make by-laws governing its proceedings and generally for the conduct and management of the business and affairs of the Corporation;

AND WHEREAS pursuant to subsection 12(1) of the Act, the Corporation shall not borrow unless the activity is authorized by a by-law of the Corporation and the by-law is approved by the Minister of Finance in accordance with paragraph 2 of subsection 9(8) of the Act;

AND WHEREAS pursuant to subsection 12(2) of the Act all borrowing of the Corporation shall be co-ordinated and arranged by the Ontario Financing Authority, unless the Minister of Finance agrees otherwise;

AND WHEREAS it is necessary and in the best interest of the Corporation, in the conduct of its business and affairs, to enter into a loan agreement to borrow from Her Majesty the Queen in right of Ontario as represented by the Minister of Finance in an amount not to exceed \$20,000,000 from time to time for the purposes of the Corporation;

AND WHEREAS it is necessary and in the best interest of the Corporation, in the conduct of its business and affairs to obtain: (i) credit cards, and (ii) overdraft protection facilities to support its ongoing banking arrangements and to enter into agreements to pay interests on overdue amounts;

BE IT ENACTED as a by-law of the Corporation as follows:

BORROWING

1. The Corporation is authorized to enter into a loan agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, as lender ("**Lender**"), setting out the terms and conditions of a non-revolving loan facility in an amount not to exceed \$20,000,000 ("**Loan Agreement**") to be provided by the Lender to the Corporation, as borrower.

2. The incurrence by the Corporation of the indebtedness under the Loan Agreement and the borrowings made by the Corporation pursuant thereto from time to time, are hereby authorized and approved.

3. The execution and delivery by the Corporation of the Loan Agreement, in substantially the forms thereof submitted to and reviewed by the directors, and the performance by the Corporation of its obligations thereunder, are hereby authorized and approved.

4. The Chair of the Corporation together with any one of the other directors of the Corporation are hereby authorized to enter into, execute and deliver, on behalf of the Corporation, the Loan Agreement, substantially in the form thereof submitted to and reviewed by the directors, together with such additional deletions, alterations or amendments therefor as such persons executing the Loan Agreement may approve, such approval to be conclusively evidenced by the execution thereof, and to deliver such other agreements, and take such other actions as they determine to be necessary or desirable in connection therewith in their absolute discretion.

5. The Chair of the Corporation is hereby authorized and directed to execute, deliver, register and file in the name and on behalf of the Corporation, any agreements, certificates, instruments, powers of attorney, notices, affidavits, supporting materials and other documents (collectively, the "Ancillary Documents"), and to obtain any required consents, approvals and to do any other acts and things as in the opinion of such person may be necessary or desirable to give full effect to this by-law, to facilitate all matters relating to this by-law and to complete the transactions contemplated under the Loan Agreement.

6. The proceeds pursuant to the Loan Agreement authorized under this by-law will be used to pay for the initial administrative and initial operational costs of the Borrower.

7. The Corporation may, from time to time, borrow money upon the credit of the Corporation by way of bank overdraft or agreements to pay interest on overdue amounts outstanding from time to time on such terms as may be agreed to and executed on behalf of the Corporation by the Chair and any one of the other directors of the Corporation and provided that the amount borrowed does not exceed \$25,000.

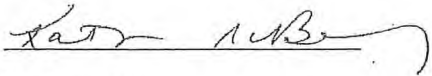
8. The Corporation may, from time to time, borrow money upon the credit of the Corporation by way of credit cards with an aggregate credit limit of up to \$100,000 for all cards. The Board of Directors may delegate to one or more directors or officers of the Corporation the authority to apply for credit card borrowing and, subject to the aggregate credit limit for all cards, to arrange the limit for each card and terms and conditions with the financial institution and to execute, on behalf of the Corporation, the necessary agreements with the financial institution in accordance with the terms of the delegation.

9. For clarity, prior to entering into any agreements authorized under paragraphs 7 and 8 of this by-law, the Corporation shall seek any other necessary approvals including under section 28 of the *Financial Administration Act*.

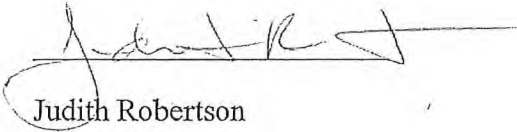
10. Effective Date. This by-law shall become effective on the date approved by the Minister of Finance.



Bryan Davies, Chair

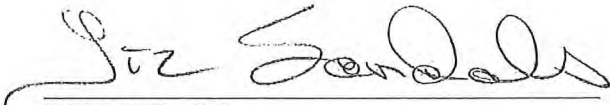


Kathryn Bouey



Judith Robertson

APPROVED the 29th day of August, 2017



LIZ SANDALS
PRESIDENT OF TREASURY BOARD,
as alternate for the Minister of Finance

