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SEP 3 0 2016

Ms. Maureen Jensen
Chair and Chief Executive Officer
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario
M5H 3S8

Dear Ms. Jensen:

I am pleased to write to you in your capacity as Chair of the Ontario Securities Commission (OSC). Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out the government's expectations for the OSC for the 2017-18 fiscal year.

Ontario's board-governed provincial agencies are vital partners in ensuring the delivery of high quality services to Ontarians. The people of Ontario depend on you to provide leadership to the OSC's board, management and staff. Together with your fellow Commissioners, the people of Ontario rely on you to establish the goals, objectives and strategic direction for the OSC consistent with its mandate, its governing legislation and other applicable laws, government policies, and government directions, where appropriate.

As Ontario's securities regulator, the OSC is mandated under the *Ontario Securities Act* and the *Commodity Futures Act* to provide protection to investors and to foster fair and efficient capital markets. Strengthening Ontario's financial services sector, protecting investors, and bolstering the stability and efficiency of financial markets are among the priorities highlighted in the 2016 Ontario Budget, *Jobs for Today and Tomorrow*. In addition, the budget also reaffirms the government's commitment to pursue the establishment of a Cooperative Capital Markets Regulatory System.

As the OSC works to support and implement these government priorities, I expect it to focus on:

- promoting strong investor protection, especially for retail investors, by providing effective regulation, oversight and enforcement;

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- delivering responsive and efficient regulation by supporting capital formation in Ontario and addressing important capital market issues in accordance with the OSC's Statement of Priorities in a timely and targeted manner;
- becoming a more innovative, accountable and efficient organization capable of operating in a global environment and adapting to new technologies and evolving business models; and
- continuing to work with government to support the transition to the Cooperative Capital Markets Regulatory System while maintaining high standards of regulation in Ontario and keeping stakeholders informed and engaged.

I thank you and your fellow board members for your service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles Sousa', written in a cursive style.

Charles Sousa
Minister

c: Scott Thompson, Deputy Minister of Finance
Kathleen Ward, Executive Lead (A), Cooperative Capital Markets Regulatory System, Ministry of Finance
Michael Waterston, Director (A), Legal Services Branch, Ministry of Finance