

DIRECTOR POSITION ON PRO-DEMUNITY BOARD

TO: Potential Candidates for Pro-Demunity's Board of Directors

FROM: Debra Krakow, Chair, Conduct Review, Governance, and Nominations (CRGN) Committee

DATE: October 5, 2021

One of our current Directors will be reaching their term limit in 2022. As a result, the Pro-Demunity Insurance Company's Board of Directors is seeking applications for a new independent Director to be recommended to our Shareholder for appointment at our March 2022 AGM.

Call for Applications, Closing November 26, 2021

Pro-Demunity Insurance Company ("Pro-Demunity") is a wholly owned subsidiary of the Ontario Association of Architects (the "Association" or "OAA") whose principal mandate is to regulate the practice of architecture in Ontario.

Pro-Demunity provides mandatory professional liability insurance to architectural practices in Ontario as prescribed by the *Architects Act*, its regulations and other legislation impacting the insurance companies in Ontario. In addition, higher limits of liability may be purchased above the mandatory limits. The Company has a robust underwriting and claims management capabilities and excellent relationships with its reinsurers. In addition to its insurance services offering, Pro-Demunity also offers Risk Education and Risk Services to Ontario architects.

Pro-Demunity is a small insurer that has been in the professional liability business since 1987 and regulated by the Financial Services Regulatory Authority of Ontario ("FSRA") since 2003. It has a permanent staff of 26. The present Board is made up of experienced directors, representing backgrounds in financial services, industry, professional services, and broad diversity, and many possess ICD.D certification. The Company is a Corporate Member of the Institute of Corporate Directors ("ICD"). Information about Pro-Demunity is available on its website www.prodemunity.com.

Commitment

The term of a Pro-Demnity Board member has a maximum period of nine years, subject to annual re-election by the Shareholder. Board meetings are held five times each year and Committees usually meet four times per year. When held in person, these meetings are usually in Toronto. Our Annual and General Meeting of our Shareholder is usually held before end of March, and attendance at that meeting is encouraged.

Directors are expected to serve on at least one of the Standing Committees (Conduct Review, Governance & Nomination Committee; Finance & Audit Committee; HR Committee) and may participate in any ad hoc committees of the Board. The committee assignments are driven by a combination of Directors' expertise, succession planning within the Board, the Company's future needs, peer evaluation, recommendations of the Conduct Review, Governance & Nomination Committee, and approval by the Board.

Pro-Demnity reimburses Board members for actual expenses incurred to fulfill their role (e.g., travel costs) and has a small annual education allocation for each Director. In addition, Directors receive an annual retainer and per meeting attendance fee.

Qualifications

Pro-Demnity Board of Directors consists of 13 Directors, including the Pro-Demnity President & CEO, and the Senior Vice President & Treasurer of the OAA; the latter two being ex-officio directors. Of the remaining 11 Directors, six are Ontario architects and five are independent Directors from industries other than architecture and whose expertise and experience will assist the Board in fulfilling its responsibilities.

The Board composition is driven by a skill matrix, together with the need for future skills, refreshment, and committee mandates.

This year, Pro-Demnity is seeking a director with experience in digital governance, particularly InsurTech or FinTech. A forward-thinking individual with experience in ESG would fit in well with our Board and

strategic direction. An understanding of property and casualty insurance, including professional liability, would be welcomed although this is not mandatory.

Process

Completed application packages (attached) must be submitted no later than November 26, 2021.

The Committee will review all applications and select individuals for interviews. All applicants will be contacted regarding the status of their application. We will endeavour to complete the nomination process before February 22, 2022. Additional information will be shared with those selected for an interview.

Once the interview process is complete, the Board of Directors will recommend the candidate to the OAA, the Company's sole Shareholder, for election to the Board. The Committee will verify personal references supplied in your application and will also conduct social media and criminal reference checks for the recommended candidate.

The successful candidate will be elected to the Board at the Pro-Demnity Annual General Meeting in late March 2022 and will be expected to attend scheduled meeting commencing on that day.

Pro-Demnity is an equal opportunity employer. If contacted for an interview, please inform us should accommodation be required.

Enquiries regarding Board positions may be made to Debra Krakow, Chair, Nominations Committee, debkrakow@gmail.com or 343-364-1195.

Enquiries about the process can be directed to Margarete Chan at 437-900-0548 or margchan@prodemnity.com.

Application Process

Please submit the following information in either a .pdf or .doc format. Applications should be submitted not later than November 26, 2021 by email to Margarete Chan, Corporate Secretary (margchan@prodemnity.com)

1. Your name, Name of Your Business/Organization, and your title/position in that organization (if applicable), contact address, phone number (s) and e-mail address.
2. Outline areas of expertise and experience that you can bring to the board of directors, particularly as it relates to the business of Pro-Demnity and board governance.
3. Please provide a brief narrative statement of professional and personal background as it relates to the Pro-Demnity and a statement of interest. This information may be distributed to the Nominations Committee in preparation for its meeting.
4. Indicate the continuing education efforts pursued by you in board work and your experience as a director or trustee of any other boards (for-profit or not-for-profit).
5. Please provide two references whom we may contact regarding your application.
 - a. By submitting the names of these references, you explicitly authorize the referees whose contact information you provide to Pro-Demnity to submit, in written, oral, or electronic form, to Pro-Demnity Insurance Company information pertinent to the evaluation of your application for membership on the Pro-Demnity Board of Directors.
 - b. For each referee, the following information is requested:
 - i. Name of Reference
 - ii. Organization they currently work with, if applicable
 - iii. Their Title and Position within their Organization
 - iv. E-mail and phone number(s)
 - v. Nature of your relationship with the Reference.
6. Confirm your consent to Pro-Demnity releasing all information contained in this application to The Ontario Association of Architects, as part of Pro-Demnity's director nomination and election process.
7. A completed Competency Self-Assessment
8. Your Curriculum Vitae

Attached:

- Competency Self-Assessment
- Schedule of Board/Committee Meetings, 2022

PRODEMUNITY

Competency Self-Assessment

Skill Level Assessment – Knowledge/Expertise definitions

Basic	Conceptual understanding that will allow participation in discussion
Advanced	Solid understanding that will enable asking probing questions
Expert	Validated expertise that will facilitate questions that enhance approach or deliverable (may include accreditation)
None	No or only superficial understanding of the subject

Skill/Competency	Skill Level Assessment			
	Basic	Advanced	Expert	None
Strategic direction of shareholder and reporting thereto				
Understanding of architectural profession and its insurance needs (<i>including quality and safety in architecture field</i>)				
Understanding of Pro-Demnity, (including genesis of the Company, its relationship to OAA and the role of shareholder)				
Understanding/experience with industry or association board				
Governance experience (including role and responsibilities of board)				
Insurance industry experience (including role of actuary, insurance regulations and insurance financial metrics/reporting)				
Information technology				
Finance				
Investment				
Enterprise Risk Management				
Human Resources Management				
Marketing, Communications, or Government Relations				
Strategic and business planning (including new business initiatives)				

2022 CALENDAR PRO-DEMUNITY BOARD/COMMITTEE MEETINGS

January						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20 OAA	21	22
23	24	25	26	27 CRGN	28	29
30	31					

February						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3 OAA	4 OAA	5
6	7	8	9	10	11	12
13	14 FA	15	16	17	18	19
20	21	22 BD	23	24	25	26
27	28					

March						
Su	Mo	Tu	We	Th	Fr	Sa
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29 HR	30 AGM/ CRGN	31		

April						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8 BD	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9 FA	10 *OAA CouncilMg	11 AGM	12 and	13 Conf	14
15	16	17	18 CRGN	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3 HR	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23* BD OAA	24	25
26	27	28	29	30		

July						
Su	Mo	Tu	We	Th	Fr	Sa
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31						

August						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5 FA	6
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28	29	30	31			

September						
Su	Mo	Tu	We	Th	Fr	Sa
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4	5	6	7	8 HR	9	10
11	12	13	14	15	16 BD	17
18	19	20	21	22 OAA	23	24
25	26	27	28	29	30	

October						
Su	Mo	Tu	We	Th	Fr	Sa
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23	24	25	26	27	28	29
30	31					

November						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3 OAA	4 FA	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25 BD	26
27	28	29	30			

December						
Su	Mo	Tu	We	Th	Fr	Sa
				1 HR	2	3
4	5	6	7	8	9 OAA	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

BD – Board / CR – Conduct Review, G&N Com. / FA – Finance & Audit Com / HR – HR Com /
 OAA – Ontario Association of Architects (Shareholder)
 *OAA AGM/Conference dates May 10-13
 June 23 Board meeting Tentative
 Weekends/Public Holidays
Sep 2021