

Tarion Consumer Advisory Council

Terms of Reference

Purpose

The Consumer Advisory Council (“Council”) shall serve as a sub-committee of the Stakeholder Committee (“Committee”) of the Board of Directors (“Board”) of Tarion Warranty Corporation (“Corporation”) and provide ongoing advice, on proposed policy or other changes impacting new home buyer consumers.

Council Mandate

The Council will:

1. Provide feedback on development, process, and proposed policy and regulatory changes within the framework of the Corporation’s Annual Regulatory Plan and Business Plans;
2. Provide feedback on consultation plans prepared to support policy and regulatory changes;
3. Provide advice on emerging policy issues impacting new home buyers brought forward to the Council by the Committee;
4. Identify and recommend topics or policy issues to the Committee that would enhance consumer confidence in Ontario’s new home warranty and protection;
5. Make recommendations to the Committee for topics or areas of research and review which may be beneficial for consumer protection-oriented policy development, including recommending the use of third-party experts, surveys, or the creation of focused think tanks or advisory bodies;
6. Review the results of the key surveys initiated by the Corporation in connection with services and interactions with consumers and other stakeholders and provide feedback, advice and/or recommendations to the Committee for improvement to the surveys and other matters arising from that review as needed;
7. Review and consider the annual report of the Tarion Ombuds office in connection with how Tarion’s policies and processes impact consumers and make recommendations to the Committee on matters arising from that review as needed.

8. Provide recommendations to the Committee for areas of improvement or review to be considered in the development of the Corporation's annual business plans and/or long-term strategic planning.
9. Evaluate the Council's and Council Member's effectiveness and contribution once every two years.

Council Authority

10. The Council's role is advisory. The Council's advice and recommendations will be forwarded to the Committee for review, consideration and further discussion.
11. The Council has the authority to develop its own workplan with a view to accomplishing its mandate. In developing its workplan, the Council will take into consideration (among other things) the Corporation's Regulatory Plan, business plan, input from management and the Committee. The Council's workplan will be provided to the Committee for review and approval.
12. The Council is accountable to the Committee.

Council Composition

13. The Members of the Council shall be appointed annually by the Board upon review and recommendation of the Committee. Council Members may be appointed for up to six years (e.g., three, two-year terms), with renewal of successive terms not automatic but contingent on performance and contribution to the work of the Council.
14. The Council may designate a sub-committee, for the purpose of (i) assessing Council Member candidates against desired attributes and diversity; (ii) interviewing prospective Council Member candidates; and (iii) recommending appointments to the Council, assessing the effectiveness of, and, if or when appropriate, terminating appointments to the Council.
15. The Committee shall strive for sufficient diversity in membership of the Council, including but not limited to, gender, ethnicity, age and geographic diversity.
16. The Chair of the Council shall be nominated from amongst the Council's Members and approved by the Committee. The initial term of the Council Chair shall be two

years, followed by two one- year terms to a maximum of four years. The Council shall elect a Vice-Chair from amongst the Council's Members and have the same term limitations.

17. Each Member of Council shall possess attributes necessary to the effective functioning of the Council including independent thinking, orientation towards consensus, communication and teamwork skills.
18. An orientation program shall be provided by Management to each new Council Member. Ongoing education shall be provided by Management to incumbent Council Members. Orientation and educational activities shall form part of the Annual Report from the Council to the Committee and the Board.
19. The Council shall be composed of nine (9) Members.
20. The Council shall be comprised of individuals who (i) are or have been recent new home buyers; are professional leaders who have new home buyers as clients, and (iii) have relevant experience with consumer advocacy. All individuals must have a positive orientation towards consumer protection. There should be equitable treatment across the three foregoing categories of Council Membership in constituting the Council to the fullest extent practicable. Taking into consideration a balancing of home buyer or consumer perspectives across the foregoing three categories, the specific composition of Council should strive to include:
 - At least two recent new home buyers who are or have been a member of a condominium board and have had experience with a Condominium Corporation either as a resident or non- resident owner, or as a condominium manager;
 - At least two recent freehold new home buyers who have experienced with Tarion's warranty process;
 - A person who has experience with consumer advocacy (not necessarily in the area of new homes, but acting on behalf of consumers in the public interest);
 - A real estate lawyer with experience working with condominium or freehold new home buyers;
 - A real estate agent with experience working for/on behalf of new home buyers;
 - At least one technical professional associated with new home buyers, including but not limited to a Chief Building Official (active or retired) experienced in new home regulation and enforcement, a home inspector with experience working for/on behalf of new home buyers, or a professional with an engineering or building science background.

21. The name of each Council Member, and their Council term, shall be published on the Corporation's website.
22. The Council, and each Member, shall always act bearing in mind the public interest mandate of Ontario's new home warranty program, not with a view to the best interests of any particular stakeholder (including a new home buyer) or their own personal interests, and with a particular emphasis on consumer protection.
23. The Council and each Member of the Council, shall not speak on behalf of the Corporation, nor allow their views to be construed to be views on behalf of the Corporation
24. Without limitation, all deliberations, reports and documentation of the Corporation provided to the Council, which are not in the public domain, shall be maintained in the strictest of confidence. Council Members shall not share with any external stakeholder knowledge or information they learn solely through their participation as Council Members, which is not in the public domain.
25. Each Member of Council shall read and sign a Confidentiality Agreement and Conflict of Interest Declaration before assuming a position on the Council, and attest to compliance with the foregoing annually thereafter.
26. Each Member of the Council shall affirm, at inception and annually thereafter, compliance with the Corporation's Code of Conduct.
27. Each Member of the Council shall demonstrate credibility, integrity and high ethical standards in the individual Council Member's business dealings and personal affairs.
28. A member of the Committee (or designate) may attend each Council Meeting as an observer.
29. No current member of the Board may sit on the Council.
30. Individuals may not serve on Tarion's Consumer Advisory Council while serving on Tarion's Industry Advisory Council
31. Individuals may not serve on Tarion's Consumer Advisory Council while serving on an advisory council of the Home Regulatory Construction Authority.

Council Administration

32. The Council's year is January to December. The Council will meet a minimum of four times a year in person or virtually. Special requests for engaging the Council in part or in whole, whether initiated by the Chair, by the Committee or by Management under direction of the Committee outside of the pre-scheduled meetings (whether in person or virtual) must be described and approved in writing by the Committee and undertaken on an activity basis.
33. In consultation with the Chair of the Council, the Agenda for each Meeting of Council will be prepared by the Manager, Stakeholder Relations, and provided to each Council Member within a reasonable period of time to allow adequate preparation in advance of each Meeting, together with appropriate briefing materials.
34. A quorum for a Meeting of the Council will be more than a simple majority of its Members present either in person, or by video or telephone.
35. Minutes will be provided after each Meeting of the Council by the Manager, Stakeholder Relations (or designate) outlining discussion topics and encapsulating recommendations. These Minutes shall be reviewed and approved by the Council at its next meeting. The Minutes shall also be distributed to the Committee and be made available to the Board.
36. Where a Council member believes that they have a potential conflict of interest with regard to any matter coming before a Council Meeting, or because of the business or professional affairs of that Member, that Member shall declare the conflict of interest to the Corporate Secretary and to the Meeting, and will refrain from discussing, influencing, or otherwise participating in any consideration of that matter, and from voting on the matter. The Corporate Secretary may recommend additional action.
37. The Council will report to the Committee in regular written updates on its activities, via a report from the Council Chair. An Annual Report on the Council's activities shall be provided to the Committee and to the Board by the Council, with the assistance of Management. The Annual Report shall include, but is not limited to, a report on the number of meetings of the Council; the individual Council Member Meeting attendance; the orientation and educational activities of the Council and Members, and the activities and advice of the Council over the preceding year.

38. The Chair of the Council shall attend Meetings of the Committee as required to discuss the work of the Council.
39. An in-camera session may be held at any Meeting of the Council at the discretion of the Council.

Compensation

40. The Chair of the Council will be paid an annual retainer of \$4,000 to compensate for the Council Chair's time and effort in the role as Council Chair in addition to the meeting fee.
41. Upon confirmation by the Corporation's Corporate Secretary on a Member's attendance at a Meeting, Council Members will be paid reasonable travel expenses and a meeting fee of \$800.00 per meeting.
42. Prior authorization of the Committee, or Management as directed by the Committee, will be sought for any work activity, outside of the regularly scheduled meetings, requiring two or more Council Members (other than the Chair) to devote more than one hour of time to Council business (e.g. filling Council vacancies, time-sensitive advice / recommendations that do not lend themselves to Council's pre-established schedule). As part of the authorization the Council may request compensation for the activity commensurate to the meeting fee described in paragraph 40 above.

Term Limits and Reappointment

43. Members of the Council are appointed by the Board to the Council for a two-year term up to a maximum of six years (e.g., three, two-year terms). At the third meeting, at each second year of their term, the Council Member will advise the Chair of Council who will inform the Corporate Secretary if they will be seeking reappointment.
44. Council Appointments and Reappointments will fall under the purview of the Board upon the review and recommendation of the Committee.

Attendance and Contribution at Council Meetings

45. Each Council Member is expected to devote sufficient time to Council affairs, including the review of Council materials and attendance at all Meetings of the Council (in person, if and when permitted or via telephone or video conference). If a Council Member is not able to attend a Meeting from time to time for medical reasons or due

to other unusual circumstances, they must advise the Council Chair in writing and explain their absence.

46. The Nominating Committee will review the attendance and contribution of Council Members each year. Any Council Member who, without sufficient reason, misses regularly scheduled Meetings of the Council in a given year, or demonstrates ineffective engagement and contribution, can be recommended for removal at the discretion of the Chair. The Member must tender a written offer to resign to the Chair of Council who will inform the Corporate Secretary for acceptance or rejection by the Committee.

Termination of Membership

47. Any member may resign from the Council at any time by giving written notice to the Chair of Council who will inform the Corporate Secretary. Such resignation shall be effective on receipt of such notice by the Committee.
48. Any Membership may be terminated by the Board with or without cause (including, without limitation, conduct unbecoming a member or breach of confidentiality or conflict of interest requirements) by a recommending resolution of the Committee to the Board passed by at least two-thirds (2/3) of the votes cast at the Meeting of the Committee of which notice specifying the intention to pass such recommending resolution has been given. The notice of such proposed action shall be given to the Members at least ten (10) business days before the Committee Meeting and the Member may be given an opportunity to be heard at such meeting if the Committee so requests. Such a vote by the Committee shall be taken by ballot and the Member in question will not be present.

Amendments to these Terms of Reference

49. To honor the spirit and intent of applicable law as it evolves, the authority to make minor technical amendments to these Terms of Reference is delegated to the Corporate Secretary, who will report any amendments to the Governance, Regulatory Affairs & Nominations Committee at its next Meeting. The Corporate Secretary shall inform the Council of these amendments through a Governance Memo.
50. Once every two years, these Terms of Reference will be evaluated and updates recommended by the Committee to the Governance, Regulatory Affairs & Nominations Committee for review and recommendation to the Board for review and approval.

Monitoring Methodology

Council Review:	11/04/20; 06/11/21
Stakeholder Committee Review:	11/18/20; 01/28/21; 01/26/22; 01/25/23
Corporate Secretary Review	05/01/21; 10/01/21; 01/17/23
Governance Committee Review	04/08/21; 01/26/22; 01/25/23
Board of Directors Approval:	02/22/21; 02/14/23