

## 2023 Director Election

Dear Prospective Board Candidate:

At Tarion we place extreme importance on our corporate governance. We value the dedication and commitment with which our board members fulfil their responsibilities. Our nomination and election process for prospective directors is overseen by the board's Governance Regulatory and Nominations Committee ("GRANC") within its structure through the Nominations Committee made up of a seasoned group of Tarion directors representing the three categories of board members at Tarion: the at-large, ministerial appointee and the Ontario builders' categories. The Nominations Committee is established by the GRANC each year and excludes existing directors who may be themselves at the end of their term and due for election.

We thank you for your interest in seeking nomination to our Board of Directors. This information package contains relevant details so that you can provide us relevant details and help us reach our decision efficiently. The package has: the qualification criteria and Tarion's expectations of its board composition needed in governing the corporation on a going-forward basis.

The Committee's focus is on the quality of board's composition, using our competency framework, our assessment of skill gaps, knowledge, experience, board's succession plan and personal growth of our directors through cross-functional exposures, leading roles, and continuing education.

Based on upcoming vacancies this year, the GRANC is inviting nominations for candidates who meet most of our criteria and also possess specific skills, industry and directorship experience as outlined below:

- Financial Literacy (CPA, CA, CFA, ACIA, or CIP designation)
- Insurance/Warranty Experience
- Investment Portfolio Management exposure
- Experience in the field of human resources (including executive/board compensation, CEO evaluation, talent management, incentives, and benefits)
- Directorship designation (e.g., ICD.D or C.Dir.) and gender diversity would be advantageous

For 2023 our search will bring in the successful candidate from two of the following classes:

1. the home building industry – collectively referred to in our By-Laws as the "Ontario Builders":
  - builders;
  - vendors;
  - individuals who are employees of a builder, vendor or industry association representing the interests of builders or vendors;
  - individuals whose services are retained by a builder, vendor or industry association representing the interest of builders and vendors;
  - individuals who are directors, members, officers or agents of a builder, vendor, or industry association representing the interests of builders or vendors;
  - individuals who within the one-year period before becoming a director of the Corporation met the description in any of subsections (1) through (5).
2. Director At Large

If you decide to submit an application for nomination, please complete and submit this application package along with all the required documents as outlined in the Candidate's Guide section. If you have any questions about the enclosed information, you may contact Lesley Ross, Corporate Secretary at [lesley.ross@tarion.com](mailto:lesley.ross@tarion.com). Please note that applications must be sent to: Tony Woolgar, Legacy Partners at [tony.woolgar@lesp.ca](mailto:tony.woolgar@lesp.ca) by no later than 4:00 p.m., January 13, 2023.

## Tarion Overview

### Mandate

Tarion is a not-for-profit consumer protection organization established by Letters Patent issued under the Ontario Corporations Act and has been designated by the Ontario government to administer the *Ontario New Home Warranties Plan Act* (“ONHWP Act”). It is a Designated Administrative Authority in the Province of Ontario, reporting to the Minister of Public Business Service Delivery (MPBSD). Governed by a Board of Directors and operating independently of industry, Tarion has served new home buyers and new homeowners for 45 years by ensuring that one of their life’s biggest investments is protected in the event that their builder is unwilling or unable to live up to its warranty commitments.

Tarion’s Letters Patent and provisions of the ONHWP Act set out Tarion’s mandate. Tarion’s mandate can be summarized as follows:

- Assisting in the resolution of disputes between vendors and homeowners;
- Promoting the resolution of claims as soon as reasonably possible;
- Resolving issues directly with homeowners where the builder is unwilling or unable to do so, and administering a Guarantee Fund to provide compensation where necessary;
- Requiring new home builders and vendors to enroll every new home in the warranty program;
- Promoting the construction of properly built new homes;
- Improving communications between builders and vendors and owners of new homes;
- Maintaining a fair, safe, and informed new home marketplace; and
- Promoting the protection of the public interest, and consumers in particular.

### The Role of Board of Directors

The role of the Tarion Board of Directors is to provide oversight and supervision to the Management of Tarion. These duties include, among other responsibilities:

- a) hiring, exiting, and monitoring the performance of the President and CEO
- b) evaluating and approving Tarion’s mission, vision, values, strategic plans, and key performance indicators to be achieved
- c) approving budgets and monitoring Tarion’s operations, compliance with a comprehensive policy setup, systems of internal controls and financial soundness
- d) satisfying that the company is operating in accordance with the legislation by-laws, minister’ orders, administrative agreement with the Province of Ontario, terms of its mandate, and approved strategic and business plans
- e) reviewing Tarion’s approach to identifying monitoring, managing risks and reporting matters affecting our stakeholders
- f) hiring, exiting, and monitoring the performance of the NewHome Ombuds
- g) designing and developing policy framework aligned with its mandate, establishing systems of internal control, reporting, and monitoring mechanisms, delegating authorities for efficient operations of Tarion, keeping in mind the consumer protection obligations.

### Board Composition

The Board’s composition is determined by the appointment criteria set out in Tarion’s By-Law # 1 which can be found on [www.tarion.com](http://www.tarion.com)

Tarion’s Board of Directors is comprised as follows:

- 4 Directors appointed by the Minister of Public & Business Service Delivery (MPBSD)
- 4 Directors nominated by the Nominations Committee from the Ontario Building category
- 4 Directors nominated at large by the Nominations Committee

Nominated directors are all chosen by reference to Tarion's forward looking a Competency Framework/Skills Matrix established by the Board aligning the Provinces expectations of an administrative authority. The four candidates nominated at large shall not be:

- i. an employee of the Corporation;
- ii. employed by or directly associated with the Ministry;
- iii. an officer, director, employee, principal, or person directing operations of a current new home vendor or builder in Ontario ("Ontario Builder"); nor
- iv. an officer, director, employee, or principal of an association comprised of and/or representing Ontario Builders.

One or more members of the Board shall have the following competencies:

- i. experience or knowledge of alternative dispute resolution theory and practice
- ii. possess a positive orientation for proactive consumer protection initiatives, including with respect to new home purchasers and owners
- iii. CPA, CA, CFA, ACIA, or CIP designation
- iv. Policy making, knowledge of Environment, Social and Governance and Diversity Equity and Inclusivity areas

Each year the members of the Board elect a Board Chair to lead the formulation and execution of the Board's activities.

### **Board and Committee Activities**

The Board's work is carried out at meetings of the Board, its committees, the two Councils and the New Home Ombudsperson where in advance each Director is provided with a meeting agenda and all relevant background materials to inform them of the issues and suggested solutions to matters on the agenda.

A considerable amount of the Board's work is carried out by a series of committees each populated by directors selected by the Corporate Secretary and the Governance, Regulatory Affairs & Nominations Committee, and approved by the Board, with expertise needed to fulfill the duties and responsibilities outlined in the terms of reference for a particular committee. Each board member, subject to their capability is expected to service on two board committees.

Each committee is comprised of five members, and each is led by a Chair.

Presently these committees include the following five standing committees and two stakeholder councils: Audit & Risk, Governance, Regulatory Affairs & Nominations, Human Resources & Compensation, Investment and Stakeholder Committees. The Stakeholder Committee also has oversight of the NewHome Ombuds and the two councils: Consumer and Industry Advisory Councils.

Candidates should be aware that during the year they will be expected to attend six (6) to eight (8) board meetings and one 3-day strategic planning session, Tarion's Annual Public Meeting as well as any other meetings scheduled by the Board Chair, one of the Committee Chairs or the Corporate Secretary to deal with the business of Tarion. Board meeting duration can be from six to eight hours long. Further, you will also be required to sit on at least two of Tarion's Committees. The Committee meetings run anywhere from 2-4 hours depending on the business before a committee, the complexity, and its agenda. At a minimum, Committees meet on a quarterly basis.

Board and Committee meetings are scheduled well in advance of each new year by the development of a Corporate Calendar to ensure that each member can schedule their time to be fully available and without interruption for these meetings.

Directors are paid an annual honorarium as well as meeting per diems for each of the Board and committee meetings attended. Directors' annual remuneration and attendance record for Board and Committee meetings is subject to public disclosure in Tarion's Annual Report and its website.

### **Relationship between Board and Management**

The Board's role is extensive but that of providing oversight. Day to day business operations are the responsibility of the President and CEO and management (except the NewHome Ombuds Office which is a direct responsibility of the Board of Directors).

### **Relationship between Tarion and the Provincial Government**

Tarion is responsible to the Provincial Government for the administration of the ONHWP Act. The Ministry of Public Business Services Delivery has oversight of Tarion's mandate and activities.

The relationship between the Ministry and Tarion is governed by an Administration Agreement which confirms Tarion will, for example, produce annual business plans, regulatory plans, budgets, annual reports, participate in quarterly meetings, abide by governance requirements, and hold an annual public meeting.

## 2023 DIRECTOR ELECTION PROCESS

### CANDIDATE INSTRUCTIONS

1. Read the entire Nomination Package prior to completing the required documentation. Additional general background information can be found on Tarion's website – [www.tarion.com](http://www.tarion.com).
2. Ensure that you understand the role, responsibilities and obligations of Directorship on Tarion's Board and are prepared to fulfil those responsibilities, including time availability to fulfill the demands of this role at Tarion.
3. Seek assistance or more information from Tarion if required. (Contact [Lesley Ross](#), Corporate Secretary)
4. Complete the Candidate Self-Assessment & Statement of Interest Form.
5. Provide three references. References will be contacted if a candidate makes the short list.
6. Please note that a police check will be conducted on those individuals making the short list.

Submit your Nomination Package **no later than 4:00 p.m. on January 13, 2023** to [Tony Woolgar](#), Legacy Partners.

Please note that candidates who make the short-list will be expected to attend a formal interview with the Committee on **March 2, 2023**. During the interview we expect candidates to respond to questions pertaining to their areas of expertise, experience, and their skills/capabilities.

## 2023 DIRECTOR ELECTION PROCESS

### CANDIDATE SELF-ASSESSMENT & STATEMENT OF INTEREST

Candidates are asked to self-assess their qualifications, skills, and experience against those outlined in our skills matrix to effectively fulfil the responsibilities of Tarion Directorship.

Below, please set out in the space provided a summary of your qualifications, skills, and experience for each category, making reference to the attached Qualifications & Selection Criteria for Directors. (See Schedule 1)

This summary along with your curriculum vitae (resume), including the names and contact information for three references and your personal Statement of Interest, will be presented to Tarion's Nominations Committee to determine a short-list of individual candidates for consideration.

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### BIOGRAPHICAL DATA

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Name

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Address

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City

Postal Code

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Email Address

Cell Phone

Home Phone

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I am applying for:

- Ontario Builder Category
- At Large Category

**Compliance with the Minister's Order:**

In order to determine that your candidacy is compliant with the Minister's Orders, please answer the following questions:

1. Do you yourself build or sell or arrange to build or sell newly constructed homes?

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2. Are you a director, member of management, officer or an agent of an entity that builds or sells newly constructed homes?

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3. Are you a director, member of management, officer or an agent of an industry association associated with those who build or sell newly constructed homes?

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4. Are you an employee of: an entity that builds or sells new homes; or an industry association associated with those who build or sell newly constructed homes?

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5. Are you retained by or otherwise provide services to: an entity that builds or sells newly constructed homes; or an industry association associated with those who build or sell newly constructed homes?

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6. Counting back one year from today; at that time would your answer to any of the above questions be different?

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In addition, please answer the following:

7. Are you currently a Registrant with HCRA and/or Tarion?

8. Are you or any entities you are currently with or in the past, been in any dispute with Tarion or HCRA? Are these disputes resolved?





## B DESIRED BUSINESS BACKGROUND & EXPERIENCE

Please indicate those areas noted below in which you have experience and expert know-how. For those areas noted, please describe your related experience.

Note: It is **NOT** expected that all candidates or Directors will possess knowledge or experience in all categories on Tarion's skill-matrix. Rather, the goal is to compose a Board that collectively possesses knowledge and/or experience to carry out its governance obligations. The board engages external expert resources where it does not have a particular expertise, or an independent advisor is essential.

### **1. Audit, Compliance & Financial Literacy**

- a) What is your background in terms of financial literacy (degrees earned, designations achieved, courses taken)?
- b) What is your experience in the area of External/Internal Audit and Information Technology (cyber security, artificial intelligence, customer relationship management (CRM) (committees, task forces, reviews)?
- c) What is your experience in enterprise-wide risk management including financial risk, interest rate risk, market risk, insurance and credit risk management?
- d) What is your experience in the financial services sector (bank, insurance, trust, or other financial services area)?

Please describe:

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**3. Strategy Planning**

- a) What is your experience/involvement in strategic planning and integrating same with the mission, vision, and values of an organization?
- b) What is your experience/involvement providing advice or strategic direction to management?
- c) What is your experience in corporate or public policy development, designing systems of internal control, diversity equity & inclusivity environment social and governance, cyber security, and other emerging trend in corporate governance?

Please describe:

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**4. Consumer Protection**

What is your experience in the area of consumer protection? Our competency matrix defines consumer protection as: Competency in consumer rights, unfair practices, laws, advocacy, protection, appeals and representation; full understanding of consumer expectations and new homeowners' rights and obligations, and consumer practices of administrative authorities. Proactive, evidence-based, and balanced orientation to conflict resolution.

How do you meet any of these requirements that a director in our case must possess a positive orientation for proactive consumer protection initiatives, particularly with respect to new home purchasers and owners?

Please describe:

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**5. Dispute Resolution/Mediation**

Our competency matrix defines dispute resolution as: Proven track record of conflict, dispute and complex claim resolution, interest-based mediation, adjudication, arbitration between/among parties, and application of foregoing in a variety of contexts. Certification or equivalent recognition in this regard.

What is your experience or knowledge of alternative dispute resolution theory and practice?

Please describe:

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**6. General**

- a) What is your experience with organizational transformational change?
- b) What is your experience in human resources (policy development, recruitment, executive compensation, incentives, talent management, succession planning, pension fund management, strategies, etc.)?
- c) What is your experience in creating and/or running a business or other related entrepreneurial experience?
- d) What is your experience in negotiating contracts or agreements?
- e) What is your experience in government and public relations from within (political or policy making) or outside of government (lobbying or relationship building)?
- f) What is your knowledge level and experience regarding legal issues covering corporate, real estate, litigation and claim collection?
- g) What is your knowledge level and experience regarding cyber security?
- h) Your experience with brand management and consumer service standards?





## QUALIFICATION & SELECTION CRITERIA – DIRECTORS

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### General Qualifications

The role of a director today is more onerous and demanding, more complex and multi-dimensional than it has been in the past. There are also more risks and potential liabilities – evidenced in real estate sector and financial services (insurance/surety providers).

At Tarion, Directors are expected to bring to the Board the broadest possible knowledge and depth of experience from their chosen business or profession. They are expected to make commitment in time for their board work and continuing education so that they can deal with current and emerging risks.

Directors should evidence a demonstrated ability to deal with business, financial and social issues within the cooperative principles, environment, and context. This implies a capacity to provide additional strength, diversity of views and up-to-date perceptions to the Board and its deliberations.

Potential candidates for membership on the Board will not be denied consideration by reason of race, sex, religion, or affiliation with some special constituency group, nor will any candidate be selected solely for such reason.

A Director should possess integrity, be willing to articulate his or her views frankly, be able to work productively with others, and have the ability and willingness to commit the time and effort required to properly fulfill the role.

Directors should be fully informed regarding their responsibilities and liabilities as a Director prior to a commitment to serve.

### Minimum Eligibility Requirements

Directors must be:

- Eighteen years of age or over
- Not an undischarged bankrupt

Tarion's Members are by virtue of the position also Directors. Generally, Members are Directors and Directors must be Members.

### Personal Attributes

The following personal attributes should be considered by candidates seeking Board appointment:

1. Stature in the individual's chosen business or profession.
2. Ability to bring to the Board a knowledgeable perspective on issues affecting business in the geographic jurisdiction in which the individual resides or carries on business.
3. Ability to act in the best interests of Tarion and its stakeholders as a whole, independent of any particular interest arising as a result of any previous, existing, or future relationship with Tarion or other stakeholders.
4. Willingness to ask probing questions and challenge management within the appropriate governance context.
5. Ability to adopt a collegial perspective, including the ability to "speak with one voice" once a full discussion has been undertaken and a decision has been made by the Board in accordance with its governance policies.
6. Compatibility with Tarion's strategic objectives, mission, vision, and operational values.
7. Ability and willingness to commit the time, exercise care and be transparent to make a real contribution to Tarion, its Board and its stakeholders.
8. High ethical standards.

9. A strong, independent individual who also contributes effectively as a team member of the Board and its Committees.
10. Ability to critically assess business strategies and operations.
11. Forward thinking and with a knowledge of potential changes and trends facing Tarion's stakeholders and the industry.
12. Well versed in corporate governance and risk assessment with a consensus focus.
13. Ability to think strategically.

### **Background/Experience**

Specific knowledge and/or expertise in these categories will be considered positive attributes of potential candidates for Tarion's Board:

1. Consumer Protection/experience in customer service/consumer advocacy
2. Alternative Dispute Resolution
3. Strategic planning, business planning.
4. Financial matters (financial statements, budgets, financial auditing, dynamic capital adequacy testing, insurance, reinsurance, investment strategies).
5. Enterprise-wide Risk Management (including financial, credit and interest rate risk management).
6. Human resources (including executive compensation and CEO evaluation).
7. Corporate Governance.
8. Experience as a Director.
9. Tarion's operation and/or processes.
10. Government relations.
11. Leadership and people management.
12. Entrepreneurial skills.
13. Negotiation skills.
14. Policy Development.
15. New home building and/or residential construction.
16. Legal skills – real estate and/or administrative law.
17. Information Technology including cyber security.
18. Condominiums and/or other real estate development.
19. Engineering.
20. Areas of needed expertise identified by the Board each year for the upcoming year (for 2023 – Financial Acumen, Alternative Dispute Resolution, Consumer Protection).