

The Corporation of the Town of Aurora

By-law Number 6502-23

Being a By-law of The Corporation of the Town of Aurora to authorize, as a Participating Municipality, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement, the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Whereas section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019, a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

And whereas pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

And whereas paragraph 3 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

And whereas paragraph 3 of section 15 of the Regulation requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

And whereas subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality’s money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the Participating Municipality’s powers to make the investments, and b) the Participating Municipality’s duties under section 418.1 of the Act;

And whereas section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

And whereas the Treasurer of The Corporation of the Town of Aurora (the "**Municipality**") completed a draft Municipal Client Questionnaire, in the form attached hereto as Schedule "A" (the "**Municipal Client Questionnaire**") and prepared the draft investment policy statement attached hereto as Schedule "B", which is referred to as its Investment Policy Statement (the "**IPS**") and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS, in accordance with section 18 of the Regulation;

And whereas effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "Founding Municipalities") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

And whereas ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

And whereas pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

And whereas ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

And whereas each of the Founding Municipalities pursuant to an Authorizing By-law that is substantially the same as this By-law, established the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the "**Code of Conduct**") and authorized ONE JIB to make future changes to the Code of Conduct;

And whereas the Founding Municipalities directed ONE Investment to undertake a Request for Proposals (“RFP”) process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities’ municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. Thereafter the recommended candidate(s) were submitted to ONE JIB for its consideration and ONE JIB appointed the recommended candidate(s) as its Integrity Commissioner and its Closed Meeting Investigator;

And whereas each Founding Municipality pursuant to an Authorizing By-law that is substantially the same as this By-law, delegated to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors, from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

And whereas the Municipality is required to have entered into the ONE JIB Agreement before the Municipality can pass its Prudent Investor Enabling By-law;

And whereas after ONE JIB confirms its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, ONE JIB and the Municipality will agree upon on an effective date for the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality and such effective date will be the effective date of the Municipality’s authorization of the application of section 418.1 of the Act to it, which effective date will also be known as the “**Prudent Effective Date**”;

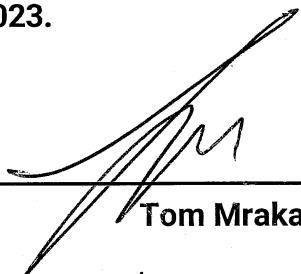
Now therefore the Council of The Corporation of the Town of Aurora hereby enacts as follows:

1. The Municipality hereby ratifies, confirms and approves the completion and execution by the Treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date.
3. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has accepted the Municipality as a Participating Municipality under the ONE JIB Agreement substantially in the form attached hereto as Schedule “C” pursuant to which ONE JIB is given the control and management of the Municipality’s money and investments that it does not require immediately together with that of all of the Participating Municipalities as at the day this By-law is passed by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act with an effective date that is the Municipality’s Prudent Effective Date and the Treasurer is hereby authorized to execute the ONE JIB Agreement for and on behalf of the Municipality.
4. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its

capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.

5. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.
6. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.
7. The Municipality hereby authorizes the application of section 418.1 of the Act to it on the basis that the effective date of the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality will be the same date as the Prudent Effective Date described in this By-law.
8. The Treasurer, is and on behalf of the Municipality, hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.
9. Sections 1 to 6 inclusive and section 8 of this By-law shall take effect on the day of passing and section 7 of this By-law shall take effect on the Municipality's Prudent Effective Date.

Enacted by Town of Aurora Council this 23rd day of May, 2023.



Tom Mrakas, Mayor



Michael de Rond, Town Clerk

By-law Number 6502-23

Schedule "A"



Municipal Client Questionnaire

Recommended Review: Annually. However, if

- a. there is a significant change in the Municipality's circumstances (or)
- b. there is a significant change in reserves/expenses

then a review is recommended within three months of the occurrence of such change.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: Town of Aurora
(Municipality)

1.2 NAME OF THE TREASURER: Rachel Wainwright-van Kessel

1.3 NAME OF PRIMARY DAY-TO-DAY CONTACT**: Laura Sheardown

1.4 TITLE OF PRIMARY DAY-TO-DAY CONTACT: Financial Management Analyst

1.5 ADDRESS: 100 John West Way, Aurora ON L4G 6J1

1.6 PHONE NUMBER OF TREASURER: 905-726-4772

1.7 PHONE NUMBER OF PRIMARY DAY-TO-DAY CONTACT: 905-727-3123 x4136

1.8 FAX NUMBER: 905-727-1953

1.9 EMAIL OF TREASURER: rvankessel@aurora.ca

1.10 E-MAIL OF PRIMARY DAY-TO-DAY CONTACT: lsheardown@aurora.ca

1.11 DATE OF PREVIOUS MUNICIPAL CLIENT QUESTIONNAIRE: n/a

1.12 If there have been no material changes to the information contained in the last Municipal Client Questionnaire provided to ONE Investment, indicate here:

1.13 Is the Municipality invested under Legal List with ONE Investment? Yes No

1.14 Is the Municipality invested under Prudent Investor Regime? Yes No

**Primary day-to-day contact should have a comprehensive understanding of the Municipality's financial position and investment needs.



Municipal Client Questionnaire

1.15 Please provide the following information for all individuals authorized to provide instructions to ONE Investment:

NAME	TITLE	EMAIL
<u>Rachel Wainwright-van Kessel</u>	<u>Director of Finance - Treasurer</u>	<u>rvankessel@aurora.ca</u>
<u>Jason Gaertner</u>	<u>Manager, Financial Management</u>	<u>jgaertner@aurora.ca</u>
<u>Elizabeth Quattrociochi</u>	<u>Manager, Accounting & Revenue</u>	<u>equattrociochi@aurora.ca</u>
<u>Laura Sheardown</u>	<u>Financial Management Analyst</u>	<u>lsheardown@aurora.ca</u>

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1. Which statement best describes the Municipality's level of investment knowledge and experience with financial markets and products?

- Very limited knowledge
- Basic knowledge and minimal experience
- Good knowledge and some investment experience
- Strong knowledge and experience
- Advanced knowledge and extensive experience

2.2 Please confirm that the Municipality is prepared to have exposure to the equity markets in accordance with its IPS and the corresponding Investment Plan. If no such exposure is contemplated, so state.

Yes.

2.3 Check the following statements that apply to the Municipality's current investment portfolio?
[Check all that apply]

- Canadian money market securities (e.g. Cash, bank accounts, HISA etc.)
- Locked In Investments (GIC's PPN's etc.)
- Local Distribution Corporation Securities (cemetery, trusts, hydro funds etc.)
- Fixed income (government and/or corporate bonds)
- Equities



Municipal Client Questionnaire

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality's Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five year period will be higher where the portfolio's returns are varied when measured on a year by year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five year average.

3.1 Which of the following best reflects the Municipality's investment objectives for its MNRI?

- Capital preservation is the main objective. Willingness to accept low returns in order to avoid any years with losses.
- Achieve moderate growth without excessive risk to capital.
- Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns over the longer term

3.2 What is the Municipality's risk tolerance for its MNRI?

- Low (Conservative Approach: A very small chance of loss of capital over a 5 year period)
- Moderate (Moderate chance of loss of capital over a 5 year period)
- High (Greater uncertainty with potential of higher returns over a 5 year period)

3.3 Annual Return Expectations: Which range best reflects the Municipality's expected annual return for its MNRI?

- 0% to 2% gain
- 5% loss to 5% gain
- 10% loss to 10% gain

3.4 Other information: Is there any other information about the Municipality's investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.



Municipal Client Questionnaire

4. FINANCIAL INFORMATION

4.1 Size of Assets and Liabilities

Description	Amount
Total Assets	\$162,674,000
Short Term Assets	78,615,770
Long Term Assets	84,058,230
Long Term Debt	9,694,000
Total Revenues	107,811,000
Reserves	49,358,740
Reserve Funds	23,058,347
Trust Funds	0
Sinking Funds	0
Pension Funds	0
Operating Funds	4,695,383

4.2 Cash Flow Projections by Year (e.g. Revenue Fund, Reserve Fund, Trust Fund etc.)

Type	2019	2020	2021	2022	2022-2030
R & R Funds	8,841,210	17,443,097	14,459,816	9,930,141	70,043,909
Growth & New Funds	34,987,550	3,253,700	43,600,450	4,667,240	26,215,680
Studies & Other Funds	980,000	1,090,000	300,000	32,100	1,972,800

Funding/Expenditure Analysis

4.3 Has the Municipality completed a cash flow analysis?

Yes No

Please answer 4.4 through 4.8 if cash flow analysis has been completed by the Municipality.

4.4 How often is a cash flow analysis of reserves, reserve funds and expected expenditures completed by the Municipality?

Please note that the information provided in 4.2 are approvals and we do not expect significant draw downs on MRNI in the next five years.



Municipal Client Questionnaire

4.5 Please specify month and year of the last update to the cash flow analysis.

4.6 How confident is your municipality with your current cash flow forecast?

Very Confident Moderately Confident Considerable Uncertainty

4.7 How many years did the cash flow analysis forecast extend?

One year Two years Three years Five years Seven years 10 years or more

4.8 How sensitive are the expenditures of the municipality to inflation? Does the investment plan need to emphasize sensitivity to inflation?

4.9 How much and how often does the Municipality require funds from the operating reserves?

Type of Operating Reserve	Amount Needed	Frequency
Tax Rate Stabilization	varies	varies

4.10 How does the Municipality manage unanticipated requests for funding? When was the last occurrence and how was it handled?

Unanticipated requests for funding are managed through reports to Council during the year.

This happens on a regular basis and the cash flow needs are managed through the monies required immediately.

4.11 If the Municipality has completed a capital budget and asset management plan, how many years out does this forecast extend?

Less than 3 years 3-5 Years 5-10 Years 10 years or more



Municipal Client Questionnaire

4.12 Are the capital reserves growing annually for the Municipality?

Yes No

4.13 If yes, what approximate annual rate are the capital reserves growing by?

1 to 2 % 3 to 4 % Greater than 5 %

4.14 If no, at what approximate annual rate is the Municipality's capital reserves declining by?

1 to 2 % 3 to 4 % Greater than 5 %

4.15 What annual rate is the Municipality's capital expenditures rising by?

1 to 2 % 3 to 4 % Greater than 5 %

4.16 Is there a particular year when the Municipality has unusual, large expected capital expenditure(s)?

Yes No

4.17 If so, please explain the timing and nature of the expenditure(s)

2019 Cultural Centre, 2021 New Recreation Centre, 2025 New Sidewalk (growth)

4.18 What are the total capital reserves available for investment as the Municipality's MNRI?

less than \$5 million between \$5 and \$10 million between \$10 and \$20 million
 between \$20 and \$49 million between \$50 million and \$99 million over \$100 million

5. PORTFOLIO INFORMATION

No.	Description	Amount (\$)
5.1	Total Amount of MNRI	35,000,000
5.2	Total Amount of "Money Required Immediately" - MRI	92,579,068
5.3	MNRI currently invested with ONE Investment	4,189,529
5.4	MRI currently invested with ONE Investment	3,457,738
5.5	Total Amount currently invested with ONE Investment	7,647,267
5.6	Total Locked In portion of MNRI that is not available for investment moving to ONE JIB (e.g. local Hydro company shares)	0
5.7	Total Locked In portion of funds not moving to ONE JIB due to legislation or other requirements (e.g. cemetery trust)	0



Municipal Client Questionnaire

5.8 Please list the name of securities with amounts invested and maturity dates that are not fully liquid (e.g. GIC's, PPN's etc.) which will be pledged as part of the Municipality's Prudent Investor investments (it is contemplated that proceeds from these investments will be transitioned into ONE Investments Prudent Investor pools at maturity or earlier if instructions given to liquidate prior to maturity.)

Type/Description	Amount	Maturity Date
GICs	8,810,471	various
Deposit Notes	9,000,000	various
Coupons & Bonds	13,000,000	various
ONE Fund Equity	4,189,529	TBD

5.9 What percentage of the MNRI portion of the portfolio is required by the Municipality in the following time periods? (Timeframes can be changed based on the Municipality's requirement)

[2] to [3] year: 25

[4] to [6] years: 25

[7] to [10] years: 30

More than 10 years: 20

6. PORTFOLIO MANAGEMENT AND ASSET ALLOCATION

Section 6 of this Questionnaire asks about the Municipality's existing investment policies, if any. Such policies may apply to MNRI and to MRI.

6.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions (Y/N)? If yes, please list:

No

6.2 Are the Municipality's investments subject to any investment concentration limits?

No



Municipal Client Questionnaire

6.3 Are the Municipality's investments subject to any specific diversification requirements?

No

6.4 Please provide here any other restrictions and constraints (i.e. other than as contained in Municipal legislation) relating to the Municipality's investments:

N/A

7. ACKNOWLEDGEMENT

I confirm that information provided to ONE Investment in this form is complete and accurate as at the date hereof.

Dated this _____ day of _____, 20__

Name and Signature of Treasurer

Second Signature (if Required)

By-law Number 6502-23

Schedule "B"

INVESTMENT POLICY STATEMENT

FOR

THE CORPORATION OF THE TOWN OF AURORA (the "Municipality")

MARCH 7, 2023

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Town of Aurora

Investment Policy Statement

OVERVIEW

Municipalities that are subject to the Municipal Act, 2001 (the “Act”) have no general power to invest money. Such powers must be found either in express provisions of the Act or by necessary implication.

Historically, municipalities that are subject to the Act had very limited express investment powers under section 418 of the Act. Section 418 continues to apply to all municipalities that are subject to the Act unless they elect to pass a by-law pursuant to the new section 418.1. Section 418 of the Act provides that “money that is not required immediately” (MNRI) can only be invested in securities prescribed by the Province in O. Reg. 438/97 (the “Regulation”). These prescribed securities are generally referred to as the “Legal List Securities” and are included in Part I of the Regulation.

Effective January 1, 2019, the new section 418.1 of the Act came into force. Section 418.1 provides that MNRI can be invested under that section in any security, provided that in making the investment the municipality exercises the care, skill, diligence and judgment that a prudent investor would exercise in making the investment. If a municipality elects to pass a by-law under section 418.1, the effect will be that its MNRI must be invested in accordance with the prudent investor regime. The rules, conditions and procedures that apply to investments under section 418.1 are set out in Part II of the Regulation.

Investing MNRI in Legal List Securities or in accordance with the prudent investor regime are mutually exclusive alternatives. That is to say, section 418 does not apply to a municipality that has adopted the prudent investor regime under section 418.1.

Every municipality, regardless of whether section 418 or 418.1 applies to it, has MNRI and also money that is required immediately (MRI). Municipalities retain the management and control of their MRI. The Act does not include any express provisions that deal with the investment of MRI. However, it is consistent with prudent practice to invest such money until it is actually spent, in order to preserve the capital value of that money. Accordingly, it is necessarily implied that a municipality has the power to invest such money on a short term basis. Because the Act is silent as to how municipalities are to deal with MRI and because of the historical investment powers under the Act, a conservative approach is to invest MRI in appropriate Legal List Securities.

Municipalities that elect to pass a by-law pursuant to the new section 418.1 include in their investment policy:

- (i) the basis upon which they distinguish between MNRI and MRI,
- (ii) principles governing the investment of each category of money, and
- (iii) This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements.

Town of Aurora staff and Council understand that the funds being invested belong to the residents of Aurora. This investment and procedures documentation will ensure that all funds are invested with care, diligence and judgement of a prudent investor with a primary objective of principal preservation while maximizing returns.

1. GLOSSARY AND DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer, portfolio manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment.

Asset Class: An asset class is a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each asset class in a portfolio. Asset classes include bank deposits, money market securities, bonds and equities, among other things.

Authorizing By-law: means a by-law of a Participating Municipality which authorizes: (i) the approval of the Client Questionnaire and the adoption of the IPS; and (ii) the entering into of the ONE JIB Agreement.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Credit Risk: means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative: A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Interest Rate Risk: refers to the possibility that the value of a bond or other fixed-income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the Long-Term Money investments and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for Long-Term Money under the Regulation, and for Short-Term Money, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an instrument strategy of borrowed money – specifically, the use of various financial instruments or borrowed capital – to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Local Distribution Corporation or LDC: means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

Long-Term Money: means the money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 5.2. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

MNRI: means money that is not required immediately

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

MRI: means money required immediately.

Municipality: means The Corporation of the Town of Aurora.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of DATE TBD, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Operational: means the funds required to meet annual operating and capital plan needs.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means DATE TBD, the date on which the prudent investor regime applies to the Municipality.

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Regulation: means Ontario Regulation 438/97.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Short-Term Money: means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Municipality's debenture by-laws when such debentures are issued.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund and term debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1 Purpose of Policy

This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law XXXX-23 pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary ("third party trust funds").

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to third party trust funds and designated funds
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.

Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations
- the purpose for which the monies have been collected or set aside and are to be used
- the source of the money
- any combination of the foregoing

The Municipality's MNRI will be comprised of money that is to be used to meet financial obligations that become due more than 18 months from the date of receipt of such money by the Municipality.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third party trust funds and any designated funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds required for specific purposes. A high level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix I).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
- Monitoring the performance of the Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any third-party trust funds referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of Deputy Treasurers and Financial Management Advisors.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of third-party trust funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's Short-Term Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g. the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI: Short-Term Money

The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consist of money that is needed to meet the short-term financial obligations of the Municipality coming due within 18 months from the date of receipt of such money and are controlled and managed by the Treasurer.

5.1.1 **Short-Term Money: Investment Objectives**

The investment objectives, in the order of priority, for the Municipality for Short-Term Money are:

- **Compliance with Portfolio Restrictions:** The legal authority to invest funds comes from the Act. All investments acquired shall be in conformity with portfolio restrictions and permissions set out in O. Reg. 438/97 – Eligible Investments and Related Financial Agreements, as amended from time to time. The Municipality shall not invest in a security that is expressed or payable in any currency other than Canadian dollars.
- **Preservation of Principal:** Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. Investments shall be made with judgement and care, not for speculation, but for investment, considering the probable safety of the principal invested as well as the probable income derived. Staff shall also endeavor to mitigate credit and interest rate risk by: pre-qualifying the financial institutions, brokers/dealers and advisors with which the Municipality does business; diversifying the investment portfolio; structuring the investment portfolio so that maturing securities meet ongoing cash flow requirements; and investing operating funds primarily in shorter-term securities or approved liquid investment pools.
- **Maintenance of Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. All non-equity investments shall be interest bearing in nature and equity exposure will be limited to investments in the ONE Investment Program equity funds. The Municipality's portfolio should be well staggered, using a ladder approach which allows investments to mature at various times and provides the Municipality the opportunity to build up the portfolio based on market conditions/opportunities. A portion of the portfolio may be placed in the ONE Investment Program, which offers compliance and liquidity.
- **Maximization of the Rate of Return:** The Investment Portfolio shall be designed with the goal of maximizing the rate of return through budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Staff will explore and utilize any eligible investment vehicles in building the Municipality's investment portfolio. The investment portfolio will be managed with prudent investor principles, to maximize returns within established risk parameters. To take advantage of short-term fluctuations in interest rates, securities may be sold prior to maturity. Investments shall be purchased once multiple bids are received and analysed. The highest yielding bid, which meets the Municipality's cash flow requirements, will be accepted. If the highest yielding bid is not selected, an explanation describing the rationale shall be provided. Staff involved will retain written records of each transaction, including the name of the financial institutions, rates quoted, description of the security, investment selected, and any special considerations that had an impact on the decision. With the goal of maximizing the rate of return on its investments, staff may utilize eligible investment vehicles for which there is a sole available supplier, such as the ONE Investment Program products. In instances such as this, multiple bids will not be solicited.

5.1.2 Short-Term Money: Eligible Investments

Short Term Money may be invested in high quality, short-term investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this Policy, as deemed eligible by Ontario Regulation 438/97 or as authorized by subsequent provincial regulations.

5.2 MNRI: Long-Term Money

The Municipality’s MNRI is described in Section 3.2 as Long-Term Money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 Long-Term Money: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The municipality’s investment objectives for its Long-Term Money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB’s Outcome Framework. The table below provides a summary of this framework.

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)

Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

Investment of long-term money is to be managed by ONE JIB, in a way that balances the investment objectives, with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 **Long-Term Money: Eligible Investments**

Eligible investments for Long-Term Money include any Pooled Fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (Prudent Investment Offering), provided always that the products and the selection of products comply in all material respects with the IPS

Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 **Long-Term Money: Sinking Funds**

Not applicable.

5.2.4 Long-Term Money: Local Distribution Corporation (LDC) Securities

Not applicable.

5.2.5 Long-Term Funds: Other

Not applicable.

5.3 Third Party Trust Funds and Designated Funds

Not applicable.

5.4 Investment Management

5.4.1 Investment Management of Short-Term Money

The investment of Short-Term Funds shall be controlled and managed by the Treasurer and his/her designate as documented in By-law #6219-19, Schedule "C".

5.4.2 Investment Management of Long-Term Money

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

5.5 Transition to Prudent Investor Regime

Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

Upon and after the Prudent Effective Date, the control and management of money and investments that are determined to be not required immediately shall be given to ONE JIB. Nothing in this IPS requires that such investments need be liquidated or disposed of. It is not contrary to this IPS for investments that the Municipality does not require immediately to be held, and to continue to be held by ONE JIB, in instruments such as term deposits, guaranteed investment certificates or principal protected notes issued by a financial institution. They can be held to maturity and invested upon receipt of cash proceeds.

Management of third-party trust funds and any designated funds is not directly affected by the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 *Environmental, Social and Governance (ESG) Investing*

The Municipality supports ESG investing for Short-Term and Long-Term Money. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of short-term funds will be done in compliance with the investment objectives identified in section 5.1.1. Accommodating specific ESG considerations may not be possible due to conflicts with the investment objectives. The Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so.

For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 *Securities Lending*

For the investment of Short-Term Money securities lending is permitted through ONE Investment Program investments only.

For the investment of Long-Term Funds, the Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

5.6.4 Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

5.6.5 Pooled Funds

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

5.6.6 Currency Hedging

The Short-Term Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Money

For the investment of Short-Term Money, Municipality staff will monitor the cash flow needs of the Municipality on a periodic basis. Should the needs on the Municipality no longer be met by the asset mix, staff will make changes, at the discretion of the Treasurer, taking into consideration the Short-Term Investment objectives.

5.7.2 Long-Term Money

For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.6 that shows the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of the Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Money and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 Surplus Funds

The Short-Term Funds capture revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term Money. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 Contingencies

The Treasurer is authorized, to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be

valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4 Voting Rights

Where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their voting policies to ONE JIB annually. The Municipality may access these policies at any time.

6.5 Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6 Custodians

All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Money, the Custodian shall be acceptable to ONE Investment.

For Short-Term Funds the following is a list of financial institutions authorized to provide investment services to the Municipality. This list will be maintained and updated as the business environment changes:

- TD Canada Trust
- CIBC Wood Gundy
- BMO Nesbitt Burns Inc.
- RBC Dominion Securities Inc.
- Raymond James Ltd.
- Canaccord Genuity
- ONE Investment

6.7 Reporting

6.7.1 Short-Term Money

For the investment of Short-Term Funds, the Treasurer shall provide an annual investment report to Council. The Investment report shall contain:

- A statement about the performance of the investments during the period covered by the report;
- A statement by the Treasurer as to whether or not, in their opinion, all investments are consistent with the investments policies and goals of the Municipality;
- Listing of all investments by maturity date;
- Percentage of total portfolio that each type of investment represents; and

- Such other information that Council may request, or that the Treasurer may consider pertinent.

6.7.2 Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This policy replaces any existing investment policy of the Municipality, in its entirety, and all previous investment policies are revoked and repealed.

7.2 Modifications to the IPS

At least annually Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is adopted by Council of the Municipality effective DATE TBD. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by:

Treasurer

Date

Appendix I: ONE JIB Agreement

Appendix II: ONE External Portfolio Manager Mandates

Third Party Trust Funds and Designated Funds

Third Party Trust Funds

1. None

Designated Funds

2. None

By-law Number 6502-23

Schedule "C"

ONE JOINT INVESTMENT BOARD AGREEMENT

Dated as of July 2, 2020

Between

ONE JOINT INVESTMENT BOARD

and

ONE INVESTMENT

and

**Each of the Municipalities Listed in Schedule A hereto
(THE PARTICIPATING MUNICIPALITIES)**

And

[-----]

THE APPLICANT MUNICIPALITY

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ONE JOINT INVESTMENT BOARD AGREEMENT

This Agreement Dated as of July 2, 2020 made between

ONE JOINT INVESTMENT BOARD

and

ONE INVESTMENT

and

Each of the Municipalities Listed in Schedule A hereto

and

[-----]

THE APPLICANT MUNICIPALITY

RECITALS:

- A. The ONE Joint Investment Board was established by the Founding Municipalities as a Joint Investment Board under section 202 of the *Municipal Act, 2001* (the **Act**) and in accordance with Part II of Ontario Regulation 438/97 (the **Regulation**);
- B. The Regulation provides that the ONE Joint Investment Board (**ONE JIB**) is a joint municipal service board established under section 202 of the Act for the purposes of Part II of the Regulation;
- C. The Founding Municipalities have entered into the Initial Formation Agreement pursuant to which they agreed to establish and invest through ONE JIB and they have agreed to invest through ONE JIB in accordance with this Agreement;
- D. The Applicant Municipality wishes to make investments pursuant to the provisions of section 418.1 of the Act, and in connection therewith, the Applicant Municipality proposes to pass a by-law (the **Prudent Investor Enabling By-law**) to have section 418.1 of the Act apply to it;
- E. Under the Regulation, the Applicant Municipality, provided that it is not a Founding Municipality, must have entered into an agreement with the parties hereto before the day that the Applicant Municipality passes its Prudent Investor Enabling By-law;
- F. ONE JIB is committed to performing its duties and responsibilities in a manner that is consistent with the Municipal Legislation, as defined below;

NOW THEREFORE, in consideration of the mutual covenants of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties hereto agree as follows:

SECTION 1 - INTERPRETATION

1.01 Definitions. In this Agreement

Act means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time;

Administrator means at any time an entity approved by ONE JIB from time to time to provide administrative and recordkeeping services including receiving and implementing investment instructions, keeping records of holdings and providing reports of such holdings;

Agent means any Administrator, Custodian, Payment Servicer, External Portfolio Manager, consultant, banker, broker, dealer, or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment;

Agreement means this agreement, any schedules attached to this agreement from time to time as the agreement and the schedules may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time;

Authorized Person has the meaning set out in Section 14.01;

Authorizing By-law means any by-law or other action of the Applicant Municipality (whether or not it is also a Founding Municipality) or a Participating Municipality to authorize such Municipality to enter into and be bound by this Agreement and to do all things in furtherance of this Agreement, including the approval and adoption of such Municipality's IPS, but in the case of a Founding Municipality, an Authorizing By-law does not include the Municipality's Prudent Investor Enabling By-law and in the case of a Participating Municipality that is not a Founding Municipality, an Authorizing By-law can also include such Municipality's Prudent Investor Enabling By-law;

Banking Day means a day on which the Payment Servicer and the Custodian are open for business in Toronto, Ontario, other than a Saturday or a Sunday or a statutory holiday in Toronto, Ontario;

CHUMS means CHUMS Financing Corporation and its successors;

Custodian at any time means a financial institution which at such time has been approved by ONE JIB to provide custodial and other custody related services in connection with the Participating Municipality's investments;

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Pool. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation;

Founding Municipalities means the municipalities of The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka, and The Corporation of

the Town of Whitby, who established ONE JIB pursuant to the Regulation and pursuant to the Initial Formation Agreement;

Initial Formation Agreement means the agreement between the Founding Municipalities dated as of May 19, 2020 under which ONE JIB was formed;

Investment Account means an account or accounts maintained by an Agent in which the Managed Assets of the Participating Municipality are managed or held;

Investment Board means a municipal service board that is established under section 196 of the Act by a municipality for the purposes of Part II of the Regulation and includes for the purposes of Section 13 of this Agreement, the Toronto Investment Board;

IPS, with respect to a Participating Municipality, means the investment policy as adopted and maintained by the council of the Participating Municipality under the Regulation;

Investment Plan, with respect to a Participating Municipality, means the investment plan as adopted and maintained by ONE JIB for the Participating Municipality under the Regulation;

Investment Program Agreements means the agreements entered into, from time to time, by or under the authority of ONE JIB, for and on behalf of the Participating Municipality, with ONE Investment, an Administrator, a Custodian, an External Portfolio Manager and such other persons as ONE JIB considers appropriate for the purpose of carrying out the objectives of the Investment Plan and the IPS;

Joint Investment Board means a municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation;

LAS means Local Authority Services and its successors;

Managed Assets means, with respect to a Participating Municipality, the assets of the Participating Municipality managed and controlled by ONE JIB pursuant to, and subject to, the terms and conditions set out in this Agreement;

Municipal Legislation means all applicable legislation that applies to ONE Joint Investment Board including, without limitation, the Act, the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended from time to time, the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, as amended from time to time, the Regulation and any other applicable regulations made under such Acts, as they may be amended from time to time;

Municipal Treasurer Representative means a member of ONE JIB who has been nominated by ONE JIB and ONE Investment, in consultation with the Participating Municipalities, to represent the views and interests of the municipal treasurers of the Participating Municipalities, and who holds the office of treasurer or duly appointed deputy treasurer of a Participating Municipality;

NI 31-103 means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, of the Canadian Securities Administrators;

ONE Investment means the not-for-profit corporation founded by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB in connection with the ONE Investment Offering;

ONE Investment Offering means the comprehensive suite of products and services relating to investment by municipalities in Ontario made available through ONE Investment;

ONE Investment Pool means a pooled investment vehicle whose securities are available to Participating Municipalities through ONE Investment as part of the One Investment Offering;

ONE JIB means the ONE Joint Investment Board, established by the Founding Municipalities as a Joint Investment Board under Part II of the Regulation, as constituted from time to time and acting pursuant to its Terms of Reference as set out in Schedule C;

ONE JIB Services Agreement means the service agreement effective as at May 19, 2020 between ONE JIB and ONE Investment pursuant to which ONE Investment has been appointed an Agent of ONE JIB to, among other things, provide certain management, administrative and other services to ONE JIB;

Participating Municipalities means from time to time each of the municipalities for whom ONE JIB acts as the Joint Investment Board under the terms of this Agreement and includes the Founding Municipalities, any other Participating Municipalities from time to time and also, upon execution by the Applicant Municipality of this Agreement, the Applicant Municipality;

Payment Servicer means at any time a Canadian financial institution which at such time has been approved by ONE JIB to facilitate the transfer of assets of a Participating Municipality between the Participating Municipality's financial institution and an Investment Account;

Prudent Effective Date means the effective date set out in the Prudent Investor Enabling By-law as the date on which section 418.1 applies to the Applicant Municipality;

Prudent Investor Enabling By-law means, with respect to a Municipality, the by-law under which the Municipality makes section 418.1 of the Act apply to it as of the effective date set out in such by-law; and

Regulation means Ontario Regulation 438/97 made under the Act, as it may be amended from time to time;

1.02 Governing Law. This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

1.03 Headings and Table of Contents. The division of this Agreement into sections, subsections, paragraphs, subparagraphs, clauses and schedules, the insertion of headings and the provision of a table of contents are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.04 Number and Gender. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

- 1.05 Severability.** If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of any of the remaining provisions of this Agreement.

SECTION 2 - ONE JOINT INVESTMENT BOARD

- 2.01 Appointment.** The Applicant Municipality hereby appoints ONE JIB to be its Joint Investment Board, to invest money and investments that the Applicant Municipality, as a Participating Municipality, does not require immediately on behalf of such municipality and to exercise control and management of such money, in accordance with the Act and the Regulation and subject to the terms and conditions of this Agreement.
- 2.02 Exclusive Appointment.** The appointment of ONE JIB as the Applicant Municipality's Joint Investment Board is exclusive and during the term of this Agreement, the Applicant Municipality, as a Participating Municipality, shall not appoint any other Investment Board or Joint Investment Board to have management or control of any of its money that it does not require immediately under section 418.1 of the Act unless it withdraws from ONE JIB in accordance with Section 13.
- 2.03 Delegation.** To the fullest extent required by the Act and the Regulation, the Applicant Municipality hereby gives control and management of its investments to ONE JIB, and hereby delegates to ONE JIB (i) the Applicant Municipality's powers to make the investments and (ii) the Applicant Municipality's duties under section 418.1 of the Act.
- 2.04 Acceptance.** ONE JIB hereby accepts the foregoing appointment and delegation and hereby agrees to invest money that the Applicant Municipality, as a Participating Municipality, does not require immediately on behalf of such municipality in accordance with the Act, the Regulation and such municipality's IPS and subject to the terms and conditions of this Agreement.
- 2.05 Acceptance by Participating Municipalities.** On execution and delivery of this Agreement and the subsequent Prudent Effective Date, each of the Participating Municipalities shall be deemed to acknowledge and agree that the Applicant Municipality has made the foregoing appointment for ONE JIB to invest money and investments that the Applicant Municipality, as a Participating Municipality, does not require immediately and that the Applicant Municipality is added as a party to this Agreement such that ONE JIB shall act as the Joint Investment Board of such Applicant Municipality, as a Participating Municipality, on and after the Prudent Effective Date.

SECTION 3 - DUTIES OF ONE JIB

- 3.01 Duties.** ONE JIB shall have the following duties and responsibilities in connection with investing for and on behalf of the Participating Municipalities:
- (a) review the Participating Municipality's IPS, and at the request of the Participating Municipality, provide advice and recommendations with respect thereto;
 - (b) adopt and maintain an Investment Plan for the Participating Municipality in accordance with the terms hereof;
 - (c) engage one or more Administrators, Custodians, Payment Servicers, External Portfolio Managers, bankers, brokers, dealers, and other Agents as may be required to implement the Investment Plan in accordance with the IPS;

- (d) monitor the performance of the Agents;
- (e) report to the Participating Municipality as required by the Act and the Regulation.

3.02 Engagement of Agents. ONE JIB may authorize an Agent to exercise any of its functions to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function. Any such engagement and authorization may be made only pursuant to an Investment Program Agreement with the Agent which includes the following provisions:

- (a) a requirement that the Agent comply with the requirements contained in each applicable IPS and each applicable Investment Plan;
- (b) a requirement that the Agent report to ONE JIB at regular intervals as specified in the written agreement with the Agent;
- (c) a requirement that the Agent comply with any reasonable directions to the Agent given by ONE JIB.

3.03 Role of ONE Investment. The Applicant Municipality hereby acknowledges and agrees that in the discharge of its duties and obligations hereunder, ONE JIB requires certain support and administrative services. To obtain such services, ONE JIB hereby engages ONE Investment as its Agent hereunder and under the ONE JIB Services Agreement. Notwithstanding such engagement, ONE JIB confirms that it will at all times be responsible to the Applicant Municipality in the manner contemplated in the Act and the Regulation and as set out herein. The Applicant Municipality further acknowledges and agrees that any fees and expenses payable by it hereunder, directly or indirectly, shall be paid to ONE Investment, who has been duly authorized on behalf of ONE JIB, LAS and CHUMS to collect all such fees and expenses.

3.04 Monitoring Performance. ONE JIB shall exercise prudence in selecting an Agent, in establishing the terms of the Agent's authority and in monitoring the Agent's performance to ensure compliance with those terms. Prudence in monitoring an Agent's performance includes:

- (a) reviewing the Agent's reports;
- (b) regularly reviewing the agreement between ONE JIB and the Agent and how it is being put into effect, including assessing whether the requirements included in each applicable IPS and each applicable Investment Plan are being complied with;
- (c) considering whether directions should be provided to the Agent or whether the Agent's appointment should be revoked; and
- (d) providing directions to the Agent or revoking the appointment if ONE JIB considers it appropriate to do so.

3.05 Further Authorizations. Except as may be consented to by the Participating Municipalities in accordance with Section 12.02, ONE JIB shall not permit any further authorization (or sub-delegation) of investment functions by any Agent (other than ONE Investment) to third parties unaffiliated with the Agent. The ONE JIB Services Agreement provides that ONE Investment

similarly will not permit further authorization (or sub-delegation) of investment functions by any Agent to third parties unaffiliated with the Agent, and ONE JIB shall require ONE Investment to include provisions with substantially similar effect in all agreements with Agents.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

4.01 Representations and Warranties of Applicant Municipality. The Applicant Municipality represents and warrants to ONE JIB, ONE Investment and each of the Participating Municipalities that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing such Authorizing By-law as the Applicant Municipality has deemed necessary (which Authorizing By-law can also constitute the Applicant Municipality's Prudent Investor Enabling By-law), which form of Authorizing by-law is appended hereto as Schedule B-1;
- (b) it has prepared a Prudent Investor Enabling By-law under which section 418.1 of the Act will apply to it as of the Prudent Effective Date, which form of by-law is appended hereto as Schedule B-1;
- (c) such Prudent Investor Enabling By-law will be passed by the council of the Applicant Municipality in compliance with the Act and it shall set out a Prudent Effective Date that is after the date the Applicant Municipality has entered into this Agreement;
- (d) it has prepared a written IPS which complies with the Act and has been approved by council and such IPS shall be delivered to ONE JIB and ONE Investment in the manner set out in Section 16.01.

4.02 Representations and Warranties of Participating Municipalities. Each of the Participating Municipalities, provided that it is not a Founding Municipality, represents and warrants to the Applicant Municipality, ONE JIB and ONE Investment that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing such Authorizing By-law as the Participating Municipality has deemed necessary (which Authorizing By-law can also constitute the Participating Municipality's Prudent Investor Enabling By-law), which form of Authorizing by-law is appended hereto as Schedule B-1;
- (b) it has duly passed a Prudent Investor Enabling By-law under which section 418.1 of the Act applies to it as of the Prudent Effective Date, which by-law is in full force and effect;
- (c) this Agreement constitutes a valid and binding obligation of such Participating Municipality.

4.03 Representations and Warranties of Founding Municipalities. Each of the Participating Municipalities, which is also a Founding Municipality, represents and warrants to the Applicant Municipality, ONE JIB and ONE Investment that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing an Authorizing By-law which form of by-law is appended hereto as Schedule B-2;
- (b) it has prepared a Prudent Investor Enabling By-law under which section 418.1 of the Act will apply to it as of the Prudent Effective Date set out therein, which form of by-law is appended hereto as Schedule B-3, and will pass such Prudent Investor Enabling By-law after all Founding Municipalities have entered into this Agreement;
- (c) this Agreement constitutes a valid and binding obligation of such Municipality.

4.04 Representations and Warranties of ONE JIB. ONE JIB represents and warrants to the Applicant Municipality and each of the Participating Municipalities that:

- (a) it was duly established by the Founding Municipalities as a Joint Investment Board which meets the requirements of the Act and the Regulation;
- (b) it has taken all actions necessary to authorize it to enter into this Agreement;
- (c) this Agreement constitutes a valid and binding obligation of ONE JIB; and
- (d) on the date of the Applicant Municipality's Authorizing By-law, all other Participating Municipalities are parties to this Agreement.

4.05 Representations and Warranties of ONE Investment. ONE Investment represents and warrants to the Applicant Municipality and each of the Participating Municipalities that:

- (a) it is a duly incorporated not-for-profit corporation formed by LAS and CHUMS for the purpose of facilitating the ONE Investment Offering;
- (b) it has taken all actions necessary to authorize it to enter into this Agreement; and
- (c) this Agreement constitutes a valid and binding obligation of ONE Investment.

SECTION 5 - INVESTMENT POLICY AND INVESTMENT PLAN

5.01 Investment Policy.

- (a) Without limiting the provisions of Section 4.01, the Applicant Municipality acknowledges that in the formulation of its IPS, the Applicant Municipality is required to obtain the advice that a prudent investor would obtain under comparable circumstances. The Applicant Municipality further acknowledges that in planning its investments, it is required to consider, in addition to any other criteria that are relevant in the circumstances, the following:
 - (1) general economic conditions;
 - (2) the possible effect of inflation or deflation;
 - (3) the role that each investment or course of action plays within the Applicant Municipality's portfolio of investments;

- (4) the expected total return from income and the appreciation of capital; and
 - (5) needs for liquidity, regularity of income and preservation or appreciation of capital.
- (b) The Applicant Municipality confirms that its IPS has been arrived at after careful consideration of the foregoing and that it has been adopted by an Authorizing By-law of the council of the Applicant Municipality in compliance with the Act. The IPS includes the Applicant Municipality's (i) objectives for return on investment and risk tolerance; (ii) need for liquidity including, for greater certainty, anticipated needs for funds for planned projects and needs to have funds available for unanticipated contingencies; and (iii) other requirements with respect to investment matters that the council of the Applicant Municipality considers to be in the interests of the Applicant Municipality. For certainty, notwithstanding any assistance that the Applicant Municipality may have sought and obtained in the preparation of its IPS, including through consultations with ONE JIB or ONE Investment, the Applicant Municipality acknowledges and agrees that its IPS, and the entire contents thereof, is solely the responsibility of the Applicant Municipality and can only be amended or modified by the Applicant Municipality.
- (c) The Applicant Municipality, as a Participating Municipality, shall provide written notice to the board secretary of ONE JIB (the **Secretary**) of any amendment or modification to its IPS. ONE JIB shall be under no obligation to make investments for an Applicant Municipality, as a Participating Municipality, other than in accordance with its written IPS and any amendments thereto made in writing and notified to ONE JIB as provided herein.
- (d) Where ONE JIB in its sole discretion determines that the IPS of a Participating Municipality is inconsistent with the obligations of the Participating Municipality under the Act to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments, ONE JIB may decline to apply the IPS in whole or in part. If ONE JIB determines to rely on this Section 5.01 (d), ONE Investment shall promptly notify the Participating Municipality. In these circumstances, upon sending such notice, ONE JIB shall thereupon be relieved of its duties and obligations as set out in Section 10.05.

5.02 Investment Plan.

- (a) Without limiting the provisions of Section 3.01, ONE JIB acknowledges that the applicable Investment Plan, adopted and maintained by ONE JIB in respect of the Applicant Municipality, as a Participating Municipality, is required to deal with how ONE JIB will invest such municipality's money consistent with such municipality's IPS and is required to set out ONE JIB's projections of the proportions of such municipality's portfolio of investments to be invested at the end of the year in each type of security selected by ONE JIB and may include other requirements. The Investment Plan for the Applicant Municipality shall be delivered to the Applicant Municipality in the manner set out in Section 16.01.
- (b) Amendments to the Applicant Municipality's Investment Plan shall only be made as set out in Sections 5.03 and 5.04.

5.03 Amendments.

- (a) ONE JIB and the Applicant Municipality acknowledge that under subsection 18(4) of the Regulation, the council of the Applicant Municipality is required to review, and if necessary, update the IPS of the Applicant Municipality, as a Participating Municipality, at least annually (the **Annual Policy Review**). In connection with such Annual Policy Review, ONE JIB may make recommendations to such municipality to amend, modify, supplement, restate or replace its IPS. The treasurer of the Applicant Municipality, as a Participating Municipality, is responsible for arranging the Annual Policy Review by its council. Such municipality shall advise ONE JIB, on an annual basis, (i) of the date as of which the Annual Policy Review was made; (ii) whether any updates or amendments were made to the IPS, and where applicable, the text of any such update or amendment; and (iii) of other comments or observations regarding the municipality's IPS as the municipality considers to be necessary or desirable. Any amendment to the IPS must be provided to the Secretary of ONE JIB as soon as practicable and in any event within 15 days of approval by the municipality's council.
- (b) ONE JIB and the Applicant Municipality acknowledge that under subsection 19(3) of the Regulation, ONE JIB is required, following the Annual Policy Review, to review, and if necessary, update the Investment Plan of the Applicant Municipality, as a Participating Municipality (the **Annual Plan Review**). ONE JIB shall, within a reasonable period of time, not to exceed 90 days from the date that ONE JIB receives the results of the Annual Policy Review, conduct the Annual Plan Review for the municipality. If, following the completion of the Annual Plan Review, ONE JIB considers that an update or amendment of the Investment Plan is required (whether following from the results of the municipality's Annual Policy Review or otherwise), ONE JIB shall make the appropriate updates or amendments to the municipality's Investment Plan and shall provide a copy of the updated and amended Investment Plan to the municipality.
- (c) In addition to amendments made as a result of the Annual Policy Review, the parties acknowledge that the Applicant Municipality, as a Participating Municipality, may make amendments to its IPS, including for the purposes of adding or withdrawing amounts to be invested as contemplated in Section 5.04, at any time and from time to time by action of the council of the municipality. Amendments to an IPS for adding and withdrawing money and investments to be managed by ONE JIB shall be made in accordance with Section 5.04.
- (d) Notice of any amendment to the IPS of an Applicant Municipality, as a Participating Municipality (other than amendments made as a result of the Annual Policy Review), shall be given in writing to the Secretary of ONE JIB or to such other person as ONE JIB may direct as soon as practicable following authorization or adoption. For purposes hereof, the Applicant Municipality and ONE JIB recognize that an amendment to an IPS may be made by by-law or other decision of council (**Council Action**) that affects or purports to affect the IPS. ONE JIB has no obligation to take notice of any such Council Action, whether or not it was widely publicized, and no obligation to assess the validity of any Council Action. ONE JIB shall under no circumstances be deemed to have knowledge of any amendment to the IPS of a municipality or of any Council Action unless and until written notice thereof has been provided to ONE JIB by the treasurer of the Participating

Municipality in accordance with Section 5.03(a), Section 5.03(d), or Section 5.04(b) and the notice provisions set out in Section 16.01.

- (e) On receipt of a notice of amendment to the IPS, where ONE JIB considers in its discretion that an update or modification to the corresponding Investment Plan is necessary or desirable, ONE JIB will update or modify such municipality's Investment Plan so as to provide for consistency between the Investment Plan and the IPS. Such update or modification shall be made and implemented as soon as reasonably practicable, having regard to prevailing economic and market conditions. A copy of any such updated or modified Investment Plan shall be provided to the treasurer of the Participating Municipality.
- (f) Despite any other provision hereof, ONE JIB may make such minor amendments to the Investment Plan of an Applicant Municipality, as a Participating Municipality, as it may consider to be necessary or desirable for the more efficient or effective administration of the assets held in such municipality's Investment Accounts, provided that following such minor amendment, the Investment Plan continues to be consistent with such municipality's IPS.

5.04 Additions and Withdrawals of Money and Investments.

- (a) The Applicant Municipality's IPS referenced in Section 5.01 shall include the Applicant Municipality's criteria for identifying the Managed Assets over which ONE JIB is to have management and control hereunder. Such Managed Assets shall be held in one or more Investment Accounts. It is the responsibility of the Applicant Municipality, as a Participating Municipality, to make contributions to the Investment Accounts in accordance with its IPS. The treasurer of the Applicant Municipality, as a Participating Municipality, shall provide ONE JIB with notice of such contributions, and follow such procedures and protocols in connection therewith, as ONE JIB may prescribe from time to time.
- (b) The Applicant Municipality, as a Participating Municipality, may from time to time amend its IPS so as to add to or withdraw amounts from the Managed Assets. No such amendment shall be binding on ONE JIB unless reasonable written notice has been provided to the Secretary of ONE JIB or other authorized person, in form satisfactory to ONE JIB. Without limiting the foregoing, ONE JIB shall have no obligation to return Managed Assets or part thereof to the Applicant Municipality unless a minimum of 30 days' prior written notice of any request for withdrawal, in form and substance satisfactory to ONE JIB, has been provided to ONE JIB, which notice period may be waived by ONE JIB in its discretion.
- (c) Notwithstanding Section 14.01, ONE JIB shall not be obliged to comply with any notice referred to in paragraphs (a) and (b) of Section 5.04 unless received in writing and signed by the treasurer of the Participating Municipality.
- (d) In all circumstances in which the Applicant Municipality, as a Participating Municipality, anticipates a withdrawal of Managed Assets, whether as a result of the planned maturity of any reserve or otherwise, such Municipality and ONE JIB shall co-operate and work together so as to ensure an orderly liquidation where necessary and timely transfer of

Managed Assets or proceeds thereof.

- (e) Notwithstanding Section 5.04(b), if the aggregate dollar amount of the Managed Assets requested to be returned by a Participating Municipality is so large as to risk causing prejudice to other Participating Municipalities or requires additional time to effect an orderly liquidation, ONE JIB, ONE Investment and the Participating Municipality shall work together to extend the period for the return so that any negative effects of sudden or untimely liquidation are adequately ameliorated.
- (f) In extraordinary circumstances, including dislocated capital markets, acts of God, war, terrorism and the like which prevent normal trading operations in securities markets, or result in the suspension of trading in securities markets, ONE JIB may, in the exercise of its fiduciary obligations, decline to or delay the return of all or a portion of a Participating Municipality's requested Managed Assets. Any Managed Assets not so returned shall be returned as soon as practicable on the cessation of the events which gave rise to the refusal or delay.

SECTION 6 - AGENTS

- 6.01 Authority.** The Applicant Municipality, as a Participating Municipality, authorizes ONE JIB and ONE Investment to engage Agents on its behalf and to enter into Investment Program Agreements, from time to time, as provided in Section 3.02.
- 6.02 Administrator.** ONE JIB and ONE Investment will enter into an Investment Program Agreement with an Administrator who is a Canadian chartered Schedule I bank or other regulated Canadian financial institution or who has otherwise satisfied ONE JIB that it has the demonstrated ability to provide and maintain accurate recordkeeping and where required, valuation services for the Investment Accounts.
- 6.03 Custodian.** ONE JIB and ONE Investment will only enter into an Investment Program Agreement for custody and safekeeping of Managed Assets with a Custodian who, at the time of entering into the Investment Program Agreement, is a Canadian custodian for purposes of NI 31-103.
- 6.04 External Portfolio Managers.** With respect to
- (a) **Registration** - ONE JIB will not enter into an Investment Program Agreement with an External Portfolio Manager unless the Investment Program Agreement requires the External Portfolio Manager to maintain at all times its status in Ontario as a registered portfolio manager, unless the External Portfolio Manager is exempt from the requirement to be registered under applicable Ontario law.
 - (b) **Insurance** - ONE JIB will not enter into an Investment Program Agreement with an External Portfolio Manager unless the Investment Program Agreement requires the External Portfolio Manager to maintain, in full force and effect, bonding or insurance in such amounts and of such types as are required from time to time by regulatory authorities and consistent with industry best practice.
- 6.05 No rights to assets.** None of ONE JIB, ONE Investment, an Administrator, a Custodian, an External Portfolio Manager or any other service provider or Agent shall have any beneficial or personal

right, title or interest in or to the Managed Assets in any Investment Account, other than as specifically set out in any Investment Program Agreement.

SECTION 7 - COMPOSITION AND GOVERNANCE OF ONE JIB

7.01 Appointment and Term of Members. The initial individual members (**JIB Members**) of ONE JIB were appointed by the Founding Municipalities under the Initial Formation Agreement on the establishment of ONE JIB under the Regulation.

7.02 Prohibition re Membership. Notwithstanding anything to the contrary contained herein or in any schedule hereto, the following persons may not be appointed to or serve on ONE JIB:

- (a) subject to Section 7.03, an officer or employee of a Participating Municipality;
- (b) a member of council of a Participating Municipality.

7.03 Municipal Treasurers.

- (a) Municipal treasurers are to be represented on ONE JIB as permitted by the Regulation. To give effect to such representation, up to 25% of the membership of ONE JIB shall be reserved for Municipal Treasurer Representatives. ONE JIB and ONE Investment, in consultation with Participating Municipalities, shall nominate individuals to serve as Municipal Treasurer Representatives. Such individuals must hold the office of treasurer or duly appointed deputy treasurer of a Participating Municipality. ONE JIB and ONE Investment shall work in good faith with the Participating Municipalities to give voice to the concerns of municipal treasurers through appropriate Municipal Treasurer Representatives.
- (b) In the event that an individual serving as a Municipal Treasurer Representative is a treasurer or duly appointed deputy treasurer of a Participating Municipality, and such Participating Municipality withdraws from ONE JIB pursuant to Section 13, such individual shall be deemed to have resigned as a member of ONE JIB effective the date of the Participating Municipality's withdrawal. Provided however, that if such individual has been appointed as the treasurer or duly appointed deputy treasurer of another Participating Municipality prior to or at the time of the effective date of withdrawal, and such Participating Municipality agrees, the individual may continue to serve as a Municipal Treasurer Representative.

7.04 Procedural and Other Matters Relating to ONE JIB. Rules, policies and procedures relating to the appointment, qualifications, conduct, removal, term of office, compensation of JIB Members, calling and holding of meetings and all ancillary matters are set out in Schedule C - *Terms of Reference for ONE JIB* appended hereto and such Terms of Reference form part of this Agreement. ONE JIB is intended to self-governing, subject to the applicable provisions of Municipal Legislation. The parties acknowledge and agree that following the formation of ONE JIB, the JIB Members have authority to amend the Terms of Reference including the exhibits and schedules thereto in accordance with the amendment provisions contained in the Terms of Reference.

7.05 Paramourty. In the event of any conflict or inconsistency between a Participating Municipality's policies, by-laws, rules and procedures that otherwise apply to such Participating Municipality's

local boards and the policies, by-laws, rules and procedures that apply to ONE JIB as provided under this Agreement, the latter shall prevail.

SECTION 8 - REPORTING

8.01 Annual Investment Report. ONE JIB shall prepare and provide to the council of each of the Participating Municipalities, no less frequently than once annually, an investment report that includes a statement about the performance of the Participating Municipality's Managed Assets during the period covered by the report and such other information that the council of the Participating Municipality may require or that, in the opinion of its treasurer, should be included as required by the Regulation.

8.02 Compliance Reporting. ONE JIB shall prepare or arrange for the preparation and delivery of such compliance reports as may be reasonably requested by a Participating Municipality. Such compliance report shall provide information so as to enable the treasurer of the Participating Municipality to state whether or not the Managed Assets have been invested and are held in a manner consistent with the Participating Municipality's IPS and Investment Plan.

SECTION 9 - FEES AND EXPENSES

9.01 Fees and expenses. Participating Municipalities shall pay the fees and expenses as set out in Schedule D appended hereto, and such fees and expenses may be changed from time to time in accordance with Section 12.01(c).

9.02 Fees Payable to Agents. To the extent fees and expenses are directly recoverable from a Participating Municipality, ONE JIB shall establish and disclose to the Participating Municipality, the maximum aggregate fees and expenses payable to the Administrator, the Custodian, the External Portfolio Managers and any other Agents and service providers.

SECTION 10 - STANDARD OF CARE AND LIMITATION OF LIABILITY

10.01 Standard of Care. In the discharge of its duties hereunder, and in investing money of the Participating Municipality, ONE JIB shall exercise the care, skill, diligence and judgment that a prudent investor would exercise in comparable circumstances and in making such investment.

10.02 Limitation on liability. Provided that the standard of care set out in Section 10.01 has been met, neither ONE JIB nor any JIB Members shall incur any liability to a Participating Municipality by reason of acting or not acting or as a result of any error in instructions. Each Participating Municipality acknowledges and agrees that ONE JIB makes no representation or warranty as to performance or attaining any yield or appreciation of the Managed Assets in the Investment Accounts. Neither ONE JIB nor any JIB Member shall be liable to a Participating Municipality for any loss or damage relating to any matter arising out of this Agreement, including any loss or diminution in the value of the Managed Assets so long as they acted in a manner consistent with the standard of care set out in Section 10.01.

10.03 Indemnification. ONE JIB, ONE Investment, and any of their respective members, directors, officers and employees (in each case, an **Indemnified Party**) shall be indemnified by the Participating Municipalities for all liabilities, claims, damages, losses, costs and expenses incurred by them in connection with any action, suit or proceeding that is proposed or commenced or any other claim to which such Indemnified Party may be subject by reason of the management and

control of the Managed Assets or otherwise arising out of or in connection with acting on behalf of the Participating Municipalities or in furtherance of the interests of the Participating Municipalities, except that this indemnity shall not apply to (a) losses arising from such Indemnified Party's own wilful misconduct or fraud, or (b) expenses of the Participating Municipalities that the Indemnified Party has agreed to bear. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnified Party in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the Indemnified Party to repay such amount if it shall be determined that the Indemnified Party is not entitled to be indemnified as authorized in this Section 10.03. Amounts required to be paid or advanced to an Indemnified Party under this Section 10.03 shall be paid by Participating Municipalities in such proportion as ONE JIB considers to be fair and equitable in the circumstances.

10.04 Performance of Trusts. ONE JIB shall not be bound to recognize or see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Managed Assets or any interests therein are or may be subject, or to ascertain or inquire whether a contribution or withdrawal of any such Managed Assets or interests therein by any Participating Municipality or by its treasurer has been duly and properly authorized, or to recognize any person as having any interest in the Managed Assets, but shall be entitled to treat all monies and investments provided to ONE JIB hereunder solely as Managed Assets of the Participating Municipality.

10.05 Where IPS Imprudent. Neither ONE JIB nor any JIB Members shall incur any liability whatsoever to a Participating Municipality where ONE JIB has determined in its sole discretion, acting reasonably, that the IPS of the Participating Municipality is inconsistent with the duty of the Participating Municipality under the Act to exercise prudence. So long as ONE JIB has provided notice to the Participating Municipality and acts in good faith, ONE JIB may elect to (a) apply the IPS to the best of its ability; or (b) decline to apply the IPS in whole or in part and hold the Managed Assets in cash or cash equivalent instruments pending receipt of an IPS which complies with the Act; or (c) seek direction from legal counsel and act in accordance with such direction. Until such time as ONE JIB has been provided with an IPS which complies with the Act, all of ONE JIB's duties and responsibilities to the Participating Municipality hereunder shall be suspended, and the Participating Municipality shall have no entitlement to have its Managed Assets managed by ONE JIB or to receive any prescribed reports from ONE JIB except to the extent required for ONE JIB to comply with the Act and the Regulation.

SECTION 11 - COMPLAINTS HANDLING

11.01 Initial Complaints. If a Participating Municipality has a concern or complaint with respect to any aspect of the management of its money and investments by ONE JIB hereunder, including the operation of one or more Investment Accounts, such concern or complaint shall in the first instance be brought to the attention of ONE Investment. Within 30 days of receipt, ONE Investment shall provide the Participating Municipality with written acknowledgement of the complaint and proposed resolution or explanation, if any. If the concern or complaint is one that involves the acts or omissions of an Agent, ONE Investment, on behalf of ONE JIB, shall make the appropriate inquiries of the Agent and otherwise pursue the matter with the Agent.

11.02 Escalation. In the event that the matter is not resolved to the satisfaction of the Participating Municipality through the procedure set out in Section 11.01, the Participating Municipality may provide written notice to the Chair of ONE JIB, with a copy to the Secretary and to the Chair of ONE Investment, specifying the nature of the concern or complaint. Upon receipt of such written notice, ONE JIB, under the authority of its Chair, shall arrange for an independent investigation of the matter to be conducted by duly qualified persons who are not employees of ONE JIB or ONE Investment. A written report of the results of such investigation containing an explanation and, where appropriate, an outline of steps to redress the matter, shall be provided to the Participating Municipality and made available to all other Participating Municipalities.

SECTION 12 - AMENDMENTS TO THE AGREEMENT

12.01 Amendments not Requiring Approval of Participating Municipalities.

- (a) ONE JIB may, without the approval of, or notice to the Participating Municipalities, but subject to Section 12.01(b) and Section 12.02, make certain amendments to this Agreement, including amendments which:
- (1) are necessary to remove any internal inconsistencies in this Agreement and the schedules hereto or to make minor corrections, including the rectification of any ambiguities, defective provisions, errors, mistakes, or omissions that are, in the opinion of ONE JIB, necessary or desirable and not prejudicial to the Participating Municipalities;
 - (2) are intended to ensure compliance with applicable laws, regulations or policies affecting the Participating Municipalities or ONE JIB;
 - (3) effect certain changes to the policies, by-laws, codes of conduct, rules and procedures governing ONE JIB as contained in the Terms of Reference, provided that such changes are made in compliance with Section 12.01(b)(3);
 - (4) are intended to provide additional protection to the Participating Municipalities;
 - (5) are necessary to reflect a change that, in the reasonable opinion of ONE JIB is reasonable, necessary, or appropriate to enable the Participating Municipalities to take advantage of, or not be detrimentally affected by, changes in the Income Tax Act or other taxation laws; or
 - (6) are intended or are necessary to facilitate efficient or cost effective administration of invested money or investments ;

provided that such amendment is not reasonably expected to materially adversely affect the interests of the Participating Municipalities.

- (b) The following amendments shall only be made as provided below:
- (1) amendments requiring the approval of the Participating Municipalities under Section 12.02 shall be made in accordance with Section 12.02,
 - (2) amendments relating to an update or modification of a Participating Municipality's

IPS or Investment Plan shall be made in the manner set out in Section 5, and

- (3) amendments to the Terms of Reference (including the exhibits and schedules thereto) shall be made by ONE JIB in accordance with the amending provisions contained therein, as contemplated in Section 7.04;
- (c) Subject to Section 12.01(a) and Section 12.02, any other amendment may be made by ONE JIB and shall take effect after not less than 60 days' prior written notice of such amendment has been given to the treasurers of the Participating Municipalities including, without limitation, amendments to fees and expenses made in accordance with Section 9.01.
- (d) Notwithstanding anything else contained herein, provided that any such municipality has first executed a counterpart to this Agreement and has agreed to be bound hereby, the inclusion of a municipality as a Participating Municipality, and the corresponding amendment to Schedule A hereto, may be made at the sole discretion of ONE JIB without prior notice to or the consent of any Participating Municipality.

12.02 Amendments Requiring Approval of Participating Municipalities.

- (a) No amendment may be made to, or action taken under, this Agreement in respect of the matters described in subparagraphs (1) through (5) of this paragraph (a) of Section 12.02 except with the approval of the Participating Municipalities representing at least 75% of the Participating Municipalities who are at that time parties to this Agreement, and who in the aggregate have not less than 50% by market value of the money or investments which are then under the control and management of ONE JIB, such approval to be evidenced by a by-law of the council of an approving Participating Municipality, passed in compliance with the Act, in form and substance satisfactory to ONE JIB:
 - (1) removal of any member of ONE JIB;
 - (2) any increase in the size of ONE JIB;
 - (3) any change to Section 3.05 relating to further authorizations (sub-delegation);
 - (4) any change to Section 7.03 relating to municipal treasurers; or
 - (5) any change to the amendment provisions of this Agreement.
- (b) Notwithstanding the provisions of this Section 12.02, no amendment to this Agreement may enlarge the power or authority of ONE JIB in a manner inconsistent with the Act or the Regulation.
- (c) Any amendment to this Agreement (including any schedule hereto) which under applicable law requires the approval of the Participating Municipalities shall be effective only upon the written approval of such amendment by the treasurers of the Participating Municipalities, in form and substance satisfactory to ONE JIB.
- (d) Any amendment to this Agreement made under this Section 12.02 shall only be effective upon written notice to all Participating Municipalities regardless of whether a

Participating Municipality was included in the Participating Municipalities who provided the necessary approval. The form and substance of such notice shall be appropriate in the circumstances, as determined by the Chair of ONE JIB on the advice of the Secretary of ONE JIB.

12.03 Restatements. A restated Agreement, setting forth the terms hereof, as amended to the time of execution, may be executed at any time and from time to time by ONE JIB.

SECTION 13 - WITHDRAWAL

13.01 Withdrawal from ONE JIB by Regulation.

A Participating Municipality may withdraw from investing through ONE JIB if it has become subject to a regulation made under clause 16(d) of section 418.1 of the Act providing that section 418.1 of the Act no longer applies to the Participating Municipality.

13.02 Withdrawal from ONE JIB by a Participating Municipality that is not a Founding Municipality.

By entering in to this Agreement, each of the Founding Municipalities and each of the other Participating Municipalities hereby agree and shall be deemed to agree at all times that any Participating Municipality which is not a Founding Municipality may withdraw from ONE JIB for any reason provided that the Participating Municipality wishing to withdraw has effected one of the following alternatives:

- (a) entered into an agreement with another municipality that has established an Investment Board, that Investment Board and any other municipalities investing through that Investment Board to invest through that Investment Board;
- (b) entered into an agreement with the municipalities that have established a Joint Investment Board, that Joint Investment Board and any other municipalities investing through that Joint Investment Board, to invest through that Joint Investment Board; or
- (c) established an Investment Board on its own or established a Joint Investment Board with one or more other municipalities

and such Participating Municipality has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board

- (d) the Participating Municipality's powers to make the investments; and
- (e) the Participating Municipality's duties under section 418.1 of the Act.

13.03 Withdrawal from ONE JIB by a Founding Municipality.

By entering in to this Agreement, each of the Founding Municipalities and each of the other Participating Municipalities hereby agree and shall be deemed to agree at all times that any Founding Municipality may withdraw from ONE JIB for any reason provided that all of the following conditions are met:

- (a) ONE JIB is not dissolved upon the withdrawal;
- (b) the other Founding Municipalities that established ONE JIB have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that such municipalities do not require immediately;

and the Founding Municipality wishing to withdraw has taken one of the actions described in paragraph (a), (b) or (c) of Section 13.02 and has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board;

- (c) the Founding Municipality's powers to make the investments; and
- (d) the Founding Municipality's duties under section 418.1 of the Act.

13.04 Procedures re Withdrawal.

A Participating Municipality wishing to withdraw from ONE JIB pursuant to Section 13.02 (the **Withdrawing Municipality**) must give the Secretary of ONE JIB a minimum of 90 days' prior written notice of withdrawal. At least 10 days prior to the effective date of withdrawal (the **Effective Date**), ONE JIB must have received a direction (the **Transfer Direction**) duly authorized by a by-law of the council of the Withdrawing Municipality, passed in compliance with the Act, in form and substance satisfactory to ONE JIB. The Transfer Direction shall instruct ONE JIB to (i) pay to ONE JIB, ONE Investment or any Agents any and all fees and expenses payable or accrued to the Effective Date, and (ii) thereafter, to transfer and deliver to the successor Investment Board or Joint Investment Board named in the Transfer Direction, as at the Effective Date, all of the Withdrawing Municipality's money, investments and assets over which ONE JIB has control and management. At the request of the Withdrawing Municipality, ONE JIB shall arrange for the orderly and secure transfer and transmission of such books and records relating to the Investment Accounts of the Withdrawing Municipality as may be reasonable and necessary. Upon such transfer and delivery, ONE JIB shall be relieved and discharged of and from all further obligations to the Withdrawing Municipality with respect to the money and investments of the Withdrawing Municipality. Notwithstanding the withdrawal of the Withdrawing Municipality from ONE JIB, the obligation of such Withdrawing Municipality to indemnify ONE JIB and JIB Members as set out in Section 10.03 shall be unaffected and shall survive any such withdrawal. The notice periods specified in this Section 13.04 may be waived by ONE JIB in its discretion.

SECTION 14 - DIRECTIONS, INSTRUCTIONS AND NOTICES

14.01 Certificate re Authorized Persons. Each Participating Municipality shall from time to time and upon the written request of ONE JIB, furnish the Secretary of ONE JIB with a certificate signed by its treasurer setting forth the name(s) and title(s) of the authorized officer(s) of the Participating Municipality, which shall include the treasurer and of any other person(s) or representative(s) authorized to act on behalf of the Participating Municipality (**Authorized Persons**), together with specimen signatures of all such Authorized Persons and ONE JIB shall be entitled to rely upon the identification of such Authorized Persons as the person(s) entitled to act on behalf of, and provide directions, instructions and notices for, the Participating Municipality for the purposes of this Agreement until a replacement certificate respecting the same is delivered to ONE JIB.

14.02 Reliance on Authorized Persons.

Provided ONE JIB has complied with its standard of care set forth in Section 10.01, ONE JIB shall:

- (a) not be responsible for:
 - (1) the proper application by any Participating Municipality of any part of its Managed Assets so long as payments to the Participating Municipality have been made in accordance with written directions of such Participating Municipality or an Authorized Person or Authorized Persons as herein provided;
 - (2) the adequacy of the Managed Assets to meet and discharge any and all payments and liabilities in respect of a Participating Municipality; or
 - (3) the compliance by any Participating Municipality with the Act, the Regulation or any Municipal Legislation with respect to the formulation, adoption, or amendment of its IPS, or any decision with respect to additions or contributions to the Managed Assets or withdrawals from the Managed Assets or any other determination as to monies or investments which constitute Managed Assets;
- (b) be fully protected in acting upon any instrument, certificate or other writing believed by it to be genuine and to be signed or presented by an Authorized Person or Authorized Persons;
- (c) be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained; and
- (d) be entitled to decline to take any actions unless it has clear instructions.

14.03 Reliance on Experts and Others. ONE JIB may rely and act upon any statement, report or opinion prepared by or any advice received from the auditor of the ONE Investment Pools, solicitors or other professional advisers with respect to the Managed Assets and shall not be responsible or held liable for any loss or damage resulting from so relying or acting if the advice was within the area of professional competence of the person from whom it was received, ONE JIB acted in good faith in relying thereon, and the professional adviser was aware that ONE JIB was receiving the advice in its capacity as fiduciary with respect to the Managed Assets. ONE JIB shall in no way be responsible for, nor incur any liability based on, the action or failure to act or for acting pursuant to or in reliance on instructions of the Participating Municipality, a Custodian, Administrator, Payment Agent or External Portfolio Manager or any Agent to whom its responsibilities are properly delegated.

SECTION 15 TERM AND TERMINATION

15.01 Termination of Agreement.

Two or more Founding Municipalities may dissolve ONE JIB if no other Participating Municipalities are investing through ONE JIB and each such Founding Municipality has effected one of the following alternatives:

- (a) entered into an agreement with another municipality that has established an Investment Board, that Investment Board and any other municipalities investing through that Investment Board to invest through that Investment Board;
- (b) entered into an agreement with the municipalities that have established a Joint Investment Board, that Joint Investment Board and any other municipalities investing through that Joint Investment Board, to invest through that Joint Investment Board; or
- (c) established an Investment Board on its own or established a Joint Investment Board with one or more other municipalities

and each such Founding Municipality has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board

- (d) the Founding Municipality's powers to make the investments; and
- (e) the Founding Municipality's duties under section 418.1 of the Act.

15.02 Participating Municipalities may not Dissolve ONE JIB.

Participating Municipalities do not, either alone or collectively, have the power to dissolve ONE JIB.

SECTION 16 - GENERAL

16.01 Notice.

- (a) **Address for notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered or sent by registered mail, postage prepaid or email to the addresses or facsimile numbers set out in Schedule A in respect of each Participating Municipality and in the case of ONE JIB or ONE Investment to:

ONE Joint Investment Board
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary with copy to the Chair
email: dkelly@oneinvestment.ca

ONE Investment
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary - Treasurer
email: amajidi@amo.on.ca

Changes to the addresses and facsimile numbers may be made in the manner set out in this Section 16.01.

- (b) **Effective date.** Any such notice or other communication shall be deemed to have been given and received, if delivered, on the day of delivery (or, if the day is not a Banking Day, on the next following Banking Day) or, if mailed, on the second Banking Day following the day on which it is mailed. If a strike or lockout of postal employees is in effect or generally known to be impending on the date of mailing, any such notice or other communication shall be delivered and not sent by mail.

16.02 Application of the *Municipal Affairs Act*.

In the event that a Participating Municipality becomes subject to supervision under Part III of the *Municipal Affairs Act*, the duties and responsibilities of ONE JIB hereunder, in respect of such Participating Municipality, may be subject to the special jurisdiction and powers that can be exercised in respect of the Participating Municipality and ONE JIB as a local board of such Participating Municipality.

16.03 Further action.

Each party shall at all times promptly execute and deliver and cause to be executed and delivered such documents and take and cause to be taken such action as may be necessary or appropriate to give effect to the provisions of this Agreement.

16.04 Benefit.

This Agreement shall enure to the benefit of and be binding upon each party and their respective successors and permitted assigns.

16.05 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one Agreement.

16.06 Electronic Signatures.

This Agreement may be executed by the parties electronically in accordance with the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17.

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The parties have executed this Agreement on the dates set out below.

ONE INVESTMENT

DATE: _____

BY: _____
(Signature)

(Print Name, Title)

DATE: _____

BY: _____
(Signature)

(Print Name, Title)

ONE JOINT INVESTMENT BOARD

DATE: _____

BY: _____
(Signature)

(Print Name, Title)

DATE: _____

BY: _____
(Signature)

(Print Name, Title)

COUNTERPART OF
ONE JOINT INVESTMENT BOARD AGREEMENT

BY: [_____]

DATE: _____

BY: [HEAD OF COUNCIL (Title) - _____]

(Signature)

(Print Name)

BY: [CLERK (Title) - _____]

(Signature)

(Print Name)

**SCHEDULE A
PARTICIPATING MUNICIPALITIES
(INCLUDING ADDRESS FOR NOTICES)**

Town of Bracebridge

1000 Taylor Court
Bracebridge, ON P1L 1R6
ATTN: Director of Finance/Treasurer
Phone: (705) 645-6319 x262

Town of Huntsville

37 Main St. East
Huntsville, ON P1H 1A1
ATTN: Manager of Finance/Treasurer
Phone: (705) 789-1751 x2251

Town of Innisfil

2101 Innisfil Beach Rd.
Innisfil, ON L9S 1A1
ATTN: Manager, Legal & Clerk Services/Clerk
Phone: (705) 436-3740 x1401

City of Kenora

1 Main Street South
Kenora, ON P9N 3X2
ATTN: Treasurer
Phone: (807) 467-2013

Municipality of Neebing

4766 Highway 61
Neebing, ON P7L 0B5
ATTN: Clerk-Treasurer
Phone: (807) 474-5331

The District Municipality of Muskoka

70 Pine Street
Bracebridge, ON P1L 1N3
ATTN: Commissioner, Finance & Corporate
Services
Phone: (705) 645-2100 x4255

The Corporation of the City of Quinte West

7 Creswell Drive
Trenton, ON K8V 5R6
ATTN: Director of Finance/Treasurer
Phone: (613) 392-2841

Town of Whitby

575 Rossland Rd. E.
Whitby, ON L1N 2M8
ATTN: Commissioner, Corporate
Services/Treasurer
Phone: (905) 430-4314

**SCHEDULE B - 1
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES**

[_____]

By-law Number [_____]

A By-law of

[_____]

to authorize, as a Participating Municipality, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement, the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019, a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of the Regulation requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not

require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality's money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the Participating Municipality's powers to make the investments, and b) the Participating Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act; AND WHEREAS the treasurer of The Corporation of the [insert name of the relevant Participating Municipality] (the "**Municipality**") completed a draft Municipal Client Questionnaire, in the form attached hereto as Schedule "A" (the "**Municipal Client Questionnaire**") and prepared the draft investment policy statement attached hereto as Schedule "B", which is referred to as its Investment Policy Statement (the "**IPS**") and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS, in accordance with section 18 of the Regulation;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "Founding Municipalities") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board

and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities pursuant to an Authorizing By-law that is substantially the same as this By-law, established the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the “**Code of Conduct**”) and authorized ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals (“**RFP**”) process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities’ municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. Thereafter the recommended candidate(s) were submitted to ONE JIB for its consideration and ONE JIB appointed the recommended candidate(s) as its Integrity Commissioner and its Closed Meeting Investigator;

AND WHEREAS each Founding Municipality pursuant to an Authorizing By-law that is substantially the same as this By-law, delegated to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors, from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

AND WHEREAS the Municipality is required to have entered into the ONE JIB Agreement before the Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after ONE JIB confirms its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, ONE JIB and the Municipality will agree upon an effective date for the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality and such effective date will be the effective date of the Municipality’s authorization of the application of section 418.1 of the Act to it, which effective date will also be known as the “**Prudent Effective Date**”;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.

2. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date.
3. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has accepted the Municipality as a Participating Municipality under the ONE JIB Agreement substantially in the form attached hereto as Schedule "C" pursuant to which ONE JIB is given the control and management of the Municipality's money and investments that it does not require immediately together with that of all of the Participating Municipalities as at the day this By-law is passed by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act with an effective date that is the Municipality's Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute the ONE JIB Agreement for and on behalf of the Municipality.
4. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.
5. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.
6. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.
7. The Municipality hereby authorizes the application of section 418.1 of the Act to it on the basis that the effective date of the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality will be the same date as the Prudent Effective Date described in this By-law.
8. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such

documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

9. Sections 1 to 6 inclusive and section 8 of this By-law shall take effect on the day of passing and section 7 of this By-law shall take effect on the Municipality's Prudent Effective Date.

ENACTED and PASSED this [COUNCIL MEETING DATE]

[_____]

[_____]

[HEAD OF COUNCIL - _____]

[CLERK - _____]

SCHEDULE B - 2
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY
PRUDENT INVESTOR AUTHORIZING BY-LAW-PARTICIPATING MUNICIPALITY (CONSOLIDATED)

By-law Number [_____]

A By-law of

[_____]]
to authorize, as a Participating Municipality, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement, the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct for the Joint Investment Board and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “Act”) provides that effective January 1, 2019, a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 Part II (the “Regulation”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) before the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of the Regulation requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality's money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the Participating Municipality's powers to make the investments, and b) the Participating Municipality's duties under section 418.1 of the Act;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "Founding Municipalities") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board (under the Act a municipal service board is a local board of the municipality for all purposes) pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities pursuant to an Authorizing By-law that is substantially the same as this By-law, established the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the “**Code of Conduct**”) and authorized ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals (“**RFP**”) process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities’ municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. Thereafter the recommended candidate(s) were submitted to ONE JIB for its consideration and ONE JIB appointed the recommended candidate(s) as its Integrity Commissioner and its Closed Meeting Investigator;

AND WHEREAS each Founding Municipality pursuant to an Authorizing By-law that is substantially the same as this By-law, delegated to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors, from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

AND WHEREAS [_____]
the “**Municipality**” would like to invest under section 418.1 of the Act through ONE JIB and section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the treasurer of the Municipality completed a draft Municipal Client Questionnaire, in the form attached hereto as Schedule “A” (the “**Municipal Client Questionnaire**”) and prepared the draft investment policy statement attached hereto as Schedule “B”, which is referred to as its Investment Policy Statement (the “**IPS**”) and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS, in accordance with section 18 of the Regulation;

AND WHEREAS the Municipality is required to have entered into the ONE JIB Agreement before the Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after ONE JIB confirms its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, the Municipality will enter into the ONE JIB Agreement, thereafter ONE JIB and the Municipality will agree on an effective date for the ONE JIB Agreement vis-à-vis the Municipality as a Participating Municipality and by a separate by-law the Municipality will authorize such effective date as the effective date of the Municipality’s authorization of the application of section 418.1 of the Act to it, which effective date will also be known as the “**Prudent Effective Date**”;

NOW THEREFORE THE COUNCIL OF [_____],
AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date.
3. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has accepted the Municipality as a Participating Municipality under the ONE JIB Agreement substantially in the form attached hereto as Schedule "C" pursuant to which ONE JIB is given the control and management of the Municipality's money and investments that it does not require immediately together with that of all of the Participating Municipalities as at the day the Municipality's Prudent Investor Enabling By-law is passed by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act. Thereafter ONE JIB and the Municipality will determine an effective date for the ONE JIB Agreement vis-à-vis the Municipality as a Participating Municipality and such effective date will also constitute the Municipality's Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute the ONE JIB Agreement for and on behalf of the Municipality.
4. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.
5. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.
6. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.
7. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control

and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

8. This By-law shall take effect on the day of passing.

ENACTED and PASSED this [COUNCIL MEETING DATE]

[_____]

[_____]

[HEAD OF COUNCIL - _____]

[CLERK - _____]

16649960.1

SCHEDULE B - 3
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES

[_____]

By-law Number [_____]

A By-law of

[_____]
to authorize the application of section 418.1 of the *Municipal Act,*
2001 to it, as a Participating Municipality.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 Part II (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) before the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS the Prescribed Requirement requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality’s money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the Participating Municipality’s

powers to make the investments, and b) the Participating Municipality's duties under section 418.1 of the Act;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "Founding Municipalities") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS each of the Founding Municipalities and ONE JIB have agreed that the effective date of the ONE JIB Agreement for each Founding Municipality and of the application of section 418.1 of the Act to each Founding Municipality is July 2, 2020.

AND WHEREAS [_____]
the "**Municipality**" would like to invest under section 418.1 of the Act through ONE JIB, the Municipality passed an Authorizing Bylaw pursuant to which, among other things, it authorized the entering into of the ONE JIB Agreement as a Participating Municipality, ONE JIB has confirmed its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, the Municipality subsequently executed the ONE JIB Agreement as a Participating Municipality and thereafter ONE JIB and the Municipality agreed on an effective date for the ONE JIB Agreement vis-à-vis the Municipality which effective date will also be the Municipality's effective date for its authorization of the application of section 418.1 of the Act to it, which effective date will be known as the "**Prudent Effective Date**".

NOW THEREFORE THE COUNCIL OF [_____],
AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby declares that section 418.1 of the Act applies to it as at the Prudent Effective Date on the basis that the ONE JIB Agreement which has already been executed by the Municipality as a Participating Municipality will have an effective date that is the same as the Municipality's effective date for its authorization of the application of section 418.1 of the Act to it, i.e. the Prudent Effective Date.

2. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB as authorized by the ONE JIB Agreement as at the Prudent Effective Date and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

3. This By-law takes effect on the Prudent Effective Date (_____) for purposes of the ONE JIB Agreement and this By-law.

ENACTED and PASSED this [COUNCIL MEETING DATE]

[_____]

[HEAD OF COUNCIL - _____]

[_____]

[CLERK - _____]

**SCHEDULE B - 4
FORM OF FOUNDING MUNICIPALITY
AUTHORIZING BY-LAW**

By-law Number [_____]
A By-law of

[_____]
to authorize, as a Founding Municipality, the entering into of the Initial Formation Agreement pursuant to which a Joint Investment Board will be established and through which all of the Founding Municipalities will invest, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement and the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct for the Joint Investment Board and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of the Regulation requires a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board, together with one or more other municipalities (individually a “**Founding Municipality**”, collectively the “**Founding Municipalities**”), to have entered into an agreement to establish and invest through a Joint Investment Board established pursuant to section 202 of the Act and also requires all of

the Founding Municipalities to have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that the Founding Municipalities do not require immediately;

AND WHEREAS subsection 17 (2) of the Regulation provides that a Founding Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 2 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Founding Municipality's money and investments that it does not require immediately, together with that of all the other Founding Municipalities that are party to the agreement referred to under paragraph 2 of section 15, by each Founding Municipality delegating to the Joint Investment Board a) the Founding Municipality's powers to make the investments, and b) the Founding Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the treasurer of The Corporation of the [insert name of the relevant Founding Municipality and delete the name of the relevant Founding Municipality from the list in the next recital] (the "**Municipality**") completed a draft Municipal Client Questionnaire in the form attached hereto as Schedule "A" (the "**Municipal Client Questionnaire**") and prepared the draft investment policy statement attached hereto as Schedule "B" which is referred to as its Investment Policy Statement (the "**IPS**") and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS in accordance with section 18 of the Regulation;

AND WHEREAS [The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby] and the Municipality have expressed an interest in being Founding Municipalities and in entering into an Initial Formation Agreement in the form attached hereto as Schedule "C" (the "**Initial Formation Agreement**") pursuant to which a Joint Investment Board will be established as a joint municipal service board pursuant to section 202 of the Act, which Joint Investment Board will be called ONE Joint Investment Board ("**ONE JIB**"), through which all of the Founding Municipalities will invest their money and investments that they do not require immediately and pursuant to which the Founding Municipalities will appoint the initial members of ONE JIB;

AND WHEREAS all of the Founding Municipalities have agreed that on or before May 1, 2020 they will have passed a by-law in a form substantially the same as this By-law that, among other things, authorizes the entering into of the Initial Formation Agreement with an effective date of May 19, 2020 (the "**JIB Effective Date**");

AND WHEREAS as at the JIB Effective Date all of the Founding Municipalities will have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that they do not require immediately;

AND WHEREAS on May 19, 2020 after the conclusion of the orientation meeting for the individuals appointed under the Initial Formation Agreement ONE JIB will commence its initial meeting during which it will authorize ONE JIB to enter into the ONE Joint Investment Board Agreement substantially in the form attached as Schedule "D" hereto (the "**ONE JIB Agreement**") that provides that ONE JIB will invest on behalf of the Founding Municipalities on the basis that the Founding Municipalities have met the Prescribed Requirement and the criteria set out in subsection 17 (2) of the Regulation and that ONE JIB will also invest on behalf of other Ontario municipalities that may subsequently enter into such agreement provided that they meet the requirement set out in paragraph 3 of section 15 of the Regulation and the criteria set out in subsection 17 (3) of the Regulation;

AND WHEREAS by entering into the ONE JIB Agreement the Founding Municipalities, and all other municipalities subsequently entering into the ONE JIB Agreement, thereby consent to any other municipalities entering into the ONE JIB Agreement provided that they comply with the applicable requirements and criteria under the Act and the Regulation;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities will, pursuant to an Authorizing By-law that is substantially the same as this By-law, establish the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the "**Code of Conduct**") and will authorize ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals ("**RFP**") process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities' municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. The recommended candidate(s) will be submitted to ONE JIB during its initial meeting for its consideration;

AND WHEREAS each Founding Municipality will, pursuant to an Authorizing By-law that is substantially the same as this By-law, delegate to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator, and their respective

successors from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;
AND WHEREAS each of the Founding Municipalities and ONE JIB are required by the Act to have entered into the ONE JIB Agreement before any Founding Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after each of the Founding Municipalities has executed the ONE JIB Agreement, each Founding Municipality will advise the other Founding Municipalities and ONE JIB that it has done so and will thereafter pass its Prudent Investor Enabling By-law on or before June 30, 2020. The effective date of the ONE JIB Agreement and of the Prudent Investor Enabling By-law will be July 2, 2020 (the “**Prudent Effective Date**”);

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A FOUNDING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and the execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby immediately authorizes the entering into of the Initial Formation Agreement with May 19, 2020 as its effective date, which date is the JIB Effective Date and the [head of council] and the treasurer are hereby authorized to execute the Initial Formation Agreement for and on behalf of the Municipality.
3. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately as set out in the IPS will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date (July 2, 2020).
4. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has executed the ONE JIB Agreement and before the Municipality passes its Prudent Investor Enabling By-law substantially in the form attached hereto as Schedule “D” pursuant to which ONE JIB is given the control and management of the Municipality’s money and investments that it does not require immediately, together with that of all other Founding Municipalities, by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act with an effective date that is the Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute and deliver the ONE JIB Agreement for and on behalf of the Municipality with such additions and amendments thereto and such deletions therefrom [as may be approved by-insert required additional approvals, if any] such approval to be conclusively evidenced by the [head of council’s] and the treasurer’s execution thereof .
5. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the

Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.

6. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.

7. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.

8. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

9. This By-law takes effect on the day of passing.
ENACTED and PASSED this [COUNCIL MEETING DATE]

[_____]

[_____]

[HEAD OF COUNCIL - _____]

[CLERK - _____]

SCHEDULE B - 5
FORM OF FOUNDING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW

[_____]

By-law Number [_____]
A By-law of

[_____]

to authorize the application of section 418.1 of the
***Municipal Act, 2001* to it, as a Founding Municipality.**

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS The Corporation of [_____] (the “**Municipality**”) in accordance with the Prescribed Requirement entered into an Initial Formation Agreement with [The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby] thereby establishing, pursuant to section 202 of the Act, and agreeing to invest through, ONE Joint Investment Board (“**ONE JIB**”) pursuant to section 202 of the Act (individually a “**Founding Municipality**”, collectively the “**Founding Municipalities**”), effective on May 19, 2020 (the “**JIB Effective Date**”) and as at the JIB Effective Date all of the Founding Municipalities certified that in the opinion of each of their treasurers they had a combined total of at least \$100,000,000 in money and investments that they did not require immediately;

AND WHEREAS subsection 17 (2) of the Regulation provides that a Founding Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 2 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Founding Municipality's money and investments that it does not require immediately, together with that of all the other Founding Municipalities that are party to the agreement referred to under paragraph 2 of section 15, by each Founding Municipality delegating to the Joint Investment Board a) the Founding Municipality's powers to make the investments, and b) the Founding Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the Municipality has adopted the investment policy statement attached hereto as Schedule "A", which is referred to as its Investment Policy Statement (the "IPS"), in accordance with section 18 of the Regulation;

AND WHEREAS each of the Founding Municipalities and ONE JIB are required to have entered into an agreement referred to in paragraph 2 of section 15 of the Regulation before any Founding Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS on or before May 1, 2020 each Founding Municipality authorized its entering into of the ONE Joint Investment Board Agreement (the "**ONE JIB Agreement**") that provides that ONE JIB will invest on behalf of the Founding Municipalities (each such Founding Municipality having at that time met the Prescribed Requirement and the criteria set out in subsection 17 (2) of the Regulation) and that ONE JIB will also invest on behalf of other Ontario municipalities that may subsequently enter into the ONE JIB Agreement, provided that each such municipality meets the requirement set out in paragraph 3 of section 15 of the Regulation and the criteria set out in subsection 17 (3) of the Regulation;

AND WHEREAS ONE JIB held its initial meeting on May 19, 2020 during which it authorized ONE JIB to enter into the ONE JIB Agreement with the Founding Municipalities and thereafter each of the Founding Municipalities executed the ONE JIB Agreement before June 1, 2020 on the basis that July 2, 2020 will be the effective date of the ONE JIB Agreement for the Founding Municipalities and July 2, 2020 will also be the effective date of the Prudent Investor Enabling By-law for each Founding Municipality, which by-law will be passed by each Founding Municipality on or before June 30, 2020.

AND WHEREAS each of the Founding Municipalities and ONE JIB have agreed that the effective date of the ONE JIB Agreement and of the Prudent Investor Enabling By-law that each Founding Municipality is required to pass on or before June 30, 2020 is July 2, 2020 (the “**Prudent Effective Date**”).

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A FOUNDING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby declares that section 418.1 of the Act applies to it on the basis that the ONE JIB Agreement will have the same effective date as this By-law, which date is described herein as the Prudent Effective Date.

2. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB as authorized by the ONE JIB Agreement as at the Prudent Effective Date and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

3. This By-law takes effect on the Prudent Effective Date (July 2, 2020) for purposes of the ONE JIB Agreement and this By-law.

ENACTED and PASSED this [COUNCIL MEETING DATE]

[]

[]

[HEAD OF COUNCIL - _____]

[CLERK - _____]

**SCHEDULE C
TERMS OF REFERENCE FOR ONE JIB**

ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

Effective July 2, 2020

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ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

Effective July 2, 2020

1. ESTABLISHMENT & PURPOSE

The ONE Joint Investment Board (“**ONE JIB**”) has been established by the Founding Municipalities to invest money that each of the Founding Municipalities does not require immediately on behalf of each Founding Municipality, to invest money that is not required immediately on behalf of other Ontario municipalities that subsequently enter into the ONE Joint Investment Board Agreement (the “**Agreement**”) and to have control and management of such money, in accordance with the Act and the Regulation.

Each member of ONE JIB has a duty to manage and to direct the management of the investments of the Participating Municipalities over which ONE JIB has been given management and control in accordance with the Act and the Regulation.

ONE JIB is a joint municipal service board established under section 202 of the Act.

2. DEFINITIONS AND INTERPRETATION

These Terms of Reference are a schedule to the Agreement and thus form part of the Agreement. Unless the context otherwise requires, defined terms used herein have the meanings ascribed to such terms in the Agreement. In addition to the defined terms found in Section 1.01 of the Agreement, these Terms of Reference contain the following additional defined terms:

“**Closed Meeting Investigator**” means an individual appointed as the closed meeting investigator in accordance with the requirements of Municipal Legislation.

“**Code of Conduct**” means the code of conduct applicable to members of ONE JIB in accordance with Municipal Legislation, attached as Exhibit A.

“**Integrity Commissioner**” means an individual appointed as the integrity commissioner of ONE JIB in accordance with the requirements of Municipal Legislation.

“**Procedure By-law**” means the procedure by-law applicable to ONE JIB in accordance with Municipal Legislation.

All other rules of interpretation set out in the Agreement apply equally to these Terms of Reference.

3. DUTIES AND RESPONSIBILITIES

3.1 Compliance with Municipal Legislation

ONES JIB shall conduct its business and discharge its responsibilities in accordance with Municipal Legislation.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to adopt a procedure by-law.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to have a code of conduct, and the Code of Conduct set out in Exhibit A has been established to apply to ONE JIB and its members.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to have procedures for the appointment of an integrity commissioner and, if necessary for the appointment of a closed meeting investigator. The Integrity Commissioner and the Closed Meeting Investigator shall be appointed or engaged in accordance with the process set out in Exhibit E.

3.2 Member Responsibility to Comply with Act and Regulation

Each member of ONE JIB shall perform the functions mandated by, and otherwise comply with, the Act and the Regulation, other applicable legislation including securities legislation and these Terms of Reference. If it is apparent that a ONE JIB member has failed to comply with the Act, the Regulation, other applicable legislation or these Terms of Reference in any material respect, a majority of the other members of ONE JIB may vote to remove the member and any such removal shall be final and binding and shall not be subject to any legal challenge by the removed member or any Participating Municipality. As used herein, “material” non-compliance means an act or omission (or series of acts or omissions) which is deliberate and not inadvertent and which either at occurrence or with the passage of time, can reasonably be expected to result in (i) the ONE JIB member being subject to regulatory sanction or discipline; (ii) damage or economic loss, including by way of opportunity cost, to a Participating Municipality; (ii) damage to the reputation of ONE JIB or ONE Investment; or (iv) any detrimental effect on the ability of ONE JIB to function effectively.

3.3 Enumerated Duties

ONE JIB shall perform such services, and have such duties and responsibilities, as may be provided in the Act and the Regulation and as the Participating Municipalities may determine and assign to ONE JIB from time to time, including the following:

- (a) Review the Participating Municipality’s Investment Policy, and at the request of the Participating Municipality, provide advice and recommendations with respect thereto, including the Participating Municipality’s investment objectives and strategies;
- (b) Adopt and maintain an Investment Plan for the Participating Municipality in accordance with the Act and the Regulation and consistent with the Participating Municipality’s Investment Policy;
- (c) Engage one or more Administrators, Custodians, Payment Servicers, External Portfolio Managers, investment counsel, bankers, brokers, dealers, and other Agents as may be required to implement the Investment Plan in accordance with the Investment Policy;
- (d) Monitor the performance of the Agents;
- (e) Report to the Participating Municipality as required by the Act and the Regulation;

- (f) Provide advice and observations to each Participating Municipality and its council regarding economic developments including matters affecting the business outlook, the investment environment and similar matters to assist the Participating Municipality and its council in assessing investment performance and planning;
- (g) Review and provide input on investment objectives, policies and procedures and appropriate risk management and mitigation measures with respect to the Participating Municipality's investments;
- (h) Review and monitor the investment performance of the Participating Municipality's investments, including selection of or recommendations as to appropriate benchmarks, peer group and similar metrics; and
- (i) Provide advice and recommendations with respect to such other matters as may be requested from time to time by ONE Investment or a Participating Municipality.

3.4 ONE JIB Reports to the Participating Municipalities

ONE JIB shall, within 90 days of the end of the financial year of the Participating Municipality, prepare and deliver to the council of the Participating Municipality (to the attention of the treasurer), an investment report (the "**Annual Investment Report**") prepared in accordance with the Regulation that contains:

- (a) a statement about the performance of the Participating Municipality's Managed Assets during the period covered by the report;
- (b) a statement by the treasurer of the Participating Municipality as to whether or not, in the opinion of the treasurer, all investments making up the Managed Assets are consistent with the Participating Municipality's Investment Policy and Investment Plan; and
- (c) such other information related to or incidental to the foregoing that the council of the Participating Municipality may reasonably require.

Prior to finalizing the Annual Investment Report, ONE JIB shall provide a draft report to the Participating Municipality and shall consider any comments on such draft report made by the treasurer of the Participating Municipality. Where ONE JIB is requested to provide additional information as contemplated herein, ONE JIB may request that the Participating Municipality prepare a draft of the report for ONE JIB's consideration and approval.

3.5 ONE JIB Reports to the Municipal Treasurer

ONE JIB shall as soon as practicable notify the treasurer of a Participating Municipality where the Managed Assets include an investment which is not consistent with the Participating Municipality's Investment Policy or Investment Plan. Such notice shall be accompanied by a written report of the results of any assessment which includes a description of each instance of a breach of the Participating Municipality's Investment Policy or Investment Plan, of which ONE JIB is aware or has reason to believe has occurred, and recommendations for any actions ONE JIB considers should be made to the rectify the non-compliance.

3.6 ONE JIB Reports to Securities Regulatory Authorities

ONE JIB shall, as soon as practicable, notify in writing the Ontario Securities Commission or other applicable securities regulatory authority where ONE JIB becomes aware of the occurrence of a material breach of applicable securities legislation applicable to ONE JIB or to ONE Investment. ONE JIB may also, but is not required to, communicate directly with securities regulatory authorities with respect to any concerns or issues that it may not otherwise be required to report and any other matter, but only if it has first communicated its concerns to ONE Investment and to the relevant Participating Municipality and considered any response received from the Participating Municipality.

3.7 Secretary to ONE JIB

The work of ONE JIB shall be supported by a secretary (the “**Secretary to ONE JIB**”), who may be engaged or employed by ONE Investment, but who shall be appointed by ONE JIB, acting on the advice of ONE Investment, to the office of Secretary to ONE JIB and have a reporting relationship with the Chair of ONE JIB. The Secretary shall advise ONE JIB as to certain procedural and jurisdictional matters, including those matters specified in the Procedure By-Law, and be responsible to provide such secretarial, research, clerical and administrative services as ONE JIB may require in the discharge of its duties. From time to time, ONE JIB, acting on the advice of ONE Investment, may appoint an alternate Secretary or assistant to the Secretary to provide support as may be required in the circumstances.

3.8 Legal and Other Advisors

If ONE JIB determines that it is useful or necessary for ONE JIB to carry out its duties, ONE JIB may engage, or seek advice from, at the expense of the Participating Municipalities, legal counsel, accountants or any other advisors, in each case provided that such person has the requisite knowledge and experience to provide such advice. ONE JIB has the authority to agree to reasonable compensation and proper expenses for any independent legal counsel and other advisors engaged by ONE JIB. ONE JIB may retain advisors selectively, and only to assist, not replace, ONE JIB decision making. Prior to retaining an independent advisor, the Chair of ONE JIB will provide advance notice to ONE Investment.

4. CONSTITUTION

4.1 Number and Quorum

ONE JIB shall be comprised of not fewer than seven and not more than ten members. The Participating Municipalities may change the size of ONE JIB in accordance with the Agreement, but shall seek the input of the Chair of ONE JIB prior to doing so. A majority of members shall constitute a quorum for the transaction of business at any meeting of ONE JIB.

4.2 Qualification

Each member of ONE JIB shall have such experience and expertise in investment management, risk management, finance, corporate governance, accounting, law or in such other areas of expertise as may be determined to be appropriate from time to time by ONE JIB or a committee thereof in consultation with ONE Investment.

No person shall be qualified to be a member of ONE JIB if that person is less than eighteen years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, has been sanctioned or disciplined by a securities regulatory authority in Canada or elsewhere within the previous 20 years, or is not an individual or has the status of a bankrupt.

4.3 Appointment of Members and Nominating Committee

The Founding Municipalities have appointed the initial members of ONE JIB. Subsequent members of ONE JIB, including those appointed to fill vacancies as referred to in Section 4.6, are to be appointed as follows by the then incumbent members of ONE JIB and with the approval of ONE Investment.

ONE JIB and ONE Investment may form a nominating committee (the “**Nominating Committee**”), made up of no fewer than three and no more than nine members to identify individuals to fill vacancies on ONE JIB. The Chair of the Nominating Committee shall be a member of ONE JIB. The other members of the Nominating Committee need not be members of ONE JIB and may be senior officers of ONE Investment and/or representatives of the Participating Municipalities. The Nominating Committee, in recommending a new member or reappointing a member, shall consider:

- (a) the competencies and skills ONE JIB, as a whole, should possess;
- (b) the competencies and skills of each other member of ONE JIB; and
- (c) the competencies and skills the prospective member would bring to ONE JIB.

The then incumbent members of ONE JIB and ONE Investment shall give consideration to individuals nominated by the Nominating Committee and a new member shall be appointed with the affirmative vote of a simple majority of members, and the approval of ONE Investment. ONE JIB members may decline to follow the recommendation of the Nominating Committee, in which case the Chair of ONE JIB may form a new Nominating Committee.

Where the Chair of ONE JIB so directs, vacancies may be filled by the Participating Municipalities in such manner as the Participating Municipalities consider to be appropriate provided, however, that any vacancy filled by the Participating Municipalities (rather than by ONE JIB itself) shall be effective only upon at least a simple majority of the Participating Municipalities duly passing a by-law in compliance with the Act approving the candidate as a member of ONE JIB.

4.4 Consent

Upon first acting as a member of ONE JIB, every member appointed in accordance with Section 4.3 shall be deemed to have consented to (a) acting as a member of ONE JIB on the terms and conditions set out herein, and (b) the public disclosure of the existence of ONE JIB, the names of its members, the matters reviewed by ONE JIB, the recommendations of ONE JIB, the compensation and expenses of the members of ONE JIB, and any other matter that is required to be disclosed pursuant to the terms of applicable legislation and rules or any decision made under applicable municipal law; provided that the members of ONE JIB, acting reasonably and promptly following a request, shall be entitled to review and require changes to the text of any such disclosure.

4.5 Adherence to Code of Conduct

Every member of ONE JIB shall comply at all times with the Code of Conduct for members of ONE JIB, a copy of which is attached as Exhibit A.

4.6 Vacancies of Office

A member of ONE JIB shall cease to hold office:

- (a) if the member dies, resigns by a written resignation received and accepted by the Chair of ONE JIB in accordance with Section 4.7 or is removed from office in accordance with Section 4.8
- (b) if the member is a Municipal Treasurer Representative, and is a treasurer of a Participating Municipality, and such Participating Municipality withdraws from ONE JIB; provided however, that if such individual has been appointed as the treasurer of another Participating Municipality prior to or at the time of the effective date of withdrawal, and such Participating Municipality agrees, the individual may continue to serve as a Municipal Treasurer Representative;
- (c) upon the member accepting employment or other engagement with a financial services provider, unless such employment or engagement has first been approved by the Integrity Commissioner and the Chair of ONE JIB;
- (d) if the member is of unsound mind as determined by a court in Canada or elsewhere, bankrupt, prohibited from acting as a director or officer of any issuer in Canada, subject to any penalties or sanctions made by a court relating to provincial and territorial securities legislation or a party to a settlement agreement with a provincial or territorial securities regulatory authority;
- (e) if the member is absent from meetings of ONE JIB for the greater of (i) three consecutive months in the event that ONE JIB holds monthly meetings and (ii) three consecutive meetings, without being authorized to do so by a resolution of ONE JIB;
- (f) if a member has his or her seat on ONE JIB declared vacant in any judicial process; or
- (g) if a member forfeits his or her membership on ONE JIB under the Act or any other Act of the Ontario legislature.

Clause 4.6(e) does not apply to vacate the membership of a member of ONE JIB who is absent for 20 consecutive weeks or less if the absence is a result of the member's pregnancy, the birth of the member's child or the adoption of a child by the member.

If a vacancy occurs in the office of a member of ONE JIB, ONE JIB shall fill a vacancy on ONE JIB as soon as practicable and a person appointed to fill a vacancy shall continue as a member for the remainder of the term so replaced.

4.7 Resignations

Unless otherwise agreed to by ONE Investment and a majority of the other members of ONE JIB, a member of ONE JIB shall resign from ONE JIB upon: becoming aware that personal circumstances may have an adverse impact on the reputation of ONE JIB, a material change in employment that may have an adverse effect on the member's contribution or effectiveness on ONE JIB or accepting a directorship with a financial institution or a company which results in the member becoming subject to a conflict of interest as described in Section 6.2.

A member of ONE JIB may resign by notice in writing filed with the Secretary and the Chair of ONE JIB. A resignation is not effective if it would reduce the number of members of ONE JIB to less than a quorum.

4.8 Removal of Member

A member or members of ONE JIB may be removed from office by a majority vote of the other members of ONE JIB, including in the circumstances described in Section 3.2 or Section 4.6. Removal shall be effected by instrument in writing delivered to such member or members specifying the effective date of such removal. If a Participating Municipality recommends to ONE JIB that it remove a member, ONE JIB shall consider such recommendation, although the final determination shall be in the discretion of ONE JIB as a whole.

4.9 Term

The term of office of a member of ONE JIB shall be no more than three years and no less than one year, and shall be set by ONE Investment or ONE JIB, as the case may be, at the time such member is appointed. Staggered terms are permitted. A member may not be reappointed for a term of office that, if served, would result in the member serving on ONE JIB for longer than nine years unless ONE Investment agrees to such reappointment.

4.10 Orientation and Continuing Education

ONE Investment and ONE JIB shall provide orientation consisting of educational or informational programs that enable a new ONE JIB member to understand: (a) the role of ONE JIB and its members collectively; and (b) the role of the individual member, including the commitment of time and energy that is expected from the member. ONE JIB may supplement such orientation, and any orientation provided by ONE Investment on the nature and operation of municipal finance with such educational programs that it reasonably deems necessary or desirable. Each member of ONE JIB shall participate in orientation and continuing education programs provided or recommended by ONE JIB or ONE Investment.

4.11 Chair

After the initial term of the Chair, the Chair of ONE JIB shall be elected annually by the members of ONE JIB and upon the resignation, death, disqualification or removal of the current Chair. The members of ONE JIB shall take into account ONE Investment's recommendations, if any, when electing the Chair. The Chair must be a member of ONE JIB. The Chair is responsible for managing the mandate, responsibilities and functions of ONE JIB. The Chair's primary functions are to lead ONE JIB meetings,

facilitate the operations and deliberations of ONE JIB, foster communications among ONE JIB members, and ensure ONE JIB carries out its responsibilities in a timely and effective manner. The Chair shall work with the Secretary, who shall act as board secretary of ONE JIB and set agendas and circulate meeting materials for ONE JIB meetings in accordance with the Procedure By-law, and shall be ONE JIB's primary contact with ONE Investment in preparing for meetings. On an ongoing basis, the Chair shall assess whether ONE JIB has appropriate administrative support, access to senior management of ONE Investment and access to outside advisers for the purpose of ONE JIB fulfilling its mandate.

ONE JIB may, by by-law or resolution, appoint a member of ONE JIB to act in the place of the Chair or other member of ONE JIB designated to preside at meetings in ONE JIB's Procedure By-law when the Chair or designated member is absent or refuses to act or the office is vacant, and while so acting such member has all of the powers and duties of the Chair or designated member, as the case may be, with respect to the role of presiding at meetings.

4.12 Committees

In addition to the Nominating Committee provided for in Section 4.3, ONE JIB may authorize any other committee or subcommittee to perform any of its functions, except the removal of a member of ONE JIB. Any such committee or subcommittee shall be chaired by a member of ONE JIB, and its members appointed by ONE JIB, but such members of such committee or subcommittee need not all be ONE JIB members. If any such committee is constituted as an *ad hoc* committee, ONE JIB shall by resolution provide it with a written mandate or terms of reference, and if constituted as a standing committee of ONE JIB, ONE JIB shall amend and supplement these Terms of Reference to include a defined mandate and more detailed reporting requirements. Any committee or subcommittee formed under this Section 4.12 shall report on its meetings to ONE JIB, generally by way of a report filed at the next following meeting of ONE JIB, and in any case at least annually. Delegation of a function to a committee does not absolve ONE JIB from its responsibility for the function. The Procedure By-law applies to proceedings of committees of ONE JIB with necessary modifications.

4.13 Self Assessments

At least annually, ONE JIB must review and assess:

- (a) the adequacy and effectiveness of itself and any committees or subcommittee to which ONE JIB has delegated any of its functions;
- (b) the independence of its members and the compensation of its members;
- (c) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:
 - (i) these Terms of Reference;
 - (ii) the competencies and knowledge each member is expected to bring to ONE JIB;
 - (iii) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;

- (iv) the attendance record of each member of ONE JIB and his or her participation in meetings;
 - (v) continuing education activities and industry knowledge of each member of ONE JIB; and
 - (vi) the ability of each member to contribute the necessary time required to serve effectively on ONE JIB;
- (d) its structural effectiveness, including a consideration of:
- (i) the frequency of meetings;
 - (ii) the substance of meeting agendas;
 - (iii) the policies and procedures that ONE Investment has established to refer matters to ONE JIB;
 - (iv) the usefulness of the materials provided to members of ONE JIB;
 - (v) the collective experience and background of the members of ONE JIB; and
 - (vi) the amount and form of compensation the members receive from ONE Investment.
- (e) The written minutes of ONE JIB meetings at which these assessments take place shall form the basis of the records of such assessments. ONE JIB may also establish a process for and determine the frequency of additional assessments as it sees fit. ONE JIB shall consider how to respond appropriately to address any weaknesses found in a self-assessment.

5. MEETINGS OF ONE JIB

5.1 Calling and Place of Meetings

Meetings of ONE JIB shall be called by the Chair of ONE JIB, in accordance with the Procedure By-law.

Except as may be permitted under the Act, meetings of ONE JIB shall be open to members of the public. Provided that the Secretary has confirmed that a meeting meets all requirements of the Procedure By-law, members may attend and participate by way of conference call or other electronic facility which allows all meeting participants to hear one another.

Exhibit B sets out the current limited circumstances under which meetings of ONE JIB may or shall be closed, in accordance with the provisions of the Act.

5.2 Notice of Meeting

Notice of the time and place of each meeting of ONE JIB shall be given by the Secretary as required under the Procedure By-law. The notice shall identify the main matters to be addressed at the meeting. The Secretary shall arrange for the notice of meeting to be posted or publicized as required.

Persons wishing to make deputations or representations to a meeting on any matter to be addressed at a meeting shall make appropriate arrangements to do so through the Secretary.

5.3 Persons Entitled to Participate

When submitting a matter to ONE JIB for its recommendation or approval, ONE Investment and its representatives shall be entitled to be present at meetings of ONE JIB to outline the nature of the question or matter to be reviewed by ONE JIB. Any other person may participate in the meeting in accordance with the Procedure By-law and on the invitation of the Chair of the meeting or with the consent of ONE JIB. ONE JIB shall hold at least one segment of one meeting annually at which ONE Investment, any entity related to ONE Investment or any of their representatives are not in attendance.

5.4 Conduct of Meetings

All other procedural matters pertaining to the conduct of meetings, including voting at meetings, are governed by the Procedure By-Law.

5.5 Minutes of the Meetings and other Records

Minutes of all meetings of ONE JIB and reports of all ONE JIB committee meetings shall be kept. The Secretary to ONE JIB or his or her designee shall be responsible for taking the minutes of the meeting and otherwise serving as secretary of the meeting. Procedures relating to approval, adoption and publication of minutes are contained in the Procedure by-Law.

The Secretary to ONE JIB shall be responsible for maintaining records of these Terms of Reference, minutes and reports of meetings, copies of the agenda and materials provided to ONE JIB, copies of materials and written reports prepared by ONE JIB and copies of ONE JIB's own determinations. ONE JIB may satisfy this recordkeeping requirement by arranging for ONE Investment to keep such records. Other than as set out in Exhibit C, all of the foregoing records shall be subject to disclosure in accordance with the Act and the *Municipal Freedom of Information and Protection of Privacy Act*.

6. CONFLICTS OF INTEREST

6.1 Application of the Municipal Conflict of Interest Act

ONE JIB is a local board for purposes of the *Municipal Conflict of Interest Act* (MCIA) and members are subject to such Act. A member of ONE JIB shall comply with such Act.

6.2 Duty to Disclose

Members of ONE JIB are required to make disclosure of their direct and indirect pecuniary interests in accordance with the requirements of the MCIA and the Code of Conduct. The Code of Conduct contains additional specific provisions relating to disclosure of pecuniary interests. The Secretary to ONE JIB shall be available to assist members of ONE JIB with the disclosure process.

Furthermore, to the extent not covered by the provisions of the MCIA and the Code of Conduct, a member of ONE JIB shall disclose to ONE JIB and to ONE Investment any circumstances or relationships which exist at the time of appointment or which arise thereafter, which could constitute

a conflict of interest. For purposes hereof, a conflict of interest includes circumstances or relationships, including serving on any other boards or commissions, which (a) a reasonable person would consider to constitute a conflict of interest which could interfere with the ONE JIB member's ability to act in good faith and in the best interests of the Participating Municipalities; or (b) to a reasonable person would be expected to interfere with the member's exercise of independent judgement.

Having disclosed or declared a conflict of interest, the member shall thereupon take direction from the Chair of ONE JIB who shall be advised by the Secretary to ONE JIB.

7. STANDARD OF CARE AND INDEMNITY

7.1 Standard of Care

All members of ONE JIB in exercising their powers and discharging their duties as a member of ONE JIB shall:

- i. act honestly and in good faith with a view to the best interests of the Participating Municipality; and
- ii. exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7.2 Indemnification

All members of ONE JIB, their respective heirs, executors and assigns, (in each case, an **Indemnified Party**) shall be indemnified by the Participating Municipalities for all liabilities, claims, damages, losses, costs and expenses incurred by them in connection with any action, suit or proceeding that is proposed or commenced or any other claim to which such Indemnified Party may be subject by reason of the management and control of the Managed Assets or otherwise arising out of or in connection with acting on behalf of the Participating Municipalities or in furtherance of the interests of the Participating Municipalities, except that this indemnity shall not apply to (a) losses arising from such Indemnified Party's own wilful misconduct or fraud, or (b) expenses of the Participating Municipalities that the Indemnified Party has agreed to bear. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnified Party in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the Indemnified Party to repay such amount if it shall be determined that the Indemnified Party is not entitled to be indemnified as authorized in this Section 7.2. Amounts required to be paid or advanced to an Indemnified Party under this Section 7.2 shall be paid by Participating Municipalities in such proportion as ONE JIB considers to be fair and equitable in the circumstances.

Further, the members shall not be liable to ONE Investment or the Participating Municipalities or to any person for any loss or damages relating to any matter regarding ONE Investment and its investments, including any loss or diminution in the value of the Participating Municipalities' investments or assets. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred in defending any claim, demand, action, suit or proceeding shall,

from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the member to repay such amount if it shall be determined that the member is not entitled to be indemnified. The foregoing indemnification applies only if the member has acted in a manner consistent with the standard of care set out in Section 7.1 above.

7.3 Liability

Unless otherwise required by applicable legislation, no member of ONE JIB shall be liable to ONE Investment or the Participating Municipalities or any other person if the member of ONE JIB complied with the standard of care set forth in Section 7.1, including reliance on advice in the manner contemplated in Section 3.8.

7.4 Insurance

Each member of ONE JIB shall be entitled to an indemnity by ONE Investment and/or an affiliate of ONE Investment to the fullest extent permitted by applicable law. ONE JIB or ONE Investment may purchase and maintain (or reimburse individual ONE JIB members for the cost of) insurance in such amounts and on such terms as are commercially reasonable on behalf of the members of ONE JIB against any liability that may be asserted against or expense that may be incurred by members of ONE JIB in connection with, or in any way related to, acting as members of ONE JIB.

8. FEES AND EXPENSES

8.1 Compensation

The Founding Municipalities, together with ONE Investment, shall set the initial amount of compensation and expenses of the members of ONE JIB. After the initial compensation and expenses are set, the members of ONE JIB, other than the Municipal Treasurer Representatives, shall be entitled to receive such reasonable compensation and expenses for acting as members of ONE JIB as ONE Investment, in consultation with ONE JIB, may from time to time determine. Such compensation may, but need not, include an annual retainer amount or stipend for acting as a ONE JIB member, as well as compensation for attendance at information, continuing education and similar sessions at which no formal business is conducted. The compensation shall be set out in Exhibit D and amended from time to time as provided herein. ONE Investment must consider ONE JIB's most recent assessment of its compensation and ONE JIB's recommendations, if any, of the amount and type of compensation and expenses in setting the compensation of ONE JIB members. In the event ONE JIB disagrees with ONE Investment's recommendation, ONE JIB shall discuss the issue with ONE Investment in a good faith attempt to reach an agreement. In determining the appropriate level of compensation, ONE Investment must consider:

- (a) the nature and complexity of the investments made by and on behalf of the Participating Municipalities;
- (b) the nature and extent of the workload of each member of ONE JIB, including the commitment of time and energy that is expected from each member;

- (c) industry best practices, including industry averages and surveys on similar board compensation; and
- (d) the best interests of the Participating Municipalities.

8.2 Reimbursement of Expenses.

Members shall be entitled to reimbursement for their reasonable expenses incurred in attending meetings of ONE JIB and other out of pocket expenses incurred in connection with acting as a ONE JIB member. ONE Investment will request production of receipts and documents supporting expenses.

9. CONFIDENTIALITY

9.1 Maintaining Confidentiality

The definition of Confidential Information is found in the Code of Conduct. Each member shall, in accordance with the Act and the Code of Conduct, protect the confidentiality, and prevent the unauthorized disclosure or use, of Confidential Information. Each member shall promptly notify ONE JIB's Chair or ONE Investment of any inadvertent disclosure, misuse or misappropriation of Confidential Information of which he or she becomes aware.

The members of ONE JIB shall not be subject to any confidentiality obligation in respect of any Confidential Information that is or was (i) information in the public domain; (ii) disclosed to the member by a third person not subject to a confidentiality obligation to ONE JIB, ONE Investment or a Participating Municipality; (iii) approved by ONE JIB, ONE Investment or a Participating Municipality for disclosure to another person or the public; or (iv) required by law to be disclosed by the member.

9.2 Public Statements and Dealing with Media

In the event ONE JIB, or any of its members, is contacted by the media or a regulator, in respect of any issue related to ONE Investment, the request will be referred to the Chair of ONE JIB or his or her designate.

10. AMENDMENTS

10.1 General

A notice or document required to be sent to a member of ONE JIB or to ONE Investment may be sent by prepaid mail addressed to, or may be delivered personally or by courier to, the member at the member's latest address provided by the member to ONE Investment, and to ONE Investment at

ONE Joint Investment Board
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary with copy to the Chair
email: dkelly@oneinvestment.ca

or such other address as ONE Investment may notify each member of ONE JIB. A notice or document

if mailed to a member of ONE JIB or ONE Investment shall be deemed to have been received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the member or ONE Investment did not receive the notice of the document at that time or at all.

10.2 Amendments

ONE JIB may amend these Terms of Reference from time to time, in consultation with ONE Investment. A decision by ONE JIB to propose to amend these Terms of Reference must be approved at a meeting of ONE JIB at which a quorum is present, by a majority of the members of ONE JIB. ONE JIB shall provide ONE Investment with 30 days' notice of any such proposal to amend these Terms of Reference and ONE JIB must consider ONE Investment's recommendations relating to such proposed amendment. Upon expiry of the 30 day notice period, a majority of the members of ONE JIB may agree to amend these Terms of Reference at a meeting of ONE JIB at which a quorum is present, and such amendment shall be effective no earlier than 30 days after ONE Investment is notified of the amendment. ONE JIB shall include a description of any material amendments to these Terms of Reference in its annual report to Participating Municipalities. ONE JIB may not amend these Terms of Reference (i) in a manner inconsistent with the Act and the Regulation, (ii) to give ONE JIB functions other than those prescribed by the Act and the Regulation, or (iii) other than as permitted by this Section 10.2; without the prior written consent of ONE Investment.

10.3 Electronic Delivery

Provided the addressees have consented in writing or electronically, the notice requirements may be satisfied by creating and providing an electronic document. An electronic document is deemed to have been received when it enters the information system designated by the addressee (provided that it has been properly addressed) or, if the document is posted on or made available through a generally accessible electronic source, when the addressee receives notice in writing of the availability and location of that electronic document, or, if such notice is sent electronically, when it enters the information system designated by the addressee.

10.4 Computation of Time

In computing the time when a notice or document must be given or sent under any provision requiring a specified number of days' notice of any meeting or other event, the day on which the notice or documents is given or sent shall be excluded and the day on which the meeting or other event occurs shall be included.

10.5 Omission and Errors

The accidental omission to give any notice or send any document or the non-receipt of any notice or document or any error in any notice or document not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded on such notice or document.

EXHIBIT A

ONE JOINT INVESTMENT BOARD CODE OF CONDUCT

POLICY STATEMENT

This Code of Conduct establishes standards of conduct for Members of the ONE Joint Investment Board (“ONE JIB”) in the conduct of their official duties. It is a schedule to the agreement between ONE JIB, each Participating Municipality and ONE Investment under which all Participating Municipalities and ONE JIB agree to the terms pursuant to which ONE JIB will manage and control the money that is not required immediately of the Participating Municipalities (the “ONE JIB Agreement”). Unless the context otherwise requires, defined terms used herein have the meanings ascribed to such terms in the ONE JIB Agreement. In the event of a discrepancy or inconsistency between the provisions contained in the ONE JIB Agreement and those contained in this Code of Conduct, the ONE JIB Agreement shall prevail.

APPLICATION

This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB. This includes, but is not limited to, the conduct of ONE JIB Members in the following circumstances:

- in relation to matters immediately before, and/or solely within the purview of ONE JIB;
- when interacting with ONE JIB and ONE Investment staff and/or another Member of ONE JIB;
- in relation to business conducted by ONE JIB;
- while on the premises of ONE JIB, whether such premises are owned, leased or simply occupied by ONE JIB;
- during an event or function of ONE JIB;
- while serving on any board, committee or other body to which the Member was appointed by ONE JIB; and
- during a non-ONE JIB event or function where the ONE JIB Member has been expressly invited or is participating as a representative of ONE JIB.

PURPOSE

The purpose of this Code of Conduct is to set a standard of conduct for Members of ONE JIB as required by the *Municipal Act, 2001* (the “Act”). Abiding by this standard helps to promote good governance and maintain public confidence in ONE JIB and the Participating Municipalities.

1.0 DEFINITIONS

1.1 The following terms shall have the following meanings in this Code of Conduct:

- (a) “Act” means the *Municipal Act, 2001*, S.O. 2001, c. 25;

- (b) “**Child**” means a child born within or outside marriage and includes an adopted child and a person to whom a parent has demonstrated a settled intention to treat as a child of her or his family;
- (c) “**Committee**” means a committee or sub-committee established by ONE JIB;
- (d) “**Confidential Information**” means any non-public, proprietary or private information, related to the functions of ONE JIB, ONE Investment, the Participating Municipalities or any of the investment funds managed by ONE JIB or any agent of ONE JIB and, without limiting the foregoing, includes:
 - (i) any such information provided orally, in writing or electronically, and
 - (ii) all or any part of any documented information to the extent that any applicable legislation, including the Act and the *Municipal Freedom of Information and Protection of Privacy Act*, permits or requires such information, including personal information, to be private;
- (e) “**Integrity Commissioner**” means the Integrity Commissioner appointed by ONE JIB;
- (f) “**Member**” means a member of ONE JIB, including the Chair;
- (g) “**MNPI**” means material non-public information;
- (h) “**Non-pecuniary Interest**” means a private or personal interest that a Member may have that is non-financial in nature but that arises from a relationship with a person or entity that would be considered by a reasonable person, apprised of all the circumstances, as being likely to influence the Member’s decision in any matter in which the Non-pecuniary Interest arises;
- (i) “**ONE Investment**” means the not-for-profit corporation founded by CHUMS Financing Corporation and Local Authority Services which provides certain management, administrative and other services to ONE JIB under the ONE Joint Investment Board Services Agreement made between ONE JIB and ONE Investment;
- (j) “**ONE JIB**” means the ONE Joint Investment Board that has been established under subsection 202(1) of the Act in accordance with Part II of O. Reg. 438/97, as constituted from time to time, acting pursuant to the ONE JIB Agreement;
- (k) “**Parent**” means a person who has demonstrated a settled intention to treat a child as a member of her or his family whether or not that person is the natural parent of the child;
- (l) “**Participating Municipalities**” means the municipalities for whom ONE JIB acts as the Joint investment Board under the terms of the ONE JIB Agreement from time to time;
- (m) “**Pecuniary Interest**” means a direct or indirect interest of a financial nature, including the interest of the Parent or Spouse or any Child of the Member, if known to the Member; and

- (n) “Spouse” means a person to whom a person is married or with whom the person is living in a conjugal relationship outside marriage.

2.0 STATEMENT OF PRINCIPLES

2.1 The following principles will guide Members and assist with the interpretation of this Code of Conduct:

- (a) Members shall serve the public in a conscientious and diligent manner;
- (b) Members shall always act with integrity, accountability and transparency, and shall avoid the improper use of influence in their office as well as conflicts of interest, both apparent and real;
- (c) Members shall perform their duties and arrange their private affairs in a manner that promotes public confidence and will stand up to public scrutiny;
- (d) Members shall observe and comply with the laws of Canada, Ontario and the laws and policies adopted by ONE JIB, including but not limited to the following:
 - (i) *Criminal Code,*
 - (ii) *Municipal Act, 2001,*
 - (iii) *Municipal Conflict of Interest Act,*
 - (iv) *Municipal Freedom of Information and Protection of Privacy Act,*
 - (v) *Occupational Health and Safety Act,*
 - (vi) *Human Rights Code,*
 - (vii) *Securities Act,*
 - (viii) *ONE JIB Procedure By-law;* and
- (e) Members shall be fair and respectful of differences and have a duty to work together for goodwill, the common good and the public interest.

2.2 The statements set out in Section 2.1 are key principles that are intended to facilitate an understanding, application and interpretation of the Code of Conduct – the principles are not operative provisions of the Code of Conduct and are not intended to be enforced independently as such.

3.0 GENERAL DUTIES

3.1 In exercising her or his powers and discharging her or his duties as a Member, each Member shall:

- (a) act honestly and in good faith with a view to the best interests of ONE JIB and the Participating Municipalities;
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) refrain from making:
 - (i) any statement known to be false or with the intent to mislead ONE JIB, ONE Investment staff, the Participating Municipalities or the public, and
 - (ii) any disparaging comment or unfounded and speculative accusation about the motives of another Member, ONE Investment staff, the Participating Municipalities or the public.

4.0 CONDUCT AT MEETINGS

- 4.1 Members will conduct themselves at all ONE JIB and Committee meetings with decorum and in accordance with ONE JIB's Procedure By-law and any other applicable procedural rules and policies.

5.0 CONFIDENTIAL INFORMATION

- 5.1 Members receive confidential information from a number of sources as part of their work. This includes information ONE JIB receives in confidence that falls under the privacy provisions of the *Municipal Freedom of Information and Protection of Privacy Act* and other applicable privacy laws as well as information received during closed meetings of ONE JIB or its Committees. It also includes information that a Member is restricted from using or disclosing under the *Criminal Code*, the *Securities Act*, or due to any contractual obligations or policies of ONE JIB or ONE Investment.
- 5.2 Members are only entitled to information in the possession of ONE JIB that is relevant to matters before ONE JIB or its Committees.
- 5.3 Members shall not use confidential information for personal or private gain or for the gain of any other person including, without limitation, a Parent, Spouse, Child, grandchild, friend or associate.
- 5.4 Members shall not directly or indirectly benefit, or aid others to benefit, from knowledge relating to the property and assets of ONE JIB, ONE Investment or any of the Participating Municipalities.
- 5.5 Without limiting the generality of any provision of Section 5.0, Members acknowledge that in the course of discharging their responsibilities, they may have access to MNPI about securities issuers, including public companies. All such MNPI is considered "confidential information." Any use of MNPI to make an investment decision or recommendation or to "tip" others who might make an investment decision on the basis of the MNPI is unethical and illegal and could result in civil and/or criminal penalties. If a Member learns of MNPI about an issuer, the Member must refrain from disclosing it (other than to another person with a need to know) or making use of

such information in any manner until the information has been publicly disclosed or is no longer material.

5.6 Members shall not disclose the content of any confidential information, or the substance of confidential deliberations, of a closed meeting of ONE JIB or any of its Committees. Each Member has a duty to hold information received at closed meetings in strict confidence for as long and as broadly as the confidentiality applies. Members must not, either directly or indirectly, release, make public or in any way divulge any confidential information or any confidential aspect of closed ONE JIB or Committee deliberations to anyone, unless authorized by ONE JIB or as required by law.

5.7 Members shall not disclose, use or release information in contravention of applicable privacy laws.

6.0 STAFF AND ONE JIB RELATIONS

6.1 ONE JIB, ONE Investment and the Participating Municipalities approve budgets, policies and other governance of ONE JIB through their by-laws, resolutions and other decisions. Individual Members do not direct or oversee the functions of ONE Investment staff.

6.2 Members shall respect the role of ONE Investment staff in the administration of the business affairs of ONE JIB. Members shall respect that:

- (a) staff provide advice and make policy recommendations in accordance with their professional ethics, expertise and obligations. Members shall not falsely or maliciously injure the reputation of staff members whether professional or ethical or otherwise;
- (b) staff serves ONE JIB as a whole, and the combined interests of all Members as evidenced through the decisions of ONE JIB. Members shall not:
 - (i) make requests or statements or take actions which may be construed as an attempt to influence the independent administration of ONE JIB business, or
 - (ii) attempt to intimidate, threaten, or influence any staff member from carrying out that person's duties, including any duty to disclose improper activity;
- (c) staff carry out their duties based on political neutrality and without undue influence from any individual Member. Members shall not invite or pressure any member of staff to engage in partisan political activities or be subjected to discrimination or reprisal for refusing to engage in such activities.

7.0 DISCRIMINATION AND HARASSMENT

7.1 ONE JIB is committed to providing and maintaining a working environment that is based on respect for the dignity and rights of everyone acting in conjunction with ONE JIB and meeting its obligations under the *Human Rights Code* and the *Occupational Health and Safety Act*. It is ONE JIB's goal to provide a healthy, safe, and respectful work environment that is free from any form of harassment or discrimination.

7.2 All Members have a duty to treat members of the public, one another and ONE Investment staff with respect and without abuse, bullying or intimidation and to ensure that their work environment is free from discrimination, harassment and violence. This duty applies to all in-person activities and to all electronic communications, including the use of social media.

8.0 USE OF ONE JIB PROPERTY

8.1 ONE JIB and ONE Investment are the stewards of ONE JIB's assets. The Participating Municipalities and the community place their trust in ONE JIB to make decisions for the public good in relation to these assets.

8.2 By virtue of her or his office or appointment, a Member shall not:

- (a) use or permit the use of ONE JIB or ONE Investment facilities, equipment, supplies, services, staff or other resources for activities other than ONE JIB's business;
- (b) seek financial gain for herself or himself, or of any other person including, without limitation, her or his Parent, Spouse, Child, grandchild, friend or associate, from the use or sale of information owned by ONE JIB or ONE Investment or intellectual property, computer programs, web or social media accounts, technological innovations, or other patents, trademarks or copyright held by ONE JIB or ONE Investment;
- (c) use any information she or he may obtain about any proposed trading activity in, or other transaction involving, the investment portfolios of the Participating Municipalities to trade for her or his own account or for the account of any other person including, without limitation, her or his Parent, Spouse, Child, grandchild, friend or associate in respect of which the Member has trading authority.

9.0 CONFLICTS OF INTEREST

9.1 Members shall take appropriate steps to avoid conflicts of interest, both apparent and real and are required to comply with the *Municipal Conflict of Interest Act*. Proactive steps to mitigate conflicts of interest are important to maintaining public confidence in Members, ONE JIB and the Participating Municipalities.

9.2 Members may seek guidance from the Integrity Commissioner if they believe that they may have a conflict between their responsibilities to the public as a Member and any other, Pecuniary Interest or Non-pecuniary Interest.

9.3 To the extent not covered by the *Municipal Conflict of Interest Act* or the ONE JIB Agreement, a Member shall disclose to ONE JIB and to ONE Investment any circumstances or relationships which exist at the time of appointment or which arise thereafter which could constitute an existing or potential conflict of interest. For this purpose, a potential conflict of interest includes circumstances or relationships, including serving on any other boards or commissions, which a reasonable person:

- (a) would consider to constitute a conflict of interest which could interfere with the Member's ability to act in good faith and in the best interests of ONE JIB and the Participating Municipalities; or

- (b) would expect to interfere with the Member's exercise of independent judgment.

10.0 BUSINESS RELATIONS

- 10.1 A Member shall not be a director or hold an executive position with any organization whose objectives and mandate are in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandate of ONE JIB. Before taking a new executive position, the Member shall inform the Chair and the Integrity Commissioner to obtain advice about the new circumstances.
- 10.2 A Member shall not act as a paid agent of ONE JIB or provide goods, consulting or other services to ONE JIB directly or indirectly through a partnership, professional or closely-held corporation.
- 10.3 If a Member becomes aware that an entity in which the Member has a material interest, as a director, employee or agent, may offer or provide goods, consulting or other services to ONE JIB, the Member shall:
- (a) disclose those circumstances to the Chair; and
 - (b) seek written advice from the Integrity Commissioner about the application of the *Municipal Conflict of Interest Act* and whether, in consideration of the circumstances, the Member's ongoing membership is in the best interests of ONE JIB.

In providing written advice pursuant to Section 10.3(b), the Integrity Commissioner shall consider the risk of harm to the reputation of ONE JIB and the Participating Municipalities.

- 10.4 Unless otherwise agreed to by ONE Investment and a majority of the Members, a Member shall resign from ONE JIB upon becoming aware of:
- (a) any personal circumstances that may have an adverse impact on the reputation of ONE JIB;
 - (b) a material change in employment that may have an adverse effect on the Member's contribution to ONE JIB; or
 - (c) a conflict of interest as described in Sections 9.0 or 10.0 resulting from the Member accepting a directorship with a financial institution or other corporation.

11.0 IMPROPER USE OF INFLUENCE

- 11.1 Members shall not use the influence of their office or appointment for any purpose other than the exercise of their official duties.
- 11.2 Members shall not use the status of their position to influence the decision of another person which may affect the Pecuniary Interest or Non-pecuniary Interest of themselves, or of any other person including, without limitation, a Parent, Spouse, Child, grandchild, friend or associate, or for the purpose of creating a disadvantage to another person.

12.0 GIFTS AND BENEFITS

- 12.1 Gifts to Members risk the appearance of improper influence. Gifts may appear to induce influence or create an incentive for Members to make decisions on the basis of relationships rather than in the best interests of ONE JIB or its Participating Municipalities. Members shall not accept a fee, advance, gift, gift certificate, cash or personal benefit connected directly or indirectly with the performance of her or his duties.
- 12.2 A gift, benefit or hospitality that is connected directly or indirectly to the performance of the Member's duties provided with the Member's knowledge to a Member's Spouse, Child, Parent, grandchild or to a Member's friend or associate is deemed to be a gift to that Member.
- 12.3 Notwithstanding Section 12.1, Members shall be entitled to accept any gifts or benefits in their public capacity in the following circumstances:
- (a) compensation authorized by law;
 - (b) gifts or benefits that normally accompany the responsibilities of office and are received as an incident of protocol or social obligation;
 - (c) gifts or benefits given in recognition of services provided without compensation by Members volunteering their time;
 - (d) a suitable memento at a function honouring the Member;
 - (e) food, lodging, transportation and entertainment provided by:
 - (i) provincial, regional or local governments or political subdivisions of them,
 - (ii) the federal government,
 - (iii) a foreign government within a foreign country,
 - (iv) Association of Municipalities of Ontario,
 - (v) Local Authority Services,
 - (vi) Municipal Finance Officers' Association of Ontario,
 - (vii) CHUMS Financing Corporation,
 - (viii) ONE Investment, or
 - (ix) a conference, seminar or event organizer where the Member is either speaking or attending in an official capacity;
 - (f) participating in or consuming food and beverages at banquets, receptions, sporting events or similar functions, if:

- (i) attendance serves a legitimate business purpose, or supports a charitable cause in the community, a board of trade or chamber of commerce;
 - (ii) the person extending the invitation or a representative of the organizing entity is in attendance; and
 - (iii) the value is reasonable and the invitations infrequent;
- (g) gifts of nominal value (e.g. a baseball cap, t-shirt, flash drive, book);
- (h) any gift or personal benefit, if the Integrity Commissioner is of the opinion, before the gift or personal benefit has been accepted, that it is unlikely that receipt of the gift or benefit gives rise to a reasonable presumption that the gift or benefit was given in order to influence the Member in the performance of her or his duties.
- 12.4 The exceptions set forth in Section 12.3 do not apply where the gifts or benefits are provided by potential administrators, custodians, payment servicers, portfolio managers, investment counsel, bankers, brokers, dealers or other agents as may be required to implement the Investment Plan in accordance with a Participating Municipality's Investment Policy Statement.
- 12.5 In the case of Sections 12.3 (b), (d), (e) and (f) of, if the value of the gift or benefit exceeds \$300, or if the total value of gifts and/or benefits received from any one source during the course of a calendar year exceeds \$300, the Member shall, within thirty (30) days of receipt of the gift or benefit or reaching the annual limit, file a disclosure statement with the Integrity Commissioner. The disclosure statement will be a matter of public record. The disclosure statement shall provide the following information:
- (a) the nature of the gift or benefit;
 - (b) its source and date of receipt;
 - (c) the circumstances under which it was given or received;
 - (d) its estimated value;
 - (e) what the Member intends to do with the gift or benefit; and
 - (f) whether the gift or benefit will at any point be left with ONE JIB or ONE Investment.
- 12.6 On receiving a disclosure statement, the Integrity Commissioner shall examine it to ascertain whether receipt of the gift or benefit might, in her or his opinion, create a conflict between a private interest and the public duty of the Member. In the event that the Integrity Commissioner makes this preliminary determination, she or he shall call upon the Member to justify receipt of the gift or benefit.
- 12.7 Should the Integrity Commissioner determine that receipt was inappropriate, she or he may direct the Member to return the gift or benefit, reimburse the donor for the value of the gift or benefit if already consumed, or forfeit the gift or benefit or remit the value of the gift or benefit if already consumed to ONE JIB or ONE Investment.

12.8 Except in the cases of Sections 12.3 (a) and (e), a Member may not under any circumstances accept a gift or benefit worth in excess of \$500 or gifts and benefits worth in the aggregate in excess of \$500 from one source during a calendar year.

13.0 COMMUNICATION

13.1 Members shall seek to advance the public interest with honesty and refrain from making any statement through any medium (including and without limiting the generality of the foregoing, through any social media platform) to Participating Municipalities, other stakeholder groups, the media or the public unless such statement is authorized by the Chair of ONE JIB or her or his delegate.

14.0 ELECTION ACTIVITY

14.1 Members are required to conduct themselves in accordance with elections legislation as may be amended from time to time, and any ONE JIB policies. The use of ONE JIB resources, including property and ONE Investment staff time, for any election-related activity is strictly prohibited. Election-related activity applies to the Member's campaign and any other election campaigns for municipal, provincial or federal office.

15.0 INTEGRITY COMMISSIONER'S ADVICE

15.1 It is the duty of the Member to seek the Integrity Commissioner's written advice on any potential situation where the Member might reasonably be expected to be in contravention of this Code of Conduct.

15.2 Any written advice given to a Member by the Integrity Commissioner binds the Integrity Commissioner in any subsequent consideration of the conduct of the Member in the same matter as long as all the relevant facts known to the Member were disclosed to the Integrity Commissioner and the facts remain unchanged.

16.0 RESPONSIBILITIES

16.1 Members shall:

- (a) consult with the Integrity Commissioner if they need any advice or clarification regarding their obligations under this Code of Conduct; and
- (b) adhere to the provisions of this Code of Conduct and ensure compliance with all applicable legislation as well as all procedures, rules or policies of ONE JIB governing their ethical behaviour.

16.2 The Integrity Commissioner shall:

- (a) investigate complaints related to a Member's alleged contravention of this Code of Conduct;
- (b) provide written advice to Members with respect to their obligations under the Code of Conduct and the *Municipal Conflict of Interest Act*;

- (c) provide educational information about the Code of Conduct and the *Municipal Conflict of Interest Act*; and
- (d) provide such advice and opinions as may be from time to time requested by ONE JIB.

17.0 CONTRAVENTION

- 17.1 The Integrity Commissioner shall establish a complaint protocol to investigate complaints of contraventions by Members of this Code of Conduct and applications under section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*.
- 17.2 Members shall not act in reprisal or threaten reprisal against a person who makes a complaint, files an application or provides information to the Integrity Commissioner during an investigation.
- 17.3 Members are expected to cooperate with requests for information during investigations relating to the Code of Conduct and the *Municipal Conflict of Interest Act*. Members shall not destroy documents or erase electronic communications or refuse to respond to the Integrity Commissioner where a complaint has been lodged under the Code of Conduct, the *Municipal Conflict of Interest Act* or any process for complaints adopted by ONE JIB.
- 17.4 Where a report is received from the Integrity Commissioner that there has been a contravention of the Code of Conduct, ONE JIB may impose either of the following penalties on the Member as permitted by the *Act*:
- (a) a reprimand; or
 - (b) a suspension of the remuneration paid to the Member in respect of her or his services on ONE JIB for a period up to 90 days.
- 17.5 ONE JIB may, on the basis of a recommendation from the Integrity Commissioner, also take any or all of the following corrective or remedial actions, and require that the Member:
- (a) provide a written or verbal apology;
 - (b) return property or make reimbursement of its value or of money spent;
 - (c) be removed from or not be appointed to the membership on a Committee;
 - (d) be removed from or not be appointed as chair of a Committee; and
 - (e) comply with any other remedial or corrective action or measure deemed appropriate by the Integrity Commissioner.

18.0 COMPLAINT PROTOCOL

- 18.1 The Complaint Protocol is Appendix "A" to this Code of Conduct and applies to Complaints (as defined in Appendix "A") under this Code of Conduct and the *Municipal Conflict of Interest Act*.

APPENDIX "A"

ONE JOINT INVESTMENT BOARD CODE OF CONDUCT COMPLAINT PROTOCOL

Defined terms used herein, unless the context otherwise requires, have the meanings ascribed to such terms in the Code of Conduct. In the event of a discrepancy or inconsistency between the provisions contained in the Code of Conduct and those contained in this Complaint Protocol, the Code of Conduct shall prevail.

PART A - INFORMAL COMPLAINT PROCEDURE

1. Any individual who identifies or witnesses behaviour or activity by a Member that they believe contravenes the Code of Conduct may seek to address the prohibited behaviour or activity themselves in the following manner by following the Informal Complaint Procedure:
 - (a) document the incident(s) where the Member may have contravened the Code of Conduct including dates, times, locations, other persons present, and any other relevant information;
 - (b) advise another person about the concerns regarding the Member's actions, to corroborate the incident;
 - (c) advise the Member that the behaviour or activity appears to contravene the Code of Conduct;
 - (d) identify to the Member the specific provision(s) of the Code of Conduct that may have been contravened;
 - (e) encourage the Member to acknowledge and agree to stop the prohibited behaviour or activity and to undertake to refrain from future occurrences of the prohibited behaviour or activity;
 - (f) if applicable:
 - (i) confirm to the Member that his or her response is satisfactory, or
 - (ii) advise the Member that his or her response is unsatisfactory;
 - (g) consider the need to pursue the matter in accordance with the Formal Complaint Procedure set out in Part B, or in accordance with any other applicable judicial or quasi-judicial process or complaint procedure.
2. Individuals are encouraged to pursue the Informal Complaint Procedure as the first means of remedying behaviour or activity of a Member that they believe contravenes the Code of Conduct.
3. The Integrity Commissioner may be requested to assist in an attempt to settle or resolve the issue with the Member and the individual but will participate only if both parties have consented.
4. The Informal Complaint Procedure is not a precondition or a prerequisite to pursuing the Formal Complaint Procedure related to the Code of Conduct set out in Part B.

PART B - FORMAL COMPLAINT PROCEDURE

Formal Complaints

- 5.(1) Any individual who identifies or witnesses behaviour or activity by a Member that they reasonably believe contravenes the Code of Conduct may file a formal complaint (“Complaint”) to request an inquiry by the Integrity Commissioner as to whether a Member has contravened the Code of Conduct in accordance with the following requirements:
- (a) a Complaint shall be in writing on the prescribed form (Formal Complaint Form # 1 attached hereto) and shall be dated and signed by an identifiable individual (the “complainant”);
 - (b) the Complaint must set out reasonable and probable grounds for the allegation that the Member has contravened the Code of Conduct and must be accompanied by a supporting sworn affidavit setting out the evidence in full in support of the allegation; and
 - (c) Members of ONE JIB may also file a Complaint against any of its Members of an alleged contravention of the Code of Conduct by passing a resolution requesting the Integrity Commissioner to undertake an inquiry.
- (2) An elector, as defined in section 1 of the *Municipal Conflict of Interest Act*, or a person demonstrably acting in the public interest (collectively, a “complainant”) may file a formal application requesting that the Integrity Commissioner carry out an inquiry concerning an alleged contravention of section 5, 5.1 or 5.2 of that statute by a Member in accordance with the following requirements:
- (a) an application (also referred to as a “Complaint” herein) shall be in writing on the prescribed form (Complaint Form #2 attached hereto), dated and signed by an identifiable individual;
 - (b) the application shall include a statutory declaration attesting to the fact that:
 - (i) the complainant became aware of the contravention not more than six (6) weeks before the date of the application, or
 - (ii) in the case where the complainant became aware of the alleged contravention during the period of time described in paragraph 1 of subsection 223.4.1(5) of the *Municipal Act, 2001*, that the complainant became aware of the alleged contravention during that period of time;
 - (c) ONE JIB may also pass a resolution requesting the Integrity Commissioner to undertake an inquiry respecting an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act* by a Member and provide a statutory declaration as required by Section 5(2) to be sworn by a Member of ONE JIB.
- (3) Complainants who file a formal Complaint under Sections 5(1) or 5(2) must provide a full and complete record of evidence to substantiate or support the allegations set out in the Complaint

to the Integrity Commissioner who is under no obligation whatsoever to, but may, seek additional information.

Filing of Complaint and Classification by Integrity Commissioner

- 6.(1) The Complaint may be filed with the Integrity Commissioner by hard copy or by e-mail at the following mailing or email addresses:

John Mascarin
Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Email: jmascarin@airdberlis.com
Tel: 416-865-7721

- (2) The Integrity Commissioner shall initially classify the Complaint to determine if the matter is, on its face, a Complaint with respect to a contravention of the Code of Conduct and not covered by other legislation or other ONE JIB procedures, policies or rules as set out in Section 7 or whether it is a Complaint with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*.

Complaints Outside Integrity Commissioner's Jurisdiction or Not for Investigation

- 7.(1) If the Complaint, including the supporting affidavit or the statutory declaration, is not, on its face, a Complaint with respect to a contravention of the Code of Conduct or the Complaint relates to matters addressed by other legislation under another procedure, policy or rule of ONE JIB or whether it is a Complaint with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Integrity Commissioner shall advise the complainant in writing as follows:

Criminal Matter

- (a) if the Complaint is, on its face, an allegation of a criminal nature consistent with the *Criminal Code*, the complainant shall be advised that:
- (i) the Integrity Commissioner will refer it to the appropriate police service, or
 - (ii) the complainant may pursue it with the appropriate police service if the complainant wishes to pursue any such allegation;

Municipal Freedom of Information and Protection of Privacy Act

- (b) if the Complaint is more appropriately addressed under the *Municipal Freedom of Information and Protection of Privacy Act*, the complainant shall be advised that the matter must be referred to the Secretary to deal with under any access and privacy policies of ONE JIB under that statute;

Other Procedure, Policy or Rule Applies

- (c) if the Complaint appears to fall within the scope of another procedure, policy or rule of ONE JIB, the complainant shall be advised to pursue the matter under such procedure, policy or rule with the appropriate official or staff member; and

Lack of Jurisdiction

- (d) if the Complaint is, for any other reason not within the jurisdiction of the Integrity Commissioner (for example, it relates to a decision of ONE JIB as a whole and not one or more individual Members), the complainant shall be so advised and provided with any additional reasons and referrals, if any, as the Integrity Commissioner considers appropriate.

- (2) If it becomes apparent to the Integrity Commissioner at any time that the Complaint with respect to a contravention of the Code of Conduct or with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, relates to any of the following matters, the Integrity Commissioner shall advise the complainant in writing as follows:

Matter Already Pending

- (a) if the Complaint is in relation to a matter which is subject to an outstanding complaint under another process such as a court proceeding, a human rights or workplace harassment complaint or similar process, or to a civil matter that is pending before the courts, the Integrity Commissioner may, in his/her sole discretion, suspend any investigation, in whole or in part, pending the result of the other process;

Similar Matter Already Pending

- (b) if the Complaint is in relation to a similar matter which is subject to an outstanding Complaint before the Integrity Commissioner, the Integrity Commissioner may, in his/her sole discretion, consider the matter in conjunction with the similar matter or deal with it separately, including not undertaking an inquiry if the matter can be adequately addressed in any report and/or recommendations made with respect to the Complaint in the similar matter; and

Other Ethical Code or Policy Applies

- (c) if the Complaint is in relation to a matter which is governed by a code of conduct, ethical code or similar procedure or policy of another body or entity which also governs the Members (for example, another professional or regulatory body to which the Member may belong), the Integrity Commissioner shall consider the most appropriate forum for the Complaint and may, in his/her sole discretion, defer consideration of the matter pending any determination made by the other body or entity and shall so advise the complainant and, if necessary, the Member.

- (3) Nothing in Section 7 precludes the Integrity Commissioner from reporting to ONE JIB any matter that is suspended, summarily dismissed, terminated or not otherwise investigated.

Limitation Period

- 8.(1) The Integrity Commissioner shall not accept a Complaint under the Code of Conduct for which the event giving rise to the Complaint occurred or came to the attention of the complainant more than six (6) months prior to the date of the filing of the Complaint. The complainant must establish that the event giving rise to the Complaint occurred and/or came to the complainant's attention within six (6) months of the Complaint being filed in accordance with Section 6.
- (2) The Integrity Commissioner shall not accept an application with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act* except in accordance with the requirements of subsections 8(2)-(7) of that statute and section 223.4.1 of the *Municipal Act, 2001*.

Refusal to Conduct Investigation

- 9.(1) The Integrity Commissioner has a discretion as to whether to carry out an investigation. If the Integrity Commissioner is satisfied at any time, after considering the information contained in the Complaint, that the Complaint:
- (a) is frivolous or vexatious,
 - (b) is not made in good faith,
 - (c) constitutes an abuse of process,
 - (d) discloses no grounds or insufficient grounds for an investigation,
 - (e) does not warrant a full investigation, or
 - (f) is not otherwise in the public interest,

the Integrity Commissioner shall not be required to conduct an investigation and may summarily dismiss the Complaint, and, where this becomes apparent during the course of an investigation, the Integrity Commissioner shall terminate the inquiry and provide notice to the complainant and, if necessary, to the Member. The Integrity Commissioner shall report the refusal to conduct an investigation to ONE JIB.

Opportunities for Resolution

10. Following receipt and review of a formal Complaint or at any time during an investigation where the Integrity Commissioner, in his or her discretion, believes that an opportunity to resolve the matter may be successfully pursued without a formal investigation, and both the complainant and the Member agree, efforts may be pursued to achieve an informal resolution.

Investigation

- 11.(1) The Integrity Commissioner may proceed as follows, except where the Integrity Commissioner has a full factual record and believes, in his or her sole discretion, that no additional information is required, or where otherwise required by the *Public Inquiries Act, 2009*, or where the Integrity Commissioner has not otherwise terminated the inquiry:
- (a) provide the Member with a copy of the Complaint but not disclose:
 - (i) the identity of the complainant, or
 - (ii) the identity of any witnesses set out in the Complaint or persons that are to be questioned/interviewed by the Integrity Commissioner,unless it is essential for the Member to adequately respond to the Complaint, which determination shall be made in the Integrity Commissioner's sole and absolute discretion;
 - (b) request that the Member provide a written response to the allegations in the Complaint to the Integrity Commissioner within seven (7) days;
 - (c) provide a copy of the Member's response to the complainant with a request that any written reply be provided by the complainant to the Integrity Commissioner within seven (7) days.
- (2) If necessary, after reviewing the submitted materials, the Integrity Commissioner may contact and speak to or correspond with any other persons, access and examine any other documents or electronic materials, including any materials on ONE JIB's computers and servers, and may enter any ONE JIB work location relevant to the Complaint for the purpose of investigation and potential resolution.
- (3) Preliminary or proposed finding(s) may be provided to a Member if the Integrity Commissioner considers that the Member may have contravened the Code of Conduct.
- (4) The Integrity Commissioner may, but is under no obligation, to provide the Member and the complainant with a draft of the proposed final report on the Complaint.
- (5) The Integrity Commissioner may make interim reports to ONE JIB where the Integrity Commissioner considers it necessary or required to address any instances of interference, obstruction, intimidation, delay, reprisal or retaliation by the Member or by any other person encountered during the formal Complaint investigation, and may also disclose such information as is necessary in the Integrity Commissioner's opinion for the purposes of the interim report(s).
- (6) The Integrity Commissioner is entitled to make such additional inquiries and provide such additional reports to ONE JIB where necessary and as required to address any instances of non-compliance with any decision of ONE JIB including the failure to comply with any penalties or corrective measure or actions imposed by ONE JIB.

- (7) The Integrity Commissioner shall retain all records related to the Complaint and investigation but may provide copies of certain records, in confidence, to ONE JIB's administrative staff who are required to ensure that any such records are securely and confidentially retained.

No Complaint Prior to Municipal Election

- 12.(1) Notwithstanding any other provision of this Complaint Protocol, no Complaint may be filed with the Integrity Commissioner, no report shall be made by the Integrity Commissioner to ONE JIB during the period of time starting on nomination day for a regular municipal election year, as set out in section 31 of the *Municipal Elections Act, 1996* and ending on the voting day in a regular election as set out in section 5 of the *Municipal Elections Act, 1996*.
- (2) If the Integrity Commissioner has received a Complaint and has commenced an inquiry but has not completed the inquiry before nomination day in a regular municipal election year, the Integrity Commissioner shall terminate the inquiry on nomination day but may commence an inquiry in respect of the same Complaint if within six (6) weeks after the voting day in a regular municipal election the individual who made the request makes a written request to the Integrity Commissioner in accordance with subsection 223.4(8) of the *Municipal Act, 2001*.

Advice Provided to Member by Integrity Commissioner

- 13.(1) Subject to Section 13(2), a Member is entitled to rely upon any written advice given by the Integrity Commissioner to the Member respecting the Code of Conduct in any subsequent consideration of the conduct of the Member in the same matter provided that the Member fully disclosed in writing all relevant facts known to him or her to the Integrity Commissioner and acted in accordance with the written advice provided by the Integrity Commissioner.
- (2) If the Integrity Commissioner applies to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member contravened section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Member is entitled to advise the judge of any written advice given by the Integrity Commissioner provided that the Member fully disclosed in writing all relevant facts known to him or her to the Integrity Commissioner and acted in accordance with the written advice provided by the Integrity Commissioner.
- (3) A Member under investigation by the Integrity Commissioner shall not request advice from the Integrity Commissioner as to the Member's rights under the Code of Conduct, the *Municipal Conflict of Interest Act* or generally at law with respect to any specific matter that the Integrity Commissioner is investigating or reviewing with respect to the Member, nor is the Member entitled to rely upon any statement(s) made by the Integrity Commissioner during the course of any investigation or review that may impact the Member's rights under the Code of Conduct, the *Municipal Conflict of Interest Act* or generally at law.
- (4) If a Member under investigation by the Integrity Commissioner requests advice, such request shall be delegated in writing to any person other than a Member that the Integrity Commissioner, in consultation with ONE JIB, considers capable of providing informed advice to the Member.

- (5) If the Integrity Commissioner applies to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member contravened section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Integrity Commissioner is entitled to recommend and advocate for penalties to the judge under subsection 9(1) of the *Municipal Conflict of Interest Act*.

Authority to Abridge or Extend

14. Notwithstanding any timeline or time limit set out in the Code of Conduct or this Complaint Protocol, the Integrity Commissioner shall retain the right to abridge or extend any timeline or time limit therein if the Integrity Commissioner considers it, in his or her sole and absolute discretion, to be in the public interest.

Investigation Report

- 15.(1) The Integrity Commissioner shall report to the complainant and the Member no later than ninety (90) days after the official receipt of any Complaint under the Code of Conduct. If the investigation process is anticipated to or takes more than ninety (90) days, the Integrity Commissioner shall provide a brief interim report to ONE JIB and advise the parties of the approximate date the report will be available. The Integrity Commissioner may also, at his or her discretion, advise any witnesses or other persons of the approximate date the report will be available.
- (2) Where the Complaint is sustained in whole or in part, the Integrity Commissioner shall report to ONE JIB outlining the findings, the terms of any settlement and/or any recommended remedial or corrective measure or action.
- (3) The Integrity Commissioner may provide a copy of the report to the complainant and the Member whose conduct has been investigated in advance of the public release of the report, in strict confidence until the report is publicly released. The Member shall have the right to address the report if it is considered appropriate by ONE JIB.
- (4) Where the Complaint is not sustained, the Integrity Commissioner is not obligated to report to ONE JIB on the result of the investigation or any findings but may do so at his or her discretion and may also include such information as he/she deems necessary in a report or as part of an annual or other periodic report by the Integrity Commissioner.
- (5) The Integrity Commissioner shall complete the investigation under the *Municipal Conflict of Interest Act* no later than one hundred and eighty (180) days after the official receipt of any application validly made under Section 5(2).

Findings

- 16.(1) If the Integrity Commissioner determines that:
- (a) there has been no contravention of the Code of Conduct, or section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, or
- (b) a contravention occurred but:

- (i) the Member took all reasonable measures to prevent it, including having sought and followed the advice of the Integrity Commissioner;
- (ii) it was trivial,
- (iii) it was committed through inadvertence, or
- (iv) it resulted from an error in judgment made in good faith,

the Integrity Commissioner may so state in the report and may make appropriate recommendations pursuant to the *Municipal Act, 2001*, including, but not limited to, a recommendation of no penalty or remedial measures or corrective actions.

- (2) If the Integrity Commissioner:
 - (a) considers it appropriate, once he or she has concluded the investigation under Section 5(2), he or she may apply to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member has contravened section 5, 5.1 or 5.2 of that statute; or
 - (b) does not proceed with an application to the judge, he or she shall so advise the complainant and the Member in writing.
- (3) The Integrity Commissioner shall provide a written report to ONE JIB providing the reasons for his or her decision under Section 16(2).

Report to ONE JIB

- 17.(1) Upon receipt of a report from the Integrity Commissioner with respect to the Code of Conduct, the Secretary shall place the report on the next regular meeting agenda of ONE JIB for consideration by ONE JIB.
- (2) A report from the Integrity Commissioner may also be considered by ONE JIB in advance of its next regular meeting should ONE JIB agree to hold a special or other meeting before its next regular meeting to consider the report.

Duty of ONE JIB

- 18. ONE JIB shall consider and make a determination on the Integrity Commissioner's report under Section 17 at the same meeting at which the report is tabled.

Public Disclosure

- 19.(1) The Integrity Commissioner and every person acting under his or her instructions shall preserve confidentiality where appropriate and where it does not interfere with the course of any investigation, except as required by law and as required by this Complaint Protocol.

- (2) The Integrity Commissioner shall retain all records related to the Complaint and investigation although copies may be provided to ONE JIB's administrative staff, subject to the duty of confidentiality under subsection 223.5 of the *Municipal Act, 2001*.
- (3) The identity of the Member who is the subject of the Complaint shall not be treated as confidential information in the Integrity Commissioner's report to ONE JIB. The identity of the complainant and of any other person, including any witnesses, may be disclosed if deemed appropriate and necessary by the Integrity Commissioner, if consented to by the complainant or any other person, or such information has already been publicly disclosed.
- (4) All reports from the Integrity Commissioner to ONE JIB shall be made available to the public by the Secretary.

Delegation by Integrity Commissioner

20. The Integrity Commissioner, in consultation with ONE JIB, may delegate in writing to any person, other than a Member of ONE JIB, any of the Integrity Commissioner's powers and duties under Part V.1 of the *Municipal Act, 2001*.

Complaint Protocol Applicable to Committees

21. The provisions of this Complaint Protocol shall apply, with modifications as necessary, to all committees or sub-committees of ONE JIB and their members.

Code of Conduct — Formal Complaint Form # 1

AFFIDAVIT

I, _____ (first and last name),
of the _____ in the Province of Ontario.

MAKE OATH AND SAY (or AFFIRM):

1. I reside at: _____ (full address) and
may be contacted at telephone: _____ and email: _____.

2. I have reasonable and probable grounds to believe that:
_____ (name of Member),

a member of ONE Joint Investment Board has contravened the following section(s) of the Code of Conduct
of ONE Joint Investment Board: _____. The particulars of which
are attached hereto.

3. Facts constituting the alleged contravention (use separate page if required)

This affidavit is made for the purpose of requesting that this matter be reviewed and/or investigated by
ONE Joint Investment Board's Integrity Commissioner and for no other purpose.

SWORN (or AFFIRMED) before me at)

the _____ of _____ on)

_____ (date))

)

(Signature)

A Commissioner for taking affidavits etc.

Please note that signing a false affidavit may expose you to prosecution under ss. 131 and 132 or 134 of the *Criminal Code*, R.S.C. 1985, c. C-46 and also to civil liability for defamation.

Municipal Conflict of Interest Act – Complaint Form # 2

STATUTORY DECLARATION

I, _____ (*first and last name*), of the
_____ in the Province of Ontario.

I SOLEMNLY DECLARE THAT:

1. I reside at: _____ (*full address*) and may
be contacted at telephone: _____ and email: _____.

2. I have reasonable and probable grounds to believe that:
_____ (*specify name of Member*),
a member of ONE Joint Investment Board, has contravened the following section(s) of the *Municipal
Conflict of Interest Act*, R.S.O. 1990, c. M.50: _____.

3. I became aware of the facts constituting the alleged contravention not more than six (6) weeks
ago and they comprise the following: (use separate page if required)

This declaration is made for the purpose of requesting that this matter be investigated by ONE Joint
Investment Board’s Integrity Commissioner and for no other purpose.

DECLARED before me at _____)
the _____ of _____ on _____)
_____ (date) _____)

(Signature)

A Commissioner for taking affidavits etc.

Please note that signing a false declaration may expose you to prosecution under ss. 131 and 132 or 134 of the *Criminal Code*,
R.S.C. 1985, c. C-46 and also to civil liability for defamation

EXHIBIT B

CLOSED MEETINGS PERMITTED OR REQUIRED

The provisions of the Act, as amended from time, currently provide that except as provided in section 239 of the Act, all meetings shall be open to the public.

A meeting or part of a meeting may be closed to the public in accordance with section 239 of the Act if the subject matter being considered is,

9. the security of the property of ONE JIB;
10. personal matters about an identifiable individual, including ONE JIB employees;
11. a proposed or pending acquisition or disposition of land by ONE JIB;
12. labour relations or employee negotiations;
13. litigation or potential litigation, including matters before administrative tribunals, affecting ONE JIB;
14. advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
15. a matter in respect of which ONE JIB may hold a closed meeting under another Act;
16. information explicitly supplied in confidence to ONE JIB by Canada, a province or territory or a Crown agency of any of them;
17. a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to ONE JIB, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
18. a trade secret or scientific, technical, commercial or financial information that belongs to ONE JIB and has monetary value or potential monetary value;
19. a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of ONE JIB;

A meeting of ONE JIB or of a committee of ONE JIB may be closed to the public if the meeting is held for the purpose of educating or training the members provided no member discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of ONE JIB or committee.

A meeting may be closed to the public during a vote if the meeting is one that is closed to the public in accordance with this Exhibit B and if the vote is for a procedural matter or for giving instructions to officers, employees or agents of ONE JIB or a committee of ONE JIB or persons retained by or under a contract with ONE JIB.

A meeting or part of a meeting shall be closed to the public in accordance with section 239 of the Act if the subject matter being considered is,

20. a request under the *Municipal Freedom of Information and Protection of Privacy Act* if ONE JIB is the head of an institution for the purposes of that Act; or
21. an ongoing investigation respecting ONE JIB by the Ombudsman appointed under the *Ombudsman Act*, an Ombudsman referred to in subsection 223.13(1) of the Act, or the investigator referred to in subsection 239.2(1) of the Act.

EXHIBIT C

ONE JIB MAY REFUSE DISCLOSURE OF A RECORD

The provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, as amended from time to time, currently provide that ONE JIB may refuse to disclose a record:

22. that reveals the substance of deliberations of a meeting of ONE JIB or a committee of ONE JIB if a statute authorizes holding that meeting in the absence of the public.
23. if the disclosure would reveal advice or recommendations of an officer or employee of an institution or a consultant retained by an institution.
24. that reveals a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence implicitly or explicitly, if the disclosure could reasonably be expected to,
 - (a) prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
 - (b) result in similar information no longer being supplied to ONE JIB where it is in the public interest that similar information continue to be so supplied;
 - (c) result in undue loss or gain to any person, group, committee or financial institution or agency; or
25. that contains,
 - (a) trade secrets or financial, commercial, scientific or technical information that belongs to an institution and has monetary value or potential monetary value;
 - (b) information whose disclosure could reasonably be expected to prejudice the economic interests of an institution or the competitive position of an institution;
 - (c) information whose disclosure could reasonably be expected to be injurious to the financial interests of an institution;
 - (d) positions, plans, procedures, criteria or instructions to be applied to any negotiations carried on or to be carried on by or on behalf of an institution;
 - (e) plans relating to the management of personnel or the administration of an institution that have not yet been put into operation or made public;
 - (f) information including the proposed plans, policies or projects of an institution if the disclosure could reasonably be expected to result in premature disclosure of a pending policy decision or undue financial benefit or loss to a person.

EXHIBIT D

COMPENSATION FOR ONE JIB MEMBERS

26. The Chair of ONE JIB will receive an annual \$10,000 retainer and \$750 per board meeting.
27. The Vice Chair of ONE JIB will receive an annual \$7,500 retainer and \$750 per board meeting.
28. Board members of ONE JIB will receive an annual \$5,000 retainer and \$750 per board meeting.
29. All Board members of ONE JIB will also be remunerated \$500 for attending business meetings of ONE JIB.
30. Municipal Treasurer Representatives will not be eligible for compensation.

EXHIBIT E

PROCESS TO APPOINT INTEGRITY COMMISSIONER AND CLOSED MEETING INVESTIGATOR

Initial Appointment of Integrity Commissioner and Closed Meeting Investigator

1. Prior to the effective date of the ONE JIB Agreement (July 2, 2020) the Founding Municipalities directed ONE Investment to conduct a Request for Proposal (“RFP”) process to retain the services of an initial Integrity Commissioner and an initial Closed Meeting Investigator for ONE JIB.
2. The Secretary to ONE JIB worked with a member of ONE Investment staff and two representatives of the Founding Municipalities’ clerks (the “Initial Appointment Subcommittee”) on the RFP. The results of the RFP were shared with the Founding Municipalities.
3. The candidates recommended by the Initial Appointment Subcommittee were submitted to ONE JIB during its initial meeting on May 19, 2020 and thereafter ONE JIB appointed an initial Integrity Commissioner in accordance with section 223.3 of the Act and an initial Closed Meeting Investigator in accordance with section 239.2 of the Act.

Successor Integrity Commissioner and Successor Closed Meeting Investigator

4. In the event that ONE JIB determines that the appointment of a successor Integrity Commissioner or Closed Meeting Investigator is required it shall direct ONE Investment to conduct an RFP process in consultation with a committee comprised of the Secretary to ONE JIB, a member of ONE Investment staff and two representatives of the Participating Municipalities’ clerks (the “Successor Appointment Committee”), to retain the services of a successor Integrity Commissioner and a successor Closed Meeting Investigator, the results of which RFP shall be shared with the Participating Municipalities.
5. ONE JIB shall consider the candidate(s) recommended by the Successor Appointment Committee at its first meeting after receipt of such recommendation(s).
6. ONE JIB shall appoint a successor Integrity Commissioner and/or successor Closed Meeting Investigator and enter into appropriate agreements with each such successor and subsequently notify the Participating Municipalities of the identity of the successor Integrity Commissioner and/or the successor Closed Meeting Investigator, as applicable.

**SCHEDULE D
FEES AND EXPENSES**

Approach to Fees and Expenses

As a not-for-profit entity, the ONE Investment structures fees so as to recover its operating costs and set aside appropriate reserves for future investment. Neither ONE JIB nor ONE Investment will charge fees directly to Participating Municipalities. By entering into the ONE JIB Agreement, a Participating Municipality agrees that the Managed Assets (subject to exceptions as set out in the Participating Municipality’s IPS and Investment Plan) will be invested in ONE Investment Pools as selected by ONE JIB on the advice and recommendation of ONE Investment and as set out in the Participating Municipality’s IPS and Investment Plan.

The ONE Investment Pools will be subject to management fees and other expenses, which are described below. Except for taxes, ONE Investment expects to bundle such fees and expenses into a single fee, where the rate of such fee will differ depending on the ONE Investment Pool. ONE Investment fees are approved by the ONE Investment Board and are reviewed, at least annually. The details of the fee structure will be publically available.

The following is a representative example of the fund fees:

	Cdn Gov’t Bond	Corp. Bond	Global Bond	Global Equity	Canadian Equity
Single Fee	35.0 bps	40.0 bps	45.0 bps	75.0 bps	45.0 bps

Management Fee Discounts

Charging fees on a cost recovery basis makes it difficult to offer Participating Municipalities significant discounts. Any discounts that may apply will be offered solely at the discretion of the ONE Investment Board of Directors and paid directly by ONE Investment to the Participating Municipality to offset fees charged to the ONE Investment Pools.

Name of Discount	Discount in Basis Points (bps)	Description
Founding Municipality Discount	4 bps	In effect for 10 years from July 1, 2020.
Managed Asset Tier \$50 million	6 bps	For Participating Municipality with Managed Assets in excess of \$50 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.
Managed Asset Tier \$100 million	3 bps	For Participating Municipality with Managed Assets in excess of \$100 million in ONE

Name of Discount	Discount in Basis Points (bps)	Description
		Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.
Managed Asset Tier \$200 million	3 bps	For Participating Municipality with Managed Assets in excess of \$200 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.
Managed Asset Tier \$300 million	3 bps	For Participating Municipality with Managed Assets in excess of \$300 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.

The single fee outlined above will cover costs associated with:

External Management Fees

External management and performance fees (if any) charged by external portfolio managers.

The rate of management fees charged by external managers is generally directly related to the total value of the assets managed by such manager. As assets under management (AUM) increase, the rate of management fees can be expected to fall. As a result, ONE Investment investors can expect to benefit from lower management fees in comparison to investing alone.

Operating Expenses

Each ONE Investment Pool will be charged third party administration fees, which include the payment for services provided to the ONE Investment Pool and to the Investment Account(s). Such third party services include custody, fund administration, fund accounting, trustee services, legal, audit and other professional services.

ONE Investment will charge each ONE Investment Pool a ONE administration fee. The ONE administration fee will compensate ONE Investment for its overhead and other expenses. The ONE administration fee allows ONE Investment to provide compensation to, and pay the expenses of, the members of ONE JIB.

This ONE administration fee will not be applied at the same rate for all ONE Investment Pools.

ONE Investment intends to monitor the rate of administrative fees to ensure that net revenues remain appropriate, taking into account ONE Investment's not for profit status. Growth of AUM may result in a reduction in the rate of the ONE administrative fee over time, and will be evaluated on at least an annual basis.

Trading Costs and Expenses

In the normal course of implementing their investment mandates, the ONE Investment Pools will incur transaction costs. Such transactions costs include trading commissions, exchange fees and duties,

interest, regulatory fees and similar ancillary expenses that are associated with the implementation, execution and settlement of portfolio transactions. As is normal industry practice, these transaction costs are borne by the applicable ONE Investment Pool.

Taxes and Interest

Management fees and expenses normally attract HST/GST. All such taxes are excluded in the above fee illustrations. Any interest expense incurred or payable by a ONE Investment Pool is charged as an expense of the applicable ONE Investment Pool.

All fees and expenses will be accrued daily and paid by the ONE Investment Pools.

All fees and expenses reduce the potential returns available from the applicable ONE Investment Pool. Effectively, the aggregate fees indirectly incurred by each Participating Municipality will be a proportion of the amount invested. The aggregate fees indirectly incurred by each Participating Municipality are also influenced by the allocation of the investments in the ONE Investment Pools.

Reporting to Participating Municipalities on Fees

As part of the monthly and quarterly reporting package, Participating Municipalities will be provided with a fee summary, with fees and expenses presented as a single fixed administrative charge to each ONE Investment Pool with taxes on a separate line.