

DIRECTOR POSITION ON PRO-DEMUNITY BOARD

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

FROM: *Paul Gogan Chair, Conduct Review, Governance, and Nominations (CRGN) Committee*

DATE: *October 22, 2024*

One of our current Directors will be reaching their term limit in 2025. As a result, the Pro-Demnity 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 2025 AGM.

Call for Applications, Closing November 30, 2024

Pro-Demnity Insurance Company ("Pro-Demnity") is a wholly owned subsidiary of the Ontario Association of Architects (the "OAA"). Founded in 1889, the OAA is a self-regulating organization governed by the *Architects Act*, a statute of the Government of Ontario. The OAA is dedicated to promoting and increasing the knowledge, skill and proficiency of its members, and administering the *Architects Act*, to serve and protect the public interest.

Pro-Demnity provides mandatory professional liability insurance to architectural practices in Ontario, as prescribed by the *Architects Act* and its regulations. For those firms that choose limits above the mandatory minimums, Pro-Demnity also provides higher limits, competing with other professional liability insurance providers. In addition, the Company provides a unique Risk Alliance offering, combining a series of structured risk education materials and sessions, risk management tools, and unstructured one-on-one risk guidance and peer consulting. The Company has a robust underwriting and claims management capabilities, excellent relationships with its reinsurers, and a solid capital base. The company is committed to a culture of diversity, equity, inclusiveness, and belonging.



Pro-Demnity's origin is as the OAA Indemnity Plan, started in 1987 to provide professional liability coverage to Ontario architectural practices. In 2003, we were incorporated as a licenced insurer, regulated by the Financial Services Regulatory Authority of Ontario ("FSRA"). We have a permanent staff of 33. Our 13-person Board of Directors is made up of architects and non-architects, the majority independent of the OAA. We are a diverse board representing experienced backgrounds in finance, industry, professional services, and many possess ICD.D certification. The Company is a Corporate Member of the Institute of Corporate Directors. Information about Pro-Demnity is available on its website www.prodemnity.com.

Commitment

The term of a Pro-Demnity Board member has a maximum period of nine years, subject to annual re-election by the OAA. Board meetings are held four to five times each year and Committees usually meet four times per year. We currently work on a hybrid meeting approach, with half our board meetings in person, half held virtually. All Committee meetings are currently held virtually. When held in person, meetings are usually in Toronto. Our Annual and General Meeting of our Shareholder is held virtually in late 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 (CRGN) Committee; Finance & Audit (F&A) Committee; Human Resources (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 CRGN Committee, and approval by the Board.

Pro-Demnity reimburses Board members for actual expenses incurred to fulfill their role (e.g., travel and accommodation costs when necessary) 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 (two from the OAA Council, the remainder not on OAA Council) 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 finance and investment. A forward-thinking individual with an inquisitive mind would fit in well with our Board and strategic direction. An understanding of the operations of a regulated, privately-held company, professional liability insurance (or, more broadly, property and casualty insurance) would be welcomed although this is not mandatory.

Process

Completed application packages (attached) must be submitted no later than November 30, 2024.

The Committee will review all qualified 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 the end of February, 2025. 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 may also conduct other reference checks, including 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 2025 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 any accommodation be required.

Enquiries regarding Board positions may be made to Paul Grogan, Chair, CRGN Committee, paul.gogan@hok.com or 416 320 1296

Enquiries about the process can be directed to Dilhara Perera at 437 747 4613 or DilharaP@prodemnity.com

Application Process

Please submit the following information in either a .pdf or .doc format. Applications should be submitted not later than November 30, 2024, by email to Dilhara Perera, Assistant Corporate Secretary (DilharaP@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, 2025



Competency Self-Assessment

Skill Level Assessment – Knowledge/Expertise definitions

None (0)	Little, no or only superficial understanding of the subject
Basic (1)	Basic, conceptual understanding that will allow participation in discussion (e.g., <5 years exposure or practice)
Advanced (2)	Solid understanding that will enable asking probing questions (e.g., >5 years exposure or practice)
Expert (3)	Validated expertise that will facilitate questions that enhance approach or deliverable (e.g., may include accreditation or professional designation, >10 years focused experience, recognized as expert by peers)

Skill/Competency	Skill Level Assessment			
	None	Basic	Advanced	Expert
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, (<i>including genesis of the Company, its relationship to OAA and the role of shareholder</i>)				
Experience as a board member (<i>understanding of duty to the Company, ethical behaviour</i>)				
Governance experience, emerging trends, current developments (<i>diversity, equity, inclusivity, environmental & social</i>)				
Insurance industry experience (<i>including role of actuary, insurance regulations and insurance financial metrics/reporting</i>)				
Information technology (<i>specifically its governance and oversight</i>)				
Artificial Intelligence (<i>awareness about AI, impact on the industry and decision making</i>)				
Finance (<i>understanding of financial statements, drivers of financial performance, and performance metrics</i>)				
Investment				
Enterprise Risk Management (<i>ERM oversight and governance</i>)				
Human Resources Management				

2/...

Competency Self-Assessment (Cont'd)

Skill/Competency	Skill Level Assessment			
	None	Basic	Advanced	Expert
Client Experience, Marketing, Communications <i>(oversight & governance, understanding of metrics and CX trends)</i>				
Environmental Footprint, Social & Governance <i>(oversight & governance, understanding of metrics)</i>				
Strategic and business planning (including new business initiatives)				