



Board of Directors Tarion Warranty Corporation 2019 Candidate Information Package

TABLE OF CONTENTS

	<u>Page #</u>
1. Introduction – a note from Tarion’s Chair of the Board of Directors	3
2. Key Dates	4
3. Tarion Overview	5
4. Candidate Instructions	9
5. Candidate Self-Assessment & Statement of Interest	10
6. Director Qualification & Selection Criteria	17
7. Director Information Return	19

2019 Director Election

Dear Prospective Board Candidate:

At Tarion Warranty Corporation we value the dedication and commitment of individuals who choose to participate in our nomination and election process as a Board Candidate. We thank you for your interest in seeking nomination to our Board of Directors. Inside this package, you will find information concerning the qualification criteria for Candidates and expectations of Board Members in their role of governing the corporation. You will also find everything that you need to complete the nomination process.

To assist those individuals who are interested in considering candidacy, the Board appoints a Nominations Committee each year. The Committee's mandate is to: ensure individuals are fully informed of the nomination process and the election process; consider the qualifications of Candidates (in order to ensure the highest quality board composition); and to endeavor to address any gaps as identified by the Board in their analysis of the Board's skills, knowledge and experience.

This year the Nominations Committee has been tasked with seeking to select nominees who not only are the best qualified and meet the required criteria but who also possess specific skills and experience in the following areas:

- Financial Acumen
- Organizational Transformation Experience
- Consumer Advocacy/Protection Knowledge
- Insurance/Warranty Experience
- Experience in the field of human resources (including executive compensation & CEO evaluation)
- Dispute Resolution
- Real Estate Law
- Administrative Law

A Director's designation (Institute of Corporate Directors or Directors College) would be a definite asset. As well the Committee is motivated to achieve greater gender and diversity balance on the Board.

If you decide to submit an application for nomination as a Candidate, 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.

Please note that applications must be sent to Lesley Ross and received no later than 4:00 p.m. February 1, 2019.

TARION WARRANTY CORPORATION
2019 DIRECTOR ELECTION PROCESS

KEY DATES

January 2019	Call for Nominations including guidelines about the election process for the 2019 Director Election Process
February 1, 2019	Final date for nominations to be received by Tarion Warranty Corporation
February 7, 2019	Nominations Committee Meeting to review applications to determine number of candidates who will be interviewed by the Nominations Committee
March 19 & 20, 2019	Candidate Interviews – Tarion Corporate Office
March 20, 2019	Nomination Committee’s recommendation to the Governance Committee
April 4, 2019	Governance Committee meeting – recommendation to the Board
April 25, 2019	Ratification of Director and Member appointments
April 25, 2019	First board meeting of the board calendar year
May 15, 2019	“Orientation/Information” session with all non-incumbent candidates to Tarion’s Board of Directors

Tarion Overview

Mandate

Tarion is a not-for-profit Corporation established by Letters Patent issued under the Ontario Corporations Act and has been designated by the Provincial Government to administer the *Ontario New Home Warranties Plan Act* (“ONHWP Act”).

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

- To provide for the registration of new home builders and a warranty plan to protect purchasers of new residential homes in Ontario from certain risks associated with the home purchase. The ONHWP Act is consumer protection legislation.
- The overall mandate of Tarion is to administer the Ontario New Home Warranties Plan.
- The administration of the Ontario New Home Warranties Plan includes:
 - Protecting new home buyers from builder failures or defaults (e.g., substandard construction, faulty workmanship and materials, incomplete construction, loss of deposits and prepayments), through the development, promotion and administration of warranties and related programs.
 - Promoting better communication between the builders and purchasers of new homes.
 - Providing new home buyers with a forum for complaints about builders and assist their expeditious and equitable resolution.
 - Establishing and administering a guarantee fund providing for the payment of compensation under the Plan.
 - Informing and educating new home builders, and through research programs promoting progressive improvement in the quality of housing in Ontario.

The Role of Board of Directors

The role of the Tarion Board of Directors is to provide experienced oversight and supervision to the Management of Tarion. These oversight duties include:

- a) determining and approving Tarion’s strategic plans and business goals and objectives and how they are to be achieved
- b) approving budgets and overseeing and monitoring Tarion’s financial strength
- c) reviewing Tarion’s approach to identifying, monitoring and managing risks affecting the company
- d) hiring and monitoring the performance of the President and CEO
- e) ensuring the company is operating in accordance with the terms of its mandate, approved strategic plans and the established budget.

Board Composition

The composition of the Tarion Board is determined by the appointment criteria set out in Tarion’s By-Law # 1 which can be found on www.tarion.com

Tarion's Board of Directors is comprised as follows:

- 5 Directors appointed by the Minister of Government & Consumer Services
- 8 Directors nominated by the Ontario Home Builder Association (OHBA)
- 3 Directors nominated at large by the Nominations Committee

Nominated directors are all chosen by reference to a Competency Framework/Skills Matrix. The three 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.

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 where each Director has been provided in advance 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 a relatively small group of directors with expertise in the subject matter of the particular committee.

Each committee is peopled by between five and eight members and each is led by a Chair.

At Tarion these committees include the following: Audit, Consumer, Governance & Regulatory Affairs, Human Resources & Compensation, Investment, and Nominations.

Candidates should be aware that as a Director you will be expected to attend six (6) board meetings and one 3-day strategic planning session as well as Tarion's Annual Public Meeting. Board meetings are up to six hours in length. You will also be required to sit on at least two of Tarion's Committees. Committee meetings run anywhere from 2-5 hours depending on the committee and its agenda. Committees meet on a quarterly basis.

Board and Committee meetings are scheduled in advance of each new year by the development of a Corporate Calendar to ensure that each member can schedule his or her time to be available 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 attendance for Board and Committee meetings is published in Tarion's Annual Report.

Relationship between Board and Management

The Board's role is strategic planning, succession planning, risk management and oversight of financial matters. Day to day business operations are the responsibility of the CEO and management.

Relationship between Tarion and the Provincial Government

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

The relationship between the Ministry and Tarion is governed by a Letter of Accountability 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.

TARION WARRANTY CORPORATION
2019 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.
2. Ensure that you understand the role, responsibilities and obligations of Directorship on Tarion's Board and are prepared to fulfil those responsibilities.
3. Seek assistance or more information from Tarion if required. (Contact Lesley Ross, Corporate Secretary – lesley.ross@tarion.com)
4. Complete the Candidate Self-Assessment & Statement of Interest Form.
5. Complete the Statement of Disclosure.

Submit your Nomination Package **no later than February 1, 2019** to Lesley Ross, Corporate Secretary (lesley.ross@tarion.com).

Please note that candidates who make the short-list will be expected to attend a formal interview with the Nominations Committee on March 20 or 21, 2019 and to submit references. Candidates should be expected to be questioned on their areas of expertise and experience and on their skills/capabilities at the interview.

TARION WARRANTY CORPORATION
2019 DIRECTOR ELECTION PROCESS

CANDIDATE SELF-ASSESSMENT & STATEMENT OF INTEREST

Candidates are asked to self-assess their qualifications, skills and experience against those determined by the Board as required 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.

BIOGRAPHICAL DATA

Name

Address

City

Postal Code

Email Address

Cell Phone

Home Phone

B DESIRED BUSINESS BACKGROUND & EXPERIENCE

Please indicate those areas noted below in which you have some experience. 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 areas. Rather, the goal is to create a Board which as a whole, possesses knowledge and/or experience in all of these areas.

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 Audit (committees, task forces, reviews)?
- c) What is your experience in enterprise-wide risk management including financial risk, interest rate risk, and credit risk management?
- d) What is your experience in the financial services sector (bank, insurance, trust or other financial services area)?

Please describe:

2. Governance

- a) What is your experience in being a staff person or board member of a public or private corporation, trade association, or not-for-profit organization?
- b) What is your experience in being on a Board of Directors or another governance body?
- c) What is your experience with understanding the relationship between the CEO and the Board and the role of staff versus the Board?

Please describe:

TARION WARRANTY CORPORATION QUALIFICATION & SELECTION CRITERIA – DIRECTORS

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.

Directors of Tarion will be expected to bring to the Board the broadest possible knowledge and depth of experience from their chosen business or profession.

Directors should evidence a demonstrated ability to deal with business, financial and social issues within the cooperative 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 and operational values.
7. Ability and willingness to commit the time 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 the future of 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. Strategic planning, business planning.
2. Financial matters (financial statements, budgets, financial auditing, dynamic capital adequacy testing, insurance, reinsurance, investment strategies).
3. Enterprise-wide Risk Management (including financial, credit and interest rate risk management).
4. Human resources (including executive compensation and CEO evaluation).
5. Corporate Governance.
6. Consumer Protection.
7. Experience in customer service/consumer advocacy.
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 2019 – Organizational and Transformational Change and financial acumen).

**TARION WARRANTY CORPORATION
2019 DIRECTOR INFORMATION RETURN**

1. PERSONAL INFORMATION

Full name of Director	
Residential Address	Home Telephone: Cellular Number:
Principal Occupation	
Business/Mailing Address	Business Telephone: Email:

2. DIRECTORSHIPS AND OFFICES

Please list all corporations of which you are a director, officer or employee, and any other business organizations of which you are a member.

Title	Name of Corporation/Firm

3. RELATED PARTIES

(a) Full Name of Spouse/Ex-Spouse/Partner/Ex-Partner	
Full names of Children (under 18 years of age) include	Date of birth

(b) Entities controlled by you, your spouse/partner or your minor child(ren)	
FULL LEGAL NAME OF ENTITY	HEAD OFFICE

(c) Entities controlled by entities listed in (b)	
FULL LEGAL NAME OF ENTITY	HEAD OFFICE

4. CONFLICTS OF INTEREST

For the purposes of subsection 71(3), of the Ontario Corporations Act,

- the undersigned is to be regarded as having a financial interest in any contract made by the Corporation with the entities or persons set out in this Part 4, in addition to those noted above; and
- the undersigned has listed below the name of any corporate client where the annual billings of the undersigned to such client exceeds 25% of the total annual billings to all clients of the undersigned.

Individuals in which you have a material interest Spouse/Partner Children
Entities in which you have a material interest [Please list Subsidiaries of entities, if known]

The undersigned hereby certifies that the information provided herein is accurate and complete, and hereby agrees that this information may be disclosed to the President, Secretary and other employees of Tarion Warranty Corporation (on a need-to-know basis) as well as to other Directors of the organization.

Signature:

Name:

Date: _____