

**AMENDED AND CONSOLIDATED
TO July 11, 2023**

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

BY-LAW No. 2

(“Borrowing and Investing By-Law”)

A By-Law amending, restating and replacing By-Laws No. 2, No. 2(a) and No. 2(b) of the Financial Services Regulatory Authority of Ontario.

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PREAMBLE

A by-law providing for the exercise of power for borrowing and investing of funds

WHEREAS this By-Law amends, replaces and restates all previous borrowing By-Laws of the Financial Services Regulatory Authority of Ontario (the “**Authority**”) and any amendments thereto, including By-Law No. 2 (the “**Original Borrowing By-Law**”), By-Law No. 2(a) and By-Law No. 2(b);

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

AND WHEREAS pursuant to subsection 12(1) of the Act, the Authority shall not borrow, invest funds or manage financial risks unless the activity is authorized by a by-law of the Authority 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, investing of funds and managing of financial risks of the Authority shall be coordinated and arranged by the Ontario Financing Authority (“**OFA**”), unless the Minister of Finance directs otherwise in writing;

AND WHEREAS the Authority requires that the OFA invest or reinvest funds of the Authority that are not immediately required to pay the Authority’s operating expenses or capital expenditures (the “**Surplus Funds**”), as determined by Management of the Authority, in accordance with a written policy (the “**FSRA Surplus Funds Investment Policy**”) approved by the Board of Directors of the Authority (the “**Board of Directors**”);

AND WHEREAS it is necessary and in the best interests of the Authority, in the conduct of its business and affairs, to enter into the credit facilities, loans, letters of credit and other borrowings described in Article 2;

AND WHEREAS it is necessary and in the best interests of the Authority, in the conduct of its business and affairs, to enter into a written credit agreement to borrow from the OFA, an amount not to exceed Two Billion Dollars (\$2,000,000,000) (the “**Limit**”) under a credit facility (the “**Credit Facility**”) pursuant to the terms of the credit agreement (the “**Credit Agreement**”), in order to address any systemic issues which may arise in the Ontario credit union sector, including the failure of, or a liquidity event in, any credit unions regulated by the Authority that require financial support in addition to that available through the Deposit Insurance Reserve Fund administered by the Authority under subsection 224(1) of the *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sch. 7 (the “**Purpose**”);

BE IT ENACTED a consolidated and restated By-Law of the Authority as follows:

ARTICLE 1 AUTHORIZED INVESTMENT

1.1 FSRA Surplus Funds Investment Policy

1. In order to have the OFA coordinate and arrange the investing of funds of the Authority pursuant to subsection 12(2) of the Act, the Authority shall prepare the FSRA Surplus Funds Investment Policy which shall be reviewed by the Audit, Finance and Risk Committee of the Authority's Board of Directors (or such other Committee as is specified by the Board) on an annual basis, with recommended changes, if any, to be approved by the Board of Directors of the Authority. The FSRA Surplus Funds Investment Policy shall determine the amount of Surplus Funds that may be invested by the OFA, the classes and types of investments in which the Surplus Funds may be invested and any limits on the amount for any such classes or types, the duration and objective(s) of such investments, and any other matters required for the prudent investment of the Surplus Funds.
2. The Authority shall be authorized to enter into an Investment Management Agreement with the OFA related to the Surplus Funds which is substantially in accordance with the FSRA Surplus Funds Investment Policy.

ARTICLE 2 AUTHORIZED BORROWING

2.1 Credit Facility

1. The Authority, the borrower, is hereby authorized to enter into the Credit Agreement with the OFA setting out the terms and conditions of the Credit Facility, including the Limit, for the Purpose.
2. The incurrence of the indebtedness by the Authority under the Credit Facility and the borrowings made by the Authority pursuant to the Credit Facility, from time to time up to the Limit for the Purpose are hereby authorized and approved.
3. The execution, finalization and delivery of the Credit Agreement by any two of the Chair of the Board of Directors (the “**Chair**”), the Chief Executive Officer (“**CEO**”), the EVP Corporate Services and the Chief Financial Officer (“**CFO**”) of the Authority acting together, in accordance with the terms described in the term sheet, as reviewed by the Board of Directors, and the entry into as well as performance by the Authority of its obligations under the Credit Agreement, are hereby authorized and approved.
4. Any two of the Chair, the CEO, the EVP Corporate Services and the CFO of the Authority acting together, are hereby authorized and directed to execute, deliver, register and file in the name and on behalf of the Authority, any agreements, certificates, instruments, powers of attorney, notices, affidavits, supporting materials and other documents (collectively, “**the Ancillary Documents**”), and to obtain any required consents and 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 Credit Agreement to support the Credit Facility for the Purpose.

2.2 Loan 1

5. On August 29, 2017, the President of the Treasury Board, as an alternate to the Minister of Finance, approved a By-Law of the Authority (“**By-Law No. 2**”), authorizing the Authority to enter into a non-revolving loan facility (“**Loan 1**”) with Her Majesty the Queen in right of Ontario for an amount not exceeding Twenty Million Dollars (“\$20,000,000”).
6. On March 21, 2018, the Minister of Finance approved an amendment to By-Law No. 2 (“**By-Law 2(a)**”), authorizing the Authority to borrow from Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, an amount not exceeding Forty Million Dollars (“\$40,000,000”), increasing the amount of Loan 1.
7. On June 6, 2019, the Minister of Finance approved a further amendment to By-Law No. 2 (“**By-Law 2(b)**”), authorizing the Authority to borrow from Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, an amount not to exceed Sixty Million Dollars (“\$60,000,000”), amending Loan 1 and allowing for multiple credit facilities.
8. Loan 1, as amended by By-Law 2(a) and By-Law 2(b), remains authorized and approved and any two of the Chair, the CEO, the EVP Corporate Services and the CFO of the Authority acting together, are hereby authorized and directed to execute, deliver, register and file, in the name and on behalf of the Authority, the Ancillary Documents and to obtain any required consents and 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 for the purposes of Loan 1.

2.3 Loan 2

9. On June 6, 2019, the Minister of Finance approved a By-Law of the Authority (“**By-Law No. 2(b)**”) which, among other things, authorized the Authority to enter into a new loan agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Finance, and setting out the terms and conditions of a non-revolving facility up to a maximum principal amount of Forty Million Dollars (“\$40,000,000”) (“**Loan 2**”).
10. Loan 2 remains authorized and approved and any two of the Chair, the CEO, the EVP Corporate Services and the CFO of the Authority acting together are authorized and directed to execute, deliver, register and file, in the name and on behalf of the Authority, the Ancillary Documents and to obtain any required consents and 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 for the purposes of Loan 2.

2.4 Letter of Credit

11. On June 6, 2019, the Minister of Finance approved a By-Law of the Authority (“**By-Law No. 2(b)**”), which authorized the Authority to borrow money upon the credit of the Authority by way of letter of credit for the purposes of the OP Trust Participation Agreement provided that the amount borrowed did not exceed One Million, Seven Hundred and Forty Thousand Dollars (“\$1,740,000.00”) (the “**Letter of Credit**”).
12. The Letter of Credit remains authorized and approved and any two of the Chair, the CEO, the EVP Corporate Services and the CFO of the Authority acting together are hereby authorized

and directed to execute, deliver, register and file, in the name and on behalf of the Authority, the Ancillary Documents and to obtain any required consents and 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 for the purposes of the Letter of Credit.

2.5 Credit Cards

13. On June 6, 2019, the Minister of Finance approved a By-Law of the Authority (“**By-Law No. 2(b)**”), which authorized the Authority to borrow money upon the credit of the Authority by way of credit cards with an aggregate credit limit of up to One Million Dollars (“\$1,000,000”) for all credit cards utilized by the Authority (the “**Credit Cards**”). The Board of Directors may delegate to one or more officers of the Authority 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 Authority, the necessary agreements with the financial institution in accordance with the terms of the delegation.
14. The Credit Cards remain authorized and approved and any two of the Chair, the CEO, the EVP Corporate Services and CFO of the Authority acting together are hereby authorized and directed to execute, deliver, register and file, in the name and on behalf of the Authority, the Ancillary Documents and to obtain any required consents and 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 for the purposes of the Credit Cards.

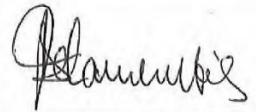
2.6 Bank Draft

15. On August 29, 2017, the President of Treasury Board, as alternate for the Minister of Finance, approved a By-Law of the Authority (“**By-Law No. 2**”), which authorized the Authority to, from time to time, borrow money upon the credit of the Authority by way of bank draft 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 Authority by any two of the Chair, the CEO, the EVP Corporate Services and the CFO of the Authority acting together, provided that the amount borrowed does not exceed Twenty Five Thousand Dollars (“\$25,000”) (the “**Bank Draft**”).
16. The Bank Draft remains authorized and approved and any two of the Chair, the CEO, the EVP Corporate Services and CFO of the Authority acting together are hereby authorized and directed to execute, deliver, register and file, in the name and on behalf of the Authority, the Ancillary Documents and to obtain any required consents and 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 for the purposes of the Bank Draft.

2.7 Financial Administration Act

17. For greater clarity, prior to entering into any agreements authorized under this By-Law, the Authority shall seek any other necessary approvals required, including under section 28 of the *Financial Administration Act* (Ontario).

18. This By-Law, which restates and replaces By-Laws No. 2, No. 2(a) and No. 2(b), shall become effective on the date approved by the Minister of Finance.



Joanne De Laurentiis, Chair



Heather Greenberg,
Corporate Secretary and Deputy General Counsel

APPROVED the 13 day of ^{December}, 2023.



HONOURABLE PETER BETHLENFALVY
MINISTER OF FINANCE