

**ADMINISTRATIVE AGREEMENT
BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO
AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

- AND -

**HOME CONSTRUCTION REGULATORY AUTHORITY,
A NOT-FOR-PROFIT CORPORATION, WITHOUT SHARE CAPITAL
INCORPORATED UNDER THE LAWS OF ONTARIO**

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Recitals

WHEREAS the Minister and the Regulatory Authority are required to enter into an administrative agreement pursuant to the Act;

AND WHEREAS the Minister is accountable to the people of Ontario as a member of the Legislative Assembly and to the Legislative Assembly as a Minister of the Crown in right of Ontario;

AND WHEREAS the Regulatory Authority is accountable to the Minister and the government for its administration of the Delegated Provisions;

AND WHEREAS the Regulatory Authority provides valuable information to the government regarding the operational effectiveness of the Act and that both parties acting in the public interest are dependent on a collaborative relationship;

AND WHEREAS the Minister and the Regulatory Authority recognize the benefit of maintaining a strong collaborative relationship and the importance of resolving any disagreements as amicably and expeditiously as possible;

AND WHEREAS the Regulatory Authority is not a Crown agent, is self-funded and is not self-regulating;

AND WHEREAS the Minister is responsible for recommending legislative and regulatory changes to the Lieutenant Governor in Council;

AND WHEREAS the Minister and the Regulatory Authority intend to exercise their powers and duties under the Act in such a manner as to protect the public interest and carry out and perform this Agreement in a manner consistent with the objective of ensuring a fair, safe and informed marketplace that supports a competitive economy;

NOW THEREFORE in consideration of the promises and the mutual covenants contained in this Agreement and subject to the terms and conditions hereof, the parties hereby enter into this administrative agreement.

1. Definitions and Interpretation

- 1) In this Agreement, the following terms have the following meanings:
 - a) “**Act**” means the New Home Construction Licensing Act, 2017, and the regulations under that Act;
 - b) “**Agreement**” means this administrative agreement, all attached schedules and any agreement or schedule in writing supplementing or amending this administrative agreement or any of its schedules;
 - c) “**Board**” means the Board of Directors of the Regulatory Authority;
 - d) “**Chair**” means the Chair of the Board of Directors of the Regulatory Authority;
 - e) “**Crown**” means Her Majesty the Queen in Right of the Province of Ontario;
 - f) “**Delegated Provisions**” means the provisions of the Act specified by the Lieutenant Governor in Council in regulation, attached as Schedule “A”, and of which the administration is delegated to the Regulatory Authority in accordance with the Act;
 - g) “**Minister**” means the Minister responsible for the administration of the Act by Order in Council of the Lieutenant Governor acting for and on behalf of the Crown;
 - h) “**Ministry**” means the ministry of the Minister;
 - i) “**Regulatory Authority**” means the Home Construction Regulatory Authority as designated under the Act to administer the Delegated Provisions; and
 - j) “**Statutory Mandate**” means the exercise of the authority delegated to the Regulatory Authority pursuant to the Act, excluding non-regulatory business ventures.
- 2) In this Agreement, for the purposes of interpretation:
 - a) Words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

- b) The word “including” or “includes” shall mean “including (or includes) without limitation”;
- c) Any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;
- d) The division of this Agreement into separate sections and subsections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and
- e) This Agreement should be read together with the Act. This Agreement does not affect, modify or limit the powers of the Act or the Regulatory Authority as set out in the Act, or interfere with responsibilities of any of its parties as established by law.

2. Purpose of the Agreement

- 1) This Agreement between the Minister and the Regulatory Authority:
 - a) Clarifies the roles, duties and responsibilities of the Minister and the Regulatory Authority in relation to the administration of the Delegated Provisions and the administrative matters as set out under the Act; and
 - b) Clarifies the administrative, financial, auditing, accountability, legislative and regulatory development, and working and reporting relationships between the parties.

3. Designation and Delegated Administration

- 1) The parties acknowledge that upon designation of the Regulatory Authority by the Lieutenant Governor in Council, responsibility for the administration of the Delegated Provisions is delegated to the Regulatory Authority. For greater clarity, a copy of the proposed regulation designating the Regulatory Authority is attached as Schedule “A” to this Agreement. Once the regulation designating the Regulatory Authority has been made and filed, the Ministry will provide a copy of such regulation to the Regulatory Authority, which shall be deemed to replace Schedule “A” to this Agreement.
- 2) Upon designation, the Regulatory Authority assumes responsibility for the administration of all the Delegated Provisions.

- 3) The Statutory Mandate of the Regulatory Authority is established by the Act.

4. Accountability Relationships

- 1) The Minister is accountable to the Legislative Assembly for the fulfilment of the Statutory Mandate by the Regulatory Authority.
- 2) The Board is accountable to the Minister through the Chair, for the performance of the Regulatory Authority.

5. Roles and Responsibilities of the Parties

5.1 The Minister

- 1) The Minister is responsible for the Regulatory Authority's fulfilment of its Statutory Mandate. For this purpose, the Minister requires timely access to information from the Regulatory Authority as set out in the Information Sharing Protocol, attached as Schedule "B".
- 2) The Minister is responsible for bringing forward proposed changes to the Act to the Lieutenant Governor in Council and the Legislative Assembly.
- 3) The Minister may engage the Regulatory Authority:
 - a) throughout the policy development process,
 - b) in coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - c) in the development of communication strategies for critical or on-going issues.
- 4) The Minister may provide the Regulatory Authority with an annual letter outlining the government's expectations and priorities for the Regulatory Authority during the specified fiscal year. The letter would provide measurable expectations from the Minister that align with the regulatory authority's mandate as well as government priorities and commitments.
- 5) The Minister may, where the Minister deems appropriate, delegate, make or assign to the Regulatory Authority such additional authority, appointments or consents as are within the Minister's authority, if the Regulatory Authority requires such additional authority, appointments, or consents to carry out its delegated authority.

- 6) The Minister may, where the Minister deems appropriate, assist the Regulatory Authority in obtaining any additional authorities, appointments or consents which cannot be granted by the Minister.
- 7) The Minister may, where the Minister deems appropriate, assist the Regulatory Authority in working with other ministries to facilitate agreements and relationships with the Regulatory Authority.
- 8) The Minister shall not interfere with the independent exercise of the statutory functions fulfilled by the Regulatory Authority's registrar or deputy registrars, inspectors, investigators, statutory director or deputy directors, and other officers exercising statutory and regulatory duties.
- 9) The Minister shall make reasonable efforts to meet with the Chair from time to time.

5.2 The Regulatory Authority

- 1) The Regulatory Authority shall, in accordance with section 5 of the Act, administer the Delegated Provisions in accordance with the law, the Act and this Agreement.
- 2) The Regulatory Authority, through the Chair, shall ensure that the Board is aware of the terms of this Agreement.
- 3) The Regulatory Authority shall, in accordance with subsection 3(3) of the Act, comply with the principles of maintaining and advancing a fair, safe and informed marketplace, that supports a competitive economy, and promoting the protection of the public interest
- 4) The Regulatory Authority is responsible for ensuring that it has adequate resources, including financial resources, to comply with this Agreement, the Act, and other applicable law, and for acting in accordance with the business plan that it has provided to the Minister under clause 8(1)(a) of this Agreement.
- 5) The Regulatory Authority is responsible for developing and maintaining corporate by-laws and shall make such by-laws available to the public, including by posting on the Regulatory Authority's website, within the time prescribed by regulation.
- 6) The Regulatory Authority is responsible for developing and maintaining an up-to-date written policies and procedures manual for each functional area of

its business.

- 7) The Regulatory Authority, through the Chair, shall ensure that the Board is aware of the terms of this Agreement.
- 8) If the Minister appoints the Chair pursuant to section 13 of the Act, the Regulatory Authority is responsible for developing, maintaining and making publicly available, including by posting on the Regulatory Authority's website, up-to-date written procurement policies and procedures that comply with the Ontario Public Service Procurement Directive. If the Minister does not appoint the Chair, the Regulatory Authority's is responsible for developing, maintaining and making publicly available, including by posting on the Regulatory Authority's website, up-to-date written procurement policies and procedures must be in keeping with the spirit of the most recent Ontario Public Service Procurement Directive to ensure that goods and services, including consulting services and information technology are acquired through a process that is fair, open and transparent.
- 9) The Regulatory Authority is responsible for developing, maintaining and making publicly available, including by posting on the Regulatory Authority's website, up-to-date written travel, meal and hospitality expenses policies and procedures in keeping with the spirit of the most recent Ontario Public Service Travel, Meal and Hospitality Expenses Directive in order to set out principles for the reimbursement of expenses to ensure fair and reasonable practices, and to provide a framework of accountability to guide the effective oversight of resources in the reimbursement of expenses.
- 10) The Regulatory Authority is responsible for developing and maintaining appropriate performance measurements, governance, and financial management processes with sound internal controls to conduct the Regulatory Authority's operations effectively and efficiently.
- 11) The Regulatory Authority is responsible for developing, maintaining and making publicly available, including by posting on the Regulatory Authority's website, up-to-date written policies and procedures for responding to and assisting in the resolution of consumer and other complaints received by the Regulatory Authority related to its administration of the Delegated Provisions.
- 12) The Regulatory Authority is responsible for providing the Minister with timely information in relation to any matter requested by the Minister in accordance with the regulations and shall also provide the information identified in the Information Sharing Protocol attached as Schedule "B".

- 13) The Regulatory Authority is responsible for developing, maintaining and making publicly available, including by posting on the Regulatory Authority's website, up-to-date written policies and procedures regarding licensing standards.
- 14) When able and appropriate, the Regulatory Authority shall coordinate its enforcement activities in relation to the investigation of serious incidents with the enforcement activities of other provincial and federal enforcement authorities.
- 15) When engaged by the Minister, in accordance with subsection 5.1(4), the Regulatory Authority shall participate in:
 - a) the policy development process;
 - b) coordinating public and stakeholder communications regarding any proposed legislative, regulatory or policy changes, and
 - c) the development of communication strategies for critical or on-going issues.

6. Membership

The Regulatory Authority shall provide the Minister with a copy of any by-laws, as amended from time to time, respecting both the qualifications and the terms and conditions of membership in the Regulatory Authority.

7. Board and Statutory Appointments

7.1 Board Composition and Appointment of Board Members

- 1) If the Minister has not made a regulation under section 10 or 11 of the Act, and subject to any other legal obligations, the composition of the Board, the selection criteria, selection process and term of office of Board members, other than Ministerial appointees, shall be established by by-law. The Regulatory Authority shall provide such by-laws to the Minister for review and approval prior to submitting them to the Board for final approval.
- 2) Regarding Ministerial appointees, the by-laws of the Regulatory Authority may include provisions that reflect the content of section 12 of the Act for completeness.
- 3) The Regulatory Authority shall obtain the Minister's prior approval of any change in the by-laws respecting Board composition, the selection criteria, selection process and term of office of its Board members.

- 4) No one may sit as a member of the Board while he or she is an employee of a trade association representing the interests of the regulated industry. The by-laws of the Regulatory Authority shall not grant to any person who is not a Board member the right to notice of meetings of the Board or the right to attend meetings of the Board.
- 5) The Regulatory Authority shall develop and maintain competency criteria for the Board setting out the types of skills and competencies that are required on the Board, which shall be approved by the Minister and attached to this Agreement as Schedule "C". Subsection 10(1) of the Act authorizes the Minister to establish by regulation competency criteria for members of the board. If the Minister makes such a regulation, then those competencies must be addressed by the board Any Minister's regulation made pursuant to subsection 10(1) would be considered to be an addendum to Schedule "C" on board competency criteria in the administrative agreement.
- 6) The Board selection criteria in Schedule C shall include consumer protection or public interest perspectives and other criteria with a goal of reflecting the diversity of Ontario, including gender, geographic distribution and ethnicity. The Regulatory Authority shall make the selection criteria public.
- 7) The Minister shall have regard to the competency criteria and selection criteria used by the Board when making appointments to the Board.
- 8) The Board recognizes that Board members appointed by the Minister in accordance with the Act may include representatives of the public, consumer groups, businesses or government organizations, or such other interests as the Minister determines.
- 9) The Minister shall endeavour to make appointments to the Board in a timely manner.
- 10) Board members appointed by the Minister shall be remunerated by the Regulatory Authority in an amount and on a basis that is equivalent to all other Board members. If such a Board member is employed by the public service of Ontario, the Board member shall not receive any remuneration unless permitted under the Ontario Public Service Agencies and Appointments Directive (or any successor directive).
- 11) The Board shall ensure that new Board members complete any training required by the Minister within 6 months of being elected or appointed, or when next available.

7.2 Information Required from the Board

- 1) The Board shall conduct a Board evaluation in accordance with best practices at least once every two years beginning one year after the date of designation. The evaluation may be facilitated by an independent third party. The results of the evaluation shall be summarized in a report and a copy of the report shall be provided to the Chair. The Chair shall provide a copy of the report to the Minister upon request.
- 2) The Board shall adopt a binding code of conduct for the Board members to prevent the possibility of any Board member advancing his or her personal or business interests, or the interests of another person or organization, ahead of the interests of the Regulatory Authority. The code of conduct for Board members, as it may be amended from time to time, is subject to the approval of the Minister. Upon approval by the Minister, such code shall be attached to this Agreement as Schedule "D".
- 3) The annual meeting, at which the Board shall present its annual report and audited financial statements, and report to the members of the Regulatory Authority on the affairs of the Regulatory Authority for the immediately preceding year, shall be open to the general public and the Board shall make reasonable efforts to inform the general public of such meeting.
- 4) Within one year of the date of designation, the Board shall establish an advisory process for direct input to the Board on issues of importance to consumers. The terms of reference of such a process shall be made public and a report on the activities and advice provided by this process shall be included in the annual report.

7.3 Minister's Appointment of Chair

In accordance with section 13 of the Act, the Minister may appoint the Chair from among the Board members and for this purpose the Minister shall have regard to the views of the Board, the competency criteria used by the Board, succession planning, and any other matter the Minister considers advisable in the circumstances.

7.4 Statutory Appointments

- 1) As provided for in subsection 36(1) of the Act, the Board shall appoint a director and may appoint one or more deputy directors.
 - a) The director or deputy director(s) shall not:

- i) be a member of the Board unless the Board has approved guidelines providing for the independent exercise of the director's statutory duties;
 - ii) be a registrar or deputy registrar under the Act;
 - iii) hold a position in the Regulatory Authority that is subordinate to the registrar or deputy registrar;
 - iv) be a licensee under the Act.
- 2) As provided for in subsection 35(1) of the Act, the Board shall appoint a registrar and may appoint one or more deputy registrars.
 - a) The registrar and any deputy registrar(s) shall be employees of the Regulatory Authority and shall not be:
 - i) a member of the Board;
 - ii) a director or deputy director under the Act;
 - iii) an employee or director of a trade association representing the interests of the regulated sector;
 - iv) a licensee under the Act.
- 3) The Regulatory Authority acknowledges that the director and registrar under the Act, any deputy or deputies and any other statutory appointments thereof exercise statutory duties that require independent decision-making and, for that purpose, the Regulatory Authority agrees that the Board shall not interfere with the independent exercise of these statutory responsibilities but may review the manner in which those responsibilities are carried out, consistent with the Board's corporate and regulatory governance responsibilities.

8. Corporate Reporting

- 1) Effective the date of designation, the Regulatory Authority shall:
 - a) each year, provide the Minister with a business plan (as described in Schedule "E") for the forthcoming year, in a format acceptable to the Minister, no later than thirty (30) days before the end of the current fiscal year;
 - b) each year, provide the Minister with an annual report (as described in Schedule "E") in a format acceptable to the Minister, no later than one

hundred and twenty (120) days after the end of its previous fiscal year;

- c) enable the Minister to review and comment on the documents referred to in clauses (a) and (b) within a reasonable time period, estimated to be approximately thirty (30) days from the receipt of the documents, under normal circumstances, and prior to final approval of the Board.
- 2) The Regulatory Authority's business plan shall set out a summary of the activities it will undertake to ensure that its goods, services and facilities are accessible in accordance with the Accessibility for Ontarians with Disabilities Act, 2005, and any relevant additional accessibility related activities. The Regulatory Authority's annual report shall account for how these accessibility related activities were provided.
- 3) The Regulatory Authority's business plan shall set out the means by which services related to the administration of the Delegated Provisions are provided in French in accordance with section 28 of the Act, and the Regulatory Authority's annual report shall account for how these French language services were provided.
- 4) The Regulatory Authority's business plan shall set out the means by which complaints received by the Regulatory Authority related to the administration of the Delegated Provisions are managed and resolved and the Regulatory Authority's annual report shall account for how these complaints were responded to and resolved.
- 5) The Regulatory Authority:
 - a) shall make the business plan referred to in clause (1)(a) available to the public, including by posting on the Regulatory Authority's website, no later than thirty (30) days after final approval of the Board;
 - b) shall publish the annual report referred to in clause (1)(b) to the Regulatory Authority's website and by any other method no later than thirty (30) days after the annual report receives final approval of the Board.
- 6) The Regulatory Authority shall conduct a client satisfaction/value survey of all or a sampling of its clients, stakeholders and licensees at least once every two years beginning no later than one (1) year after designation. The client satisfaction/value survey may be facilitated by an independent third party. The Regulatory Authority shall share a summary of the survey results with the Minister. The Regulatory Authority's annual report and website shall also

include a synopsis of the results of the client satisfaction/value survey, as conducted.

- 7) The Regulatory Authority shall have a risk management framework and risk management plan for managing risks that the Regulatory Authority may encounter in meeting its program and service delivery objectives as described in Schedule “E”.
- 8) The Regulatory Authority shall establish performance measures regarding the administration of the Act, subject to the approval of the Minister. This stable set of performance measures will reflect the regulated sector and enable a year-to-year comparison. Where a year-to-year comparison is not possible because of a change in performance measures, the Regulatory Authority shall give the Minister sufficient information to enable a proximate comparison of the changed performance measure.
- 9) The Regulatory Authority shall provide the Minister with performance targets and results for performance measures performance measures approved by the Minister in subsection (8) on an annual basis and upon request by the Minister. Where the Regulatory Authority does not meet any one or more of its performance targets, the Regulatory Authority shall identify any variance from the target and provide a written rationale to the Minister.

9. Regulatory Governance

- 1) The Board shall be responsible for carrying out the following regulatory governance functions:
 - a) reviewing the adequacy and effectiveness of the Regulatory Authority’s licensing, enforcement and consumer protection framework to ensure compliance with the Act;
 - b) reviewing implementation of and reporting on the enforcement of the Act, as well as the operations of the consumer protection framework; and
 - c) providing strategic advice to the Minister on potential or proposed legislative or regulatory changes.

10. Financial Arrangements

- 1) The Regulatory Authority shall ensure that it has adequate resources to comply with this Agreement and the Act consistent with the business plan that it has provided to the Minister under clause 8(1)(a) of this Agreement.

- 2) The Regulatory Authority acknowledges it cannot collect or retain as revenue any fines imposed by a court further to proceedings taken by the Regulatory Authority under the Provincial Offences Act.
- 3) The Regulatory Authority may establish fees, subject to any limitations on the amount imposed by the Act, costs and other charges related to its administration of the Delegated Provisions in accordance with the process and criteria approved by the Minister, as set out in the attached Schedule “F” or Schedule “G” as applicable.
- 4) The Regulatory Authority shall make publicly available, including by posting on its website,
 - a) its fees, costs and other charges,
 - b) the process and criteria by which its fees, costs and other charges are established, and
 - c) any rules governing the payment of its fees, costs and other charges.
- 5) The Regulatory Authority agrees to pay to the Minister such amounts as set out in the attached Schedule “H”.
- 6) Any payments by the Regulatory Authority to the Minister shall be made payable to the Minister of Finance, drawn on the account of the Regulatory Authority and paid on a timely basis and on the terms as set out in the attached Schedule “H”.
- 7) The Minister will charge interest on any late payments on the terms set out in the attached Schedule “H”.
- 8) The Regulatory Authority shall report to the Minister at the earliest opportunity if there is any reason for concern about the financial state of the Regulatory Authority.

11. Records, Privacy and Access

- 1) All records obtained from any source, created, or maintained by the Regulatory Authority in the course of carrying out its administration of the Delegated Provisions are the property of the Regulatory Authority and the Regulatory Authority is the sole owner and custodian of such records and may use them for its legitimate purposes in the administration of the Delegated Provisions.

- 2) All records that are the property of the Regulatory Authority shall be maintained in keeping with the records retention and destruction schedules established by the Regulatory Authority.
- 3) Subject to any regulation made under section 14(4) of the Act, the Regulatory Authority shall have an access and privacy code addressing issues of access to its records, protection of personal information, and effective procedural rights and remedies. This code shall protect privacy and provide access in accordance with the principles of the Freedom of Information and Protection of Privacy Act and provide an effective procedure in support of these principles. Upon approval by the Minister, the code shall be attached to this Agreement as Schedule "I".
- 4) The Regulatory Authority shall comply with the access and privacy code referred to in subsection (3), and shall make the code available to the public, including by posting on the Regulatory Authority's website.
- 5) The Regulatory Authority shall obtain the Minister's approval of any changes to the access and privacy code.

12. Litigation

- 1) The following provisions address any litigation arising after or as a result of the Regulatory Authority's designation under the Act.
- 2) Civil and administrative litigation, including inquests, related to the Act in which the Crown is a defendant or an interested party, as a result of any alleged act or omission of the Regulatory Authority in its administration of the Delegated Provisions shall be defended or otherwise carried out by the Regulatory Authority (with full right and power to choose legal counsel and with full right and power to reach a settlement which binds the Regulatory Authority and, with the Crown's consent, binds the Crown), unless the parties expressly agree otherwise. The Regulatory Authority shall be responsible for all costs of the litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it, as a result of any act, omission or fault of the Regulatory Authority subject to an order of the court or agreement between the parties. The parties agree that the Crown reserves the right to defend or otherwise carry out any such litigation on its own behalf and at its own cost in respect of its own interest where it determines that it has an independent interest in the litigation.
- 3) Any proceedings, and any civil, criminal or administrative litigation, including

inquests, not related to the Regulatory Authority's administration of the Delegated Provisions, in which the Crown is a defendant or an interested party, arising from or in any way connected with any activity undertaken by, or alleged act or omission of the Regulatory Authority, shall be defended or otherwise carried out by the Regulatory Authority. The Regulatory Authority shall be responsible for all costs of the proceedings or litigation and for the payment of any settlement costs agreed to and payable by it and any damages awarded against it. The parties agree that the Crown reserves its right to defend or otherwise carry out any such proceedings or litigation on its own behalf and at its own cost where it determines that it has an independent interest in the proceedings or litigation.

- 4) The Minister or the Crown shall cooperate with the Regulatory Authority for the purpose of the Regulatory Authority's defence or other participation in the litigation referred to in subsections (2) and (3) including providing documentation or information and providing witnesses in such litigation, where appropriate.
- 5) The Regulatory Authority shall carry out all prosecutions related to the Act on its own behalf and in its own name, all in accordance with, pursuant to and in furtherance of the obligations of the Regulatory Authority to administer the Act. The Regulatory Authority shall develop policies for the conduct of prosecutions that accord with the principles set out in any Ministry of the Attorney General prosecution-related policies, guidelines, codes or similar documents provided to it by the Minister. In carrying out prosecutions related to the Act, the Regulatory Authority shall conduct prosecutions in the public interest and in a manner consistent with such policies.
- 6) The Regulatory Authority shall keep the Minister informed of any litigation by or against the Regulatory Authority or in which the Regulatory Authority is an interested party that may affect the interests of the Crown.

13. Indemnification

- 1) The Regulatory Authority acknowledges that, pursuant to section 18 of the Act, it is required to indemnify the Crown in respect of damages and costs incurred by the Crown for any act or omission of the Regulatory Authority or its members, officers, directors, employees or agents in the exercise or performance or intended exercise or performance of their duties or powers under the Act, a Minister's order, the Agreement or the information sharing agreements or for any act or omission otherwise connected to the Act, a Minister's order, the Agreement or the information sharing agreements.

- 2) This indemnification survives termination of this Agreement for the maximum period permitted by law or contract.

14. Insurance

- 1) The Regulatory Authority shall take all reasonable steps to protect itself from and against all claims which might arise from the carrying out of the administration of the Delegated Provisions and carrying out of duties under the Act by the Regulatory Authority, its Board members, appointees, officers, employees and agents. The Regulatory Authority shall at all times maintain adequate insurance against liability arising out of the Regulatory Authority's carrying out of the administration of the Delegated Provisions, its duties under the Act and this Agreement including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than ten million dollars (\$10,000,000) per occurrence, ten million dollars (\$10,000,000) products and completed operations aggregate. The policy is to include the following:
 - a) Her Majesty the Queen in Right of Ontario as represented by the Minister as additional insureds with respect to liability arising in the course of performance of the Regulatory Authority's obligations under, or otherwise in connection with, the Act;
 - b) cross-liability clause;
 - c) thirty (30) day written notice of cancellation, termination or material change; and,
 - d) non-owned automobile coverage with blanket contractual coverage for hired automobiles.
- 2) The Regulatory Authority shall provide the Minister with certificates of insurance or other proof as may be requested by the Minister, that confirms all of the insurance coverage as provided for in subsection (1), and renewal replacements on or before the expiry of any such insurance.
- 3) If the Crown imposes an obligation on the Regulatory Authority by obtaining the enactment of legislation, making a regulatory change or otherwise, which gives rise to exposure to liability on the part of the Regulatory Authority for which the Regulatory Authority cannot reasonably obtain appropriate liability insurance, the Regulatory Authority shall provide immediate notice to the Minister in writing of the uninsured risk and subject to government approvals

that may be required, if any, the Regulatory Authority and the Minister shall identify appropriate measures to resolve the issue to the satisfaction of both parties. Where government approval is required, the Minister shall make reasonable efforts to obtain the necessary approvals.

15. Non-Regulatory Business

- 1) The Regulatory Authority shall only enter into non-regulatory business ventures that promote the protection of the public interest and enhance consumer protection. For this purpose, the Regulatory Authority shall comply with the principles set out in the Non-Regulatory Business Policy set out in Schedule “J”.
- 2) For any non-regulatory business venture, the Regulatory Authority shall submit to the Minister a statement confirming that such non-regulatory business venture will not negatively impact the Regulatory Authority’s regulatory business. The form and content of the statement shall be as detailed in Schedule “J”.
- 3) The statement shall be provided to the Minister prior to the Regulatory Authority entering into a business venture for the non-regulatory business.
- 4) The Regulatory Authority acknowledges that, in accordance with subsection 26(2) of the Act, it shall not engage in commercial activity through a person or entity that is related to the Regulatory Authority.

16. Code of Conduct for Compliance Personnel

- 1) The Regulatory Authority shall develop a code of conduct for its compliance personnel relating to the Regulatory Authority’s compliance and enforcement responsibilities under the Act and any other legislation.
- 2) The Regulatory Authority shall provide its code of conduct to the Minister, as it is updated from time to time, make it available to the public, and post the code on the Regulatory Authority’s website.
- 3) From time to time, the government may develop new policies governing the conduct of compliance personnel. As new policies emerge, the Minister shall provide the Regulatory Authority with any government directives regarding the conduct of compliance officers. If the Minister has done so, the Regulatory Authority shall revise its code of conduct as necessary to accord with the principles set out in the government directive.

17. Wind-Up or Other Termination of Regulatory Authority's Administration

- 1) Without limiting the powers of the Crown under the Act or otherwise, the termination of the Regulatory Authority's authority to administer the Delegated Provisions may result from a decision of the Regulatory Authority to wind-up or dissolve or cease to operate as a regulatory authority, the insolvency or bankruptcy of the Regulatory Authority, the failure of the Regulatory Authority to comply with the Act, the Agreement, any of the information sharing agreements or other applicable law, or may occur if the Lieutenant Governor in Council considers it advisable in the public interest to revoke the Regulatory Authority's designation.
- 2) The Regulatory Authority may request the Lieutenant Governor in Council to revoke its designation and in that case the Lieutenant Governor in Council may, by regulation, revoke the designation on the terms it considers advisable in the public interest.
- 3) If the Regulatory Authority fails to comply with the Act, the Agreement or other applicable law, the Minister shall allow the Regulatory Authority the opportunity of remedying its default within the time period that the Minister considers reasonable in the circumstances.
- 4) The Minister shall advise the Lieutenant Governor in Council if the Regulatory Authority has not remedied its default to the Minister's satisfaction within the time period that the Minister specifies.
- 5) If a decision is made to terminate the designation of the Regulatory Authority, the Minister may appoint an individual as an administrator of the Regulatory Authority for the purposes of assuming control of it and responsibility for its activities. Unless the order appointing the administrator provides otherwise, the administrator has the exclusive right to exercise all the powers and perform all the duties of the directors, officers and members of the Regulatory Authority. The administrator has the same rights as the board in respect of the Regulatory Authority's documents, records and information. The administrator will report to the Minister as the Minister requires. Through the administrator, the Regulatory Authority is expected to deliver effective administration of the Delegated Provisions, pending resolution of financial and legal issues relating to the termination.
- 6) If the termination is due to the wind-up, bankruptcy, or insolvency of the Regulatory Authority, the Minister may appoint a person to liaise with the

persons(s) appointed by the Regulatory Authority, by a secured creditor(s), or by a court, to oversee the wind-up, bankruptcy, or insolvency of the Regulatory Authority to ensure the continued effective administration of the Delegated Provisions.

- 7) The parties shall use reasonable efforts to resolve financial and other issues resulting from the termination of designation that impact the Crown or the Regulatory Authority, in keeping with the principle of fairness in light of the nature of the termination.
- 8) Any agreement under subsection 17(7) that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Crown will require the prior written approval of the Minister of Finance, the President of the Treasury Board or both, as applicable, in accordance with section 28 of the Financial Administration Act, and will be subject to approval by Treasury Board. The Minister shall make reasonable efforts to obtain this and any other necessary approvals.
- 9) The Regulatory Authority or its appointee shall keep the Minister and any person appointed under subsections 17(6) and 17(7) informed to ensure the effective ongoing administration of the Delegated Provisions during the wind-up or other termination of the Regulatory Authority.

18. Dispute Resolution

The parties agree to use reasonable efforts to resolve any disputes that may arise out of or in connection with this Agreement or the administration of the Act.

19. Communications and Information Sharing

- 1) Each of the parties shall designate an individual who will be the primary contact for all issues and communications related to this Agreement, the Act and the administration of the Delegated Provisions.
- 2) The parties shall develop procedures for the sharing of information and the resolution of issues that may arise during the course of the Regulatory Authority's administration of the Delegated Provisions. Upon approval by the Minister, such procedures shall be added to the Agreement as Schedule "B".

20. Reviews

- 1) The Regulatory Authority acknowledges that pursuant to subsection 6(1) of the Act:

- a) The Minister may require that policy, legislative or regulatory reviews related to the powers and duties of the Regulatory Authority under the Act, the Agreement or the information sharing agreements be carried out.
 - b) The Minister may also require that reviews of the Regulatory Authority, its operations, or both, including performance, governance, accountability and financial reviews, be carried out.
- 2) If the Minister requires the Regulatory Authority or a person on behalf of the Regulatory Authority to carry out a review mentioned in subsection (1), the Regulatory Authority shall share the results of any reviews with the Minister.
 - 3) If the Minister specifies another person or entity to carry out a review mentioned in subsection 20(1), the Minister shall ensure that the person or entity consults with the Regulatory Authority as appropriate during any such review.
 - 4) Pursuant to section 22 of the Act, the Auditor General appointed under the Auditor General Act may conduct an audit of the Regulatory Authority other than an audit required under the Corporations Act.
 - 5) Upon the Auditor General conducting an audit under the Act, the Regulatory Authority shall provide the Auditor General and its employees access to all records and any information required to conduct the audit, as may be requested by the Auditor General.
 - 6) The Regulatory Authority shall forthwith notify the Minister upon receiving notice from the Auditor General of an audit conducted on the Regulatory Authority.
 - 7) In the event the Auditor General conducts an audit, the Minister shall, as appropriate, assist the Regulatory Authority in responding to the audit.
 - 8) The Regulatory Authority shall cooperate in any review or audit required by the Minister or the Auditor General.

21. Severability of Provisions

The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

22. Assignment

Neither the Regulatory Authority nor the Minister shall assign this Agreement in

whole or in part without the express written consent of the other.

23. Waiver

If a party fails to comply with any term of the Agreement, that party may only rely on a waiver of the other party if the other party has provided a written waiver. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

24. Independent Parties

The Regulatory Authority is not an agent, joint venture, partner or employee of the Crown, and the Regulatory Authority shall not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

25. Jurisdiction

This Agreement shall be governed by the laws of the Province of Ontario and applicable laws of Canada.

26. Conflict

In the event of a conflict between the provisions of this Agreement and the Act, the Act prevails.

27. Amendment and Review of Agreement

- 1) The terms of this Agreement may only be added to, deleted, varied or amended with the consent of both parties. Such amendments shall be in writing, dated, and signed by both parties and attached to this Agreement.
- 2) The parties shall amend this Agreement as required to accommodate any changes to the Act.
- 3) Upon a change in the Minister or Chair of the Board, both parties must sign a letter of affirmation that is attached to the administrative agreement or sign the existing administrative agreement within six months of the change. Both parties may agree to review and update the administrative agreement before signing it.
- 4) The parties shall conduct a review of this Agreement within five (5) years of execution to ensure it is current. Despite the foregoing, either party may

initiate a review of the Agreement when advisable in the public interest upon giving notice in writing to the other.

28. Public Document

The parties agree that this Agreement shall be made available to the public by either party upon request to that party by any member of the public. The Regulatory Authority shall post this Agreement on its website within thirty (30) days of designation and thirty (30) days of execution of any amendments thereafter.

29. Entire Agreement

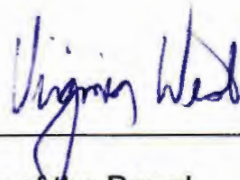
The Minister and the Regulatory Authority agree that this Agreement, as amended from time to time in accordance with section 27 of this Agreement forms the entire Agreement between the parties and supersedes any prior understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution of this Agreement.

30. Effective Date

This Agreement comes into effect on the later date of execution by the parties and will supersede and replace any prior administrative agreements made between the parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE “A” – REGULATION

HOME CONSTRUCTION REGULATORY AUTHORITY

ONTARIO REGULATION

made under the

[X]

[Caution:

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.

CONSULTATION DRAFT

[Bilingual]

ONTARIO REGULATION

to be made under the

NEW HOME CONSTRUCTION LICENSING ACT

REGULATORY AUTHORITY - DESIGNATION AND DELEGATED PROVISIONS

Designation of regulatory authority

1. The corporation known as Home Construction Regulatory Authority is designated as the regulatory authority.

Provisions delegated to the regulatory authority

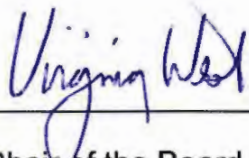
2. The following Parts and provisions of the Act are designated as delegated provisions for the purpose of subsection 2 (2) of the Act:

1. Part I.
2. Part III.
3. Part IV.
4. Part V.
5. Sections 80, 81, 82, 86, 86.1, 86.2, 86.3.

Commencement

3. This Regulation comes into force on the later of the day subsection 2 (1) of Schedule 1 to the *Strengthening Protection for Ontario Consumers Act, 2017* comes into force and the day this Regulation is filed.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: *Oct. 30, 2020*

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE "B" – INFORMATION SHARING PROTOCOL

HOME CONSTRUCTION REGULATORY AUTHORITY

This Schedule outlines information sharing protocols recognizing that the Home Construction Regulatory Authority (HCRA) shall respond in an expeditious manner to all requests made by the Minister /Ministry, including requests in respect of:

- 1) the governance of the HCRA;
- 2) the administration of the Act by the HCRA; or
- 3) the administrative agreement.

This Schedule outlines information sharing protocols not already specified in the administrative agreement or other schedules to the administrative agreement.

Unless specifically outlined in this Schedule, when making information requests of the HCRA, the Minister/Ministry shall inform the HCRA of the timeframe in which the information is needed.

Prior to any personal information being shared, the Minister/Ministry and the HCRA will confirm how it will be used, that there is legal authority to share it, that any notice requirements have been addressed, as well as the method for sharing, securing and disposing of the personal information. For this purpose, "personal information" has the same meaning as in the Freedom of Information and Protection of Privacy Act.

To facilitate information sharing, the HCRA and the Minister/Ministry will seek to achieve a "one-window" policy with the HCRA and the Ministry's Policy and Governance Branch (PAG) unless otherwise specified by the Minister/Ministry, being the access points.

In addition, the HCRA and PAG shall make reasonable efforts to meet quarterly to discuss current issues, needs and other matters necessary for the proper administration of this Schedule.

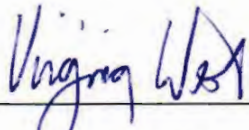
Description	Responsibility	
	Minister/Ministry	HCRA
Information requests made by the Minister/Ministry to HCRA	The Minister/Ministry shall make reasonable efforts to share with the HCRA the context in which the request for information is being made.	The HCRA shall respond in an expeditious manner to all requests made by the Minister/Ministry.
Cabinet Submissions		
All Issues	PAG will develop Cabinet submissions, as required, in cooperation with other Ministry branches.	The HCRA is consulted where appropriate.

Description	Responsibility	
	Minister/Ministry	HCRA
Correspondence		
The Minister/Ministry and the HCRA will work together to draft responses whenever possible, in a timely fashion, respecting that PAG is required to respond to all correspondence within five (5) business days.		
On all subjects directed to the Minister/Ministry	PAG will: <ul style="list-style-type: none"> • action to the HCRA; or • draft a reply indicating referral to the HCRA for direct response; or • draft a reply. 	The HCRA will: <ul style="list-style-type: none"> • respond directly under HCRA's signature and copy PAG as appropriate, or • supply PAG with information required for the Minister/ Ministry to reply.
Briefing Notes		
For Minister/ Ministry meetings with the HCRA's stakeholders	PAG will coordinate preparation of meeting materials and make reasonable efforts to notify the HCRA of any such meetings and discuss with HCRA.	The HCRA will provide PAG with relevant information on stakeholders/issues.
For the HCRA's meetings with Minister/ Ministry stakeholders (e.g. other ministries or agencies)		The HCRA will make reasonable efforts to notify PAG of the meeting, discuss outcomes with PAG, and provide a briefing note upon request.
Issue Notes		
The Minister/Ministry and the HCRA will work together to issue responses in a timely fashion respecting the requirement for the PAG to respond to all requests for issue notes within specific timeframes (i.e. short notice or outside of regular business hours).		
On any subject (designed for use in the Legislature)	PAG will prepare the issue note and provide it to the Ministry's Communications Branch. Requests for information made to the HCRA to develop the issue note will be accompanied by a timeline for response.	The HCRA will provide information to PAG within timeframe specified.
Issues Management		

Description	Responsibility	
	Minister/Ministry	HCRA
Emergencies, accidents and fatalities	When the Minister/Ministry is informed by the HCRA or through media reports, PAG will provide the Ministry's Communications Branch with key information as quickly as possible and monitor for updates.	The HCRA will inform PAG and provide relevant details, key messages and response strategy.
Other possible contentious issues (e.g. stakeholder grievances/concerns, etc.)	PAG will inform the Ministry's Communications Branch.	The HCRA will inform PAG and provide relevant details, key messages and response strategy.
Media Relations		
Requests made to the Minister/ Ministry for interviews and background material on the HCRA operational issues	Ministry's Communications Branch will notify PAG, who will then, as appropriate, refer the request to the HCRA or obtain the required information from the HCRA.	The HCRA will provide the required information or, if requested by the Minister/Ministry, respond directly and advise PAG of the outcome from the media engagement.
Media releases issued by the HCRA	PAG will share a copy of the HCRA's media release with the Ministry's Communications Branch for information and review.	The HCRA will prepare and share a copy of its media release with PAG at its earliest opportunity and before the release is issued to media.
Speeches/Speaking Notes		
All Minister/Ministry speeches/speaking notes (any topic)	Ministry's Communications Branch will prepare, and PAG will advise the HCRA.	The HCRA will supply PAG with information.
Performance Measures		
Metrics and performance measure results	PAG may request metrics and performance measure results from the HCRA from time to time.	The HCRA will supply PAG with metrics and performance measure results, as available, at the time of request or when the HCRA determines there is a risk that it will not achieve its target performance measure.
Marketing / Public Relations Events and Public Education Campaigns		
Collaboration on Marketing / Public Relations Events and Public Education Campaigns	PAG and the Ministry's Communications Branch will work collaboratively with the HCRA to: <ul style="list-style-type: none"> plan and develop joint Minister/ Ministry / the HCRA 	The HCRA will work collaboratively with PAG and the Ministry's Communications Branch to: <ul style="list-style-type: none"> plan and develop joint the HCRA/Minister/Ministry marketing

Description	Responsibility	
	Minister/Ministry	HCRA
	<p>marketing and public relations events; and</p> <ul style="list-style-type: none"> obtain information on the HCRA specific events, public education campaigns, industry events to be attended by the HCRA, communications research and best practices. <p>PAG will be the lead in contacting the HCRA about communications activities, respecting the one-window approach. However, the Communications Branch may follow up directly with the HCRA while keeping PAG fully informed of discussions and planned activities.</p>	<p>and public relations events; and</p> <ul style="list-style-type: none"> provide information on the HCRA specific events, public education campaigns, industry events to be attended by the HCRA, communications research and best practices. <p>The HCRA will initially contact PAG about communications activities, respecting the one-window approach. However, the HCRA may subsequently follow up directly with the Ministry's Communications Branch, while keeping PAG fully informed of discussions and planned activities.</p>
Other		
Information concerning Board member competencies	PAG will make requests to the HCRA for information as and when required.	The HCRA shall provide to PAG at least once annually, and as requested, the Board's skills profile.
Information concerning communications campaigns/activities undertaken by the HCRA	PAG will make requests to the HCRA for information regarding planned communications campaigns/activities.	The HCRA will provide information on key communication activities to PAG on a quarterly basis and on request.

Home Construction Regulatory Authority



Chair of the Board

Date: Oct. 30, 2020

Her Majesty the Queen in right of Ontario



Minister of Government and Consumer Services

Date: November 2, 2020

SCHEDULE “C” – COMPETENCY CRITERIA FOR MEMBERS OF THE BOARD OF DIRECTORS

HOME CONSTRUCTION REGULATORY AUTHORITY

All Board members must meet the following competency criteria.

As a basic prerequisite, each Board member shall be an individual who is not less than 18 years of age, has the power under law to contract, has not been found by a court in Canada or elsewhere to be mentally incompetent and does not have the status of a bankrupt.

General competencies and people skills for effective participation as a contributing Board member (such as collaboration, completing tasks in a timely manner, building consensus, etc.) are considered prerequisites for consideration that all Board members should possess.

Each Board member brings unique skills and experience to the Board. In selecting new Board members, attention will be given to ensuring that the collective mix of skills and experience supports the Board’s ability to add strategic value to the HCRA.

The Board will strive to be constituted to reflect the diversity of Ontario, with an inclusion lens applied to consider gender, race, age, geographical representation, accessibility, language and other diversity criteria.

Collective Board Skills and Experience

The Board recognizes the importance of having a diversity of backgrounds from both within and outside the home construction and regulatory sectors, and will seek a balance of Board members who both have and do not have direct work experience in:

- Consumer Protection
- Residential Construction Industry
- Regulatory Bodies

Collectively, Board members should:

- possess a positive orientation for proactive consumer protection initiatives;
- provide strong participation that strives for excellence and supports consensus-building;
- be strategic thinkers who take a governance-focused approach to Board responsibilities; and
- demonstrate a willingness to proactively support the HCRA’s Statutory Mandate, mission, vision and values.

The Minister-appointed Board members may include representatives of the public, consumer groups, businesses, government organizations and representatives of other interests as the Minister determines.

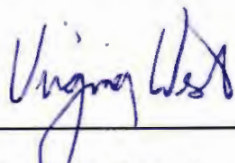
Individual Knowledge and Experience

Consideration of existing Board strengths and identification of any gaps should be used to recruit new Board members who complement the existing Board members' knowledge and experience, with a goal of addressing the following skills and experience across the full Board as much as possible:

- **Financial Oversight and Planning:** Experience or knowledge regarding audit, finances, investment or asset portfolio expertise, accounting, risk management and compliance requirements, particularly in an oversight or supervisory capacity.
- **Governance:** Experience overseeing and directing a corporation by supervising, building consensus and contributing to executive management.
- **Information Management:** Experience with the planning, procurement and management of IT data collection/analysis/use and systems related thereto, including experience in supervision, accountability and oversight.
- **Risk Management:** Experience or knowledge of the process of assessing risk and acting in such a manner, or prescribing policies and procedures, so as to avoid or minimize loss associated with such risk.
- **Human Resources and Compensation:** Knowledge or expertise in, strategic human resource management. This may include workforce planning, employee engagement, succession planning, organizational capacity, compensation, and professional development.
- **Legal:** Experience or knowledge in interpreting and applying legislation, regulations and compliance requirements, or the legal requirements to develop and operate a not-for-profit or business corporation.
- **Developing & Operating a Business:** Experience being in a leadership position during the start-up or steady-state phases of a business or not-for-profit corporation. Public sector experience an asset.
- **Strategic Planning:** Experience with strategic business planning, including organizational development, human resources, design and effectiveness.
- **Not-for-Profit Experience:** Experience being in a leadership position within a not-for-profit corporation, or having knowledge of the requirements for a not-for-profit.

- **Government Experience:** Knowledge and experience of working within or with provincial or other levels of government, to facilitate the liaising, reporting, and relationship-building necessary to establish a sound footing for the ongoing oversight and accountability relationships. Requires proven political acuity. Administrative authority-specific experience an asset.
- **Licensing and Regulatory Experience:** Experience and competency overseeing or directing a regulator, including rule-making, communication of rules, licensing, monitoring, evaluation, enforcement, and adjudication.
- **Home Building Sector Knowledge:** Knowledge or expertise in the professional practices and transactional environment of the residential construction sector.
- **Consumer Protection Knowledge:** Knowledge and expertise in consumer protection mechanisms, including facilitating consumer redress, and in strengthening consumer awareness of their rights.
- **Teaching, Training, Public and Adult Education:** Experience or knowledge of the development, execution and review of professional education or training programs or public education and awareness initiatives.
- **Marketing/Communications:** Experience as a communications professional with knowledge of best practices in developing public facing material for education, branding, and communication. Social media savvy an asset.
- **Innovation/Design/Collaboration:** Familiarity with brokering innovative partnerships or approaches to operations and organizational design that can facilitate efficiencies, cost-sharing, and ultimately customer service.
- **Diversity, Inclusion and Accessibility:** Experience in or knowledge of championing diversity, inclusion and accessibility in governmental, not-for-profit or private sector organizations.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE “D” – CODE OF CONDUCT FOR DIRECTORS

HOME CONSTRUCTION REGULATORY AUTHORITY

SECTION 1 GENERAL

1.01 Purpose and Scope

This Directors’ Code of Conduct and Policy on Conflicts of Interest (the “**Code**”) has been approved by the board of directors (the “**Board**”) of the HCRA (the “**Corporation**”). The Code is intended to govern the conduct of directors of the Corporation (the “**Directors**”). It also sets out guidelines for avoiding and disclosing conflicts of interest and keeping information confidential.

1.02 Definitions

Unless otherwise specified, the words and expressions used in this Code shall have the same meaning as in By-law No. X of the Corporation, as amended from time to time.

1.03 Complement to By-laws

The provisions of this Code are intended to complement and enhance in a consistent manner the requirements that arise under the *Corporations Act* (Ontario) and the *NHCLA, 2017* (Ontario) and in the Letters Patent and By-laws of the Corporation.

1.04 Interpretation

This Code shall be, unless the context otherwise requires, construed and interpreted in accordance with the interpretation provisions of the Corporation’s By-laws.

SECTION 2 DUTIES AND RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

2.01 Responsibilities

Each Director is expected to become an active participant in a Board that functions effectively as a whole. Each Director is responsible to:

- a) be informed of the constituting documents and legislation under which the Corporation exists, and the Corporation’s By-laws, mission, values, codes of conduct and policies as they pertain to the duties of a Director;

- b) keep generally informed about the licensing and other activities of the Corporation, and general trends in the new home building sector;
- c) attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board;
- d) exercise, in the performance of their duties, the degree of care, diligence and skill required of a Director pursuant to the *Corporations Act*;
- e) be independent and impartial;
- f) not be influenced by self-interest, outside pressure, expectation of reward or fear of criticism;
- g) act with honesty and integrity and conduct himself or herself in a manner consistent with the maintenance of public confidence in the conduct of the Board's business;
- h) offer his or her personal perspectives and opinions on issues that are the subject of Board discussion and decision;
- i) voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board;
- j) maintain solidarity with the Board in support of a decision that has been made in good faith in a legally constituted meeting;
- k) ask the Directors to review a decision, if he or she has reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations and duty of care;
- l) work with the staff of the Corporation on committees, advisory councils or task forces of the Board;
- m) know and respect the distinction in the roles of Board and staff consistent with the principles underlying these governance policies;
- n) exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with the Corporation's By-laws and policies, and in particular with this Code; and
- o) comply with all other codes and policies approved by the Board from time to time.

2.02 Conduct of Directors

A Director will at all times conduct himself or herself in a manner that:

- a) supports the objectives of the Corporation;
- b) serves the overall best interests of the Corporation;
- c) subordinates personal interests, and those of any particular constituency, to the best interests of the Corporation;
- d) brings credibility and goodwill to the Corporation;
- e) respects principles of fairness, transparency and due process;
- f) demonstrates respect for individuals and human rights;
- g) respects and gives fair consideration to diverse and opposing viewpoints;
- h) demonstrates due diligence and dedication in preparation for, and attendance at, meetings, special events and in all other activities on behalf of the Corporation;
- i) demonstrates good faith, prudent judgment, honesty, transparency and openness in his or her activities performed on behalf of the Corporation;
- j) ensures that the financial affairs of the Corporation are conducted in a responsible and transparent manner with due regard for his or her fiduciary responsibilities and public trusteeship;
- k) avoids real or perceived conflicts of interest; and
- l) conforms with the By-laws and policies approved by the Board, including this Code and the Oath of Office and Confidentiality Agreement.

SECTION 3

CONFLICT OF INTEREST GUIDELINES

3.01 Integrity

These Conflict of Interest Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board. Directors shall act at all times in the best interests of the Corporation rather than in their own interest or in the interests of particular constituencies. This means putting the interests of the Corporation ahead of any personal interest or the interest of any other person or entity. It also means performing his or her duties and transacting the affairs of the Corporation in such a

manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.

3.02 No Pecuniary Benefit

- a) No Director shall directly or indirectly receive any profit from his or her position; *provided that*, notwithstanding anything herein contained to the contrary, Directors may receive reasonable payment for their services and reimbursement for reasonable expenses incurred by them in the performance of their duties as permitted in the By-laws or any policy of the Corporation and approved by the Board in accordance with the obligations of the Corporation under any Administrative Agreement entered into by the Corporation with Her Majesty the Queen in right of the Province of Ontario.
- b) The pecuniary interests of immediate family members (including the immediate family members of a Director's partner) or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

3.03 Definition of Conflict of Interest

- a) A conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interests of the Corporation and includes conflicts as described in subsection 3.04 hereof.
- b) A conflict of interest may be real, potential or perceived in nature.
- c) A real conflict of interest arises where a Director has a private or personal interest, for example, a close family connection or financial interest.
- d) A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
- e) A perceived or apparent conflict of interest may exist when a reasonable, well-informed person has a reasonable belief that a Director has a material conflict of interest, even if there is no real conflict.
- f) Full disclosure, in itself, does not remove a conflict of interest.

3.04 Examples of Conflict of Interest on the Part of a Director

The following examples constitute conflicts of interest under this Code:

- a) Any circumstance that may result in a personal or financial benefit to a Director or his or her family, business associate or friend. This includes, but is not limited to, accepting

any payment for services rendered to the Corporation other than payment for services of a Director as permitted in this Code, including contracted work or honoraria; or accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.

- b) Personal interests which conflict with the interests of stakeholders of the Corporation or are otherwise adverse to the interests of the Corporation.
- c) Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Corporation.
- d) Being a member of the board or staff of another organization which might have material interests that conflict with the interests of the Corporation or its stakeholders; and, dealing with matters on one board which might materially affect the other board.
- e) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate, or friend of the Director.

3.05 Principles for Dealing with Conflict of Interest

- a) Both prior to serving on the Board and during their term of office, Directors must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Board or its committees deals with the matter at issue.
- b) If the Director is not certain whether he or she is in a conflict of interest position, the matter may be brought before the Board or the Chair, who may in turn consult with the Corporation's legal counsel for advice and guidance.
- c) If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by resolution if a conflict exists, after obtaining legal advice if necessary. The Director potentially in conflict of interest shall not vote on the issue and, unless otherwise decided by the Board, shall be absent from the discussion.
- d) It is the responsibility of other Directors who are aware of a real, potential or perceived conflict of interest on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.
- e) The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.

3.06 Gifts and Hospitality

Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities,

privileges or other personal rewards, which are intended to influence the activities or affairs of the Corporation. Directors may, however, give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided further proper accounting of any such expenses is made.

3.07 Complaints and Disputes Involving Directors

- a) The Board, in a meeting duly called for the purpose, shall review any complaints that a Director has violated any provision of the Corporation's By-laws, or policies approved by the Board, in particular, this Code and the Oath of Office and Confidentiality Agreement.
- b) The Board shall similarly review disputes between Directors that interfere with the ability of the Board to carry out its duties.
- c) Complaints may be referred to an independent arbiter by resolution of the Board.
- d) Allegations of illegal activity shall be immediately referred to appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.
- e) The review of such complaints or disputes shall include an opportunity for the Director concerned to present his or her position.
- f) The Board may make such determination as it sees fit including:
 - i. dismissal of the complaint;
 - ii. a letter of reprimand to the Director from the Board;
 - iii. oral censure of the Director in question before the Board;
 - iv. removal of the Director from the Board by the members of the Corporation; or
 - v. such other outcomes as the Board determines is appropriate having regard to the facts and the gravity of the violations of this Code.

SECTION 4 CONFIDENTIALITY

4.1 Confidential Information

Confidential information ("Confidential Information") means all information relating to the business and affairs of the Corporation, regardless of the manner in which it is furnished

(whether oral or in writing or in any other form or media) or obtained by the Director through observation or examination of the Corporation's facilities or procedures, but does not include information that is:

- a) already published or otherwise is or becomes readily available to the public, other than a breach of this Code;
- b) rightfully received by the Director from a third party not in breach of any obligation of confidentiality to the Corporation;
- c) proven to be known by the Director on a non-confidential basis prior to disclosure hereunder; or
- d) proven to be developed by the Director independent of any disclosure by the Corporation.

4.2 Use of Confidential Information

The Director will at all times use Confidential Information solely for the purposes of the Corporation. Subject to Section 4.5, the Director will not disclose Confidential Information to any person other than the Corporation's representatives who have a need to know the Confidential Information. The Director will:

- a) prior to disclosing the Confidential Information to any such representative, issue appropriate instructions to such representative with respect to the restrictions that apply to the Confidential Information and obtain the representative's agreement to receive and use the Confidential Information on a confidential basis on the same conditions as contained in this Code and otherwise to comply with the terms hereof; and
- b) be responsible for any and all of his or her breaches of the terms of this Code.
- c) Confidential Information may not be copied, reproduced in any form or stored in a retrieval system or database by the Director without the prior written consent of the Corporation, except for such copies and storage as may be required by the Director in his or her capacity as a member of the Board. The Director will take reasonable security measures and use care to preserve and protect the secrecy of, and to avoid the disclosure or use of Confidential Information. The Director will promptly advise the Corporation in writing of any misappropriation or misuse by any person of Confidential Information that may come to his or her attention.

4.3 Return of Confidential Information

Upon the request of the Corporation, any Confidential Information it has furnished to the Director will be promptly returned (accompanied by all copies thereof made by the Director) and, to the extent reasonably practicable, deleted from all retrieval systems

and databases by the Director. With the consent of the Corporation, any Confidential Information that would otherwise be returned to the Corporation may instead be destroyed by the Director. The Director will deliver to the Corporation a certificate by the Director of such return (or destruction) and deletion.

4.4 Rights in Confidential Information

All right, title and interest in and to the Confidential Information will remain the exclusive property of the Corporation and the Confidential Information will be held in trust and confidence by the Director for the Corporation. No interest, licence or any right respecting the Confidential Information, other than expressly set out herein, is granted to the Director under this Code by implication or otherwise. Nothing herein contained will be deemed to limit or restrict the rights of the Corporation to assert claims for copyright infringement against the Director.

Directors shall receive and hold all personal and financial information in a confidential manner in accordance with applicable law and the Corporation's Policy on Confidentiality.

4.5 Legally Required Disclosure

If the Director is required by applicable law or legal process to disclose any Confidential Information, the Director may make such disclosure but must first provide the Corporation with prompt notice of such requirement, unless notice is prohibited by law, in order to enable the Corporation to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Code or both. The Director will not oppose any action by the Corporation to seek such a protective order or other remedy. If, failing the obtaining of a protective order or other remedy by the Corporation, such disclosure is required, the Director will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.

4.6 Confidential Information

It is the responsibility of Directors to know what information is confidential and to obtain clarification when in doubt. Except as the Director may be compelled by applicable legal process, a Director must, both during and after his or her tenure as a Director, treat as confidential all information regarding the policies, internal operations, systems, business and affairs of the Corporation obtained by reason of his or her status as a Director and not generally available to the public. A Director shall not use information obtained as a result of his or her involvement on the Board for his or her personal benefit. Each Director shall avoid activities which may create appearances that he or she has benefited from confidential information received during the course of his or her duties as a Director.

**SECTION 5
OTHER**

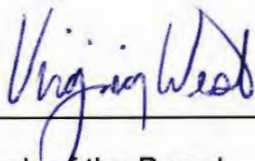
5.01 Review of Code

Each Director, forthwith after being elected, shall meet with the Corporation's legal counsel or the Chair of the Board to review this Code and such other policies of the Corporation that apply to Directors.

5.02 Oath of Office and Confidentiality Agreement

Each Director is required to sign and agree to comply with the Oath of Office and Confidentiality Agreement. Failure to do so will result in removal from office as a Director.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: *Oct. 30, 2020*

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE “E” – CORPORATE PLANNING AND REPORTING

HOME CONSTRUCTION REGULATORY AUTHORITY

The corporate planning and reporting documents of the Home Construction Regulatory Authority (HCRA) are essential communications vehicles for demonstrating responsible stewardship of regulatory authority in the achievement of consumer protection. As such, the HCRA will strive to continuously improve and strengthen linkages between strategic planning, business planning and reporting.

Recognizing that corporate planning and reporting documents have a broad audience that includes government, sector stakeholders and the public, the HCRA will use plain language so that the objectives and performance of the HCRA are clear and easy for the average reader to understand.

The corporate planning and reporting documents should easily allow for comparisons between them. For example, the strategic objectives, commitments and activities in the business plan should be aligned with the outcomes contained in the annual report.

The HCRA’s corporate planning and reporting documents will support the accountability framework as laid out in the administrative agreement between the Minister and the HCRA, and the Act.

In addition to the requirements specified directly in the administrative agreement, the HCRA’s corporate planning and reporting documents shall include, at a minimum, the following:

1. BUSINESS PLAN

The HCRA will draft a business plan annually that identifies a coordinated set of activities to achieve the HCRA’s strategic objectives for the next three-year period. The business plan will state the specific activities that will be undertaken in the fiscal year, as well as identify resources to achieve the HCRA’s strategic objectives and successfully deliver its services. The business plan shall include, at a minimum, the following:

1.1 Corporate Overview

A general overview of the HCRA, including its mandate, mission, vision and values. It will also describe the HCRA’s structure, services, regulated sector and include a description of the nature of the relationships between the HCRA and the government and the Minister.

1.2 Business Planning Overview

An explanation of the connections between strategic planning, the business plan and the annual report.

1.3 Objectives, Activities and Performance Measures

Details on the performance measures that link the HCRA's objectives to the statistical outcomes that will be reported in the annual report, including, at a minimum, the following:

- (a) **Strategic Objectives** (priority outcomes that the HCRA proposes to achieve to successfully administer the Delegated Provisions, including those aimed at enhancing protections for consumers and the professionalism of licensees):
 - **Core strategic objectives** relate to the HCRA's Statutory Mandate, focus on consumer protection objectives, and address high priority risks;
 - **Supporting strategic objectives** relate to other aspects of operations such as governance, financial objectives, communication, risk management or stakeholder relations;
 - Should the HCRA's objectives change at any point during a given year, the HCRA will notify the Minister prior to the start of the next fiscal year.
- (b) **Strategies** (the initiatives and approaches that will be employed to undertake activities in order to achieve objectives);
- (c) **Outcome measures** (details about how outcomes for the planning period will be measured or assessed);
- (d) **Outcome targets** (annual targets for the outcome measures):
 - Outcome measures and targets should enable year-to-year comparisons demonstrating the HCRA's:
 - Effectiveness (primarily related to core strategic objectives),
 - Efficiency (could be related to supporting strategic objectives, including things such as overhead costs, administration to program delivery ratios), and
 - Performance based on customer and stakeholder satisfaction.

- Where a year-to-year comparison is not possible because of a change in performance measures, the HCRA shall provide a rationale regarding the change, and sufficient information to enable a comparison.
- (e) **Activities** (planned annual actions that will support the execution of the strategies to achieve the objectives):
- The activities in the business plan usually reflect core strategic objectives;
 - The business plan may also include activities that reflect supporting strategic objectives;
 - The business plan must include descriptions of the HCRA's means to:
 - manage and resolve complaints;
 - provide French language services to the public; and
 - undertake activities to ensure that the goods, services and facilities are accessible in accordance with the *Accessibility for Ontarians with Disabilities Act, 2005* and any other relevant accessibility activities.
- (f) **Activity measures** (details about how activities will be measured or assessed to evaluate performance):
- Measures can be quantitative or qualitative.
- (g) **Activity targets** (measurable activity targets set for the fiscal year).

1.4 Resources Needed To Meet Objectives

- Assess the adequacy of financial, human and other resources required by the HCRA to meet its objectives over the planning horizon.
- Forecast anticipated revenues (derived from regulatory and non-regulatory business, if applicable) and planned expenditures for the next three-year period.

2. ANNUAL REPORT

The HCRA's annual report is the primary mechanism for reporting results for the previous year. The annual report shall include, at a minimum, the following:

2.1 Organizational Overview

This section of the annual report shall set out:

- Introduction
- Mandate, mission, vision and values
- Overview of the organization
- Message from the Chair
- Message from the CEO
- Message from the Registrar

2.2 Report on Performance

The HCRA shall report results for each performance measure as set out in the business plan. If the target has not been met, the HCRA shall explain why achievement was not possible in that fiscal year.

(a) Performance Statistics:

When possible, statistical reports should be in chart form to facilitate comparisons over time. The HCRA may include any statistics it considers relevant to its administration of the Delegated Provisions in this section. Performance statistics reported should, at a minimum, include:

- The activities completed over the prior year which reflect the activity measures in the business plan;
- The outcome results achieved in the previous year, which reflect performance against outcome measures and targets established in the business plan, in these areas:
 - Compliance and enforcement, such as registration and licensing, complaint resolution, inspections, investigations, prosecutions;
 - Efficiency, such as turn-around times for licensing, complaints, inspections, discipline; and
 - Education and awareness initiatives, and handling of complaints;

(b) Review of Legislation, By-Law and Policy Changes:

Outline any changes made to the Act and regulations, the HCRA by-laws or policies during the fiscal year.

(c) French Language Services:

Report on the provision of French language services pursuant to section 28 of the Act, including how those services were provided, the total number of inquiries that were received in French during the reporting period, and any other statistics that

the HCRA considers relevant.

(d) Complaint Handling Process and Outcomes:

Review of the complaint handling and dispute resolution processes provided by the HCRA including outcomes, appeal procedures and information to the public on how to register complaints against licensees and against the HCRA.

(e) Accessible Goods, Services, or Facilities:

Report on the provision of accessible goods, services or facilities pursuant to the *Accessibility for Ontarians with Disabilities Act, 2005*, including how those goods, services or facilities were provided, the total number of inquiries that were received for accessible goods, services or facilities during the reporting period, and any other statistics that the HCRA considers relevant.

2.3 Corporate Governance

This section shall provide a summary of how the HCRA is governed by providing, at a minimum, the following information, which may alternatively be posted on its web site:

- Role of the Board
- Election/appointment process of the Board
- Basic qualifications of the Board
- Committees of the Board
- Code of Conduct for Directors
- Board of Directors (including biographies)
- Directors' terms of election/appointment
- Officers (including biographies)
- Organization chart
- HCRA contact information

2.4 Financial Statements and Notes

The annual report shall include the audited financial statements, including any notes.

2.5 Management Discussion and Analysis

This section shall provide a discussion and analysis intended to assist with an understanding of the material financial changes in the HCRA's operations over the past fiscal year, to be read along with the financial statements and accompanying notes. This discussion shall include a breakdown of regulatory and non-regulatory business, if applicable.

3. RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT PLAN

Utilizing a risk-based approach to mandate fulfillment and service delivery, the HCRA will conduct a risk assessment to identify, assess and mitigate risks and develop a risk management plan that will include:

- (a) The HCRA's objectives;
- (b) Risks to the achievement of those objectives
- (c) Risk mitigation strategies;
- (d) Maintenance of a system of internal controls to minimize risk; and
- (e) Documentation of policies and procedures to manage risk.

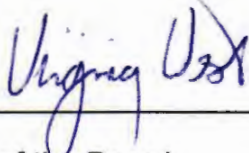
In order to facilitate informed and coordinated responses to any issues that emerge, twice annually the Regulatory Authority will provide the Minister with reports on high and medium risks with corresponding mitigation strategies.

A summary of the risk management plan including a summary of key information that conveys how the authority will ensure continuous delivery of critical business services in the event of an emergency (e.g. expansion of digital service delivery), shall be provided to the Minister annually for review at the same time as, or as a component of, the HCRA's annual business plan. The occurrence of any risk(s) that required the use of any mitigations can be reported through the Annual Report.

4. ANNUAL BURDEN REDUCTION PLAN

Upon request from the Minister (or Ministry), the Regulatory Authority must provide a burden reduction plan that identifies opportunities that the Regulatory Authority could implement to respond to the government's commitment to cut red tape and reduce regulatory burden in Ontario. These opportunities could include legislative and regulatory proposals, but should also consider how the Regulatory Authority can operate more effectively and efficiently principles and provide digital services to their regulated sectors and consumers.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE "F" - INITIAL FEE SETTING PROCESS AND CRITERIA

HOME CONSTRUCTION REGULATORY AUTHORITY

Application

This Schedule applies exclusively to initial fees, costs or other charges ("fees") set by the Regulatory Authority that take effect on the date of its designation, in accordance with section 29 of the Act. This Schedule also does not apply to any changes to such initial fees, or to incidental administrative fees such as non-sufficient funds charges.

Objectives

In setting fees, the Regulatory Authority has the following objectives:

- To comply with clause 29(1)(b) of the Act to set and collect fees, costs or other charges relating to the administration of the delegated provisions of the Act and its powers and duties under the Act;
- To ensure the development of fees that are consistent with the Regulatory Authority's operating principles and obligations under this Agreement, including the obligation to ensure that the Regulatory Authority has adequate resources to comply with the Agreement and the Act;
- To achieve full recovery of all delivery costs, consistent with the ongoing viability of the Regulatory Authority as a not-for-profit corporation and at the same time provide service delivery value for stakeholders;
- To ensure that the Board considers the impact of an initial fee on new home builders and vendors and other related entities or individuals; and
- To ensure that stakeholders have input into the fee setting process.

No initial fee shall come into effect unless it has been approved by the Board and the relevant steps outlined in this Schedule have been completed.

Process for initial fees that take effect on the date of the Regulatory Authority's designation.

Every proposal to establish an initial fee under section 29 of the Act that would take effect on the Regulatory Authority's designation shall be subject to a Fee Review Analysis and consultation conducted by the Regulatory Authority in accordance with the Fee Review Analysis, Consultation and Notice, and Criteria sections set out below.

Fee Review Analysis

The Regulatory Authority shall prepare a Fee Review Analysis that shall be in the form of a business case consisting of a written analysis for the initial fees that shall include:

- A scan of trends that may be occurring in the new home building sector or otherwise that could impact the Regulatory Authority;
- Estimated costs for new, existing or expanded programs, and costs associated with implementing new or amended legislation.
- A rationale based on the Regulatory Authority's actual and projected revenues and expenses as well as impact on standards of service;
- A summary of stakeholder comments solicited in accordance with the Consultation and Notice process set out below; and
- A statement of compliance with the Criteria set out below.

Consultation and Notice of Initial Fees

The Regulatory Authority shall provide the Ministry with written notice of an initial fee proposal, together with the Fee Review Analysis (not including the summary of stakeholder comments), by no later than ten days after the administrative agreement is signed by both parties. The Regulatory Authority shall provide written notice of any additional proposals for initial fees that would take effect on the date of its designation, at least 30 days in advance of soliciting comments from sector stakeholders, together with the respective Fee Review Analysis.

The Regulatory Authority shall solicit comments from new home builders and vendors as well as sector stakeholder groups on the proposed fees for at least 20 days, unless the Minister waives the consultation requirement or authorizes a shorter consultation period. A summary of the comments, once received, shall be forwarded to the Ministry for information, and shall complete the Fee Review Analysis. The Regulatory Authority will also provide the Ministry with a copy of the draft notice to new home builders and vendors at this time.

Notwithstanding the above, unless and until a regulation designating the Home Construction Regulatory Authority as the Regulatory Authority for the purposes of the Act is filed, the Regulatory Authority shall not conduct consultations on its initial fee proposal, solicit comments from new home builders or vendors and sector stakeholder groups, or otherwise release its fee proposal to the public. The Ministry will inform the Regulatory Authority if and when such a regulation is filed.

The Regulatory Authority shall give concurrent written notice to the Ministry and new home builders and vendors at least 60 days prior to the initial fees taking effect, unless the Minister authorizes a shorter notice period.

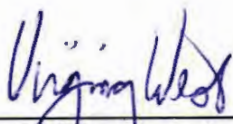
Criteria

In developing a proposed initial fee, the Regulatory Authority shall give appropriate consideration to the potential impact of the fee on new home builders and vendors and

other related entities or individuals. In addition, the following criteria shall be considered and addressed:

- Fees will be set on a cost recovery basis.
 - When setting fees, the Regulatory Authority shall take into account any related fees that will or already exist and how they may offset fees to be paid to the Regulatory Authority and vice versa.
- Fees will also be designed to cover:
 - costs that cannot be directly attributable to those who pay fees, including complaint handling, inspection, investigation, prosecution, public education, public awareness campaigns, website development and maintenance, governance programs, government oversight and reporting, and general administration.
- The fees charged for different services and licensing types shall reflect:
 - the comparative costs to the Regulatory Authority for processing applications or providing the services;
 - the period during which a licence shall be effective; and
 - uniformity of application regardless of geographic location.
- All fees will be payable when an application is made or when a service is requested or provided. A partial refund may be made (after deducting the Regulatory Authority's costs) for cancelled applications or requests for service. Notwithstanding the above, no refund will be issued for cancellations received after an application has been processed or a service has been delivered.
- A reasonable late fee may be charged for applications, payments, filings, or other submissions that are received late. Where applicable, standard business practices will be followed (e.g., interest charged on overdue accounts, etc.).
- In establishing or revising a fee, appropriate consideration shall be given to deterring breaches of the Act.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE “G” – FEE SETTING PROCESS AND CRITERIA

HOME CONSTRUCTION REGULATORY AUTHORITY

Application

This Schedule applies exclusively to fees, costs or other charges (“fees”) set in accordance with section 29 of the Act by the Home Construction Regulatory Authority. This Schedule does not apply to Administrative Monetary Penalties or any fines imposed by a discipline or appeals committee, or to] incidental administrative fees such as non-sufficient funds charges.

Objectives

In setting fees, the HCRA has the following objectives:

- To comply with clause 29(1)(b) of the Act to set and collect fees relating to the administration of the Act;
- To ensure the development of fees that are consistent with the HCRA’s operating principles and obligations under the Act and this Agreement, including the obligation to ensure that the HCRA has adequate resources to comply with the Agreement and the Act;
- To achieve full recovery of all delivery costs, consistent with the ongoing viability of the HCRA as a not-for-profit corporation and at the same time provide service delivery value for stakeholders;
- To ensure that the Board considers the impact of a new fee or a fee change on consumers; and
- To ensure that, in the case of new fees or fee changes greater than of the cost of inflation, stakeholders have the opportunity to provide input into the fee setting process.

No new fee, or fee change, shall come into effect unless it has been approved by the Board and the relevant steps outlined in this Schedule have been completed.

Furthermore, in all instances, the HCRA must notify the Minister with at least 30 days advance notice for any fee change, including an increase in fees or a decrease in fees. However, the Minister may waive the process, steps in the process, or the required notice timeframes if the Board provides evidence satisfactory to the Minister.

Process for fee change reduction

Where the Board has approved a fee change under section 29 of the Act that would temporarily or permanently reduce the amount of the fee, the HCRA shall provide the

Minister with at least 30 days advance written notice of the proposed fee change, following which at least 60 days written notice shall be provided to licensees. In this circumstance, the Fee Review Analysis including the Consultation and Criteria described below is not required. However, the HCRA must provide a timeframe for the reduced fee and a summary of the HCRA's forecasted revenue to ensure that the reduced fee revenue does not adversely impact its operations and financial sustainability.

Process for fee changes no greater than the cost of inflation

Where the Board has approved a fee change under section 29 of the Act no greater than the cost of inflation, the HCRA shall provide the Minister with at least 30 days advance written notice of the proposed fee change, following which at least 60 days written notice shall be provided to licensees. In this circumstance, the Fee Review Analysis including the Consultation and Criteria described below is not required.

Process for new fees or fee changes greater than the cost of inflation

Every proposal to establish a new fee under section 29 of the Act, or a fee change under section 29 of the Act greater than the cost of inflation, shall be subject to a Fee Review Analysis and consultation conducted by the HCRA in accordance with the Fee Review Analysis, Consultation and Notice, and Criteria sections set out below.

Fee Review Analysis

The HCRA shall prepare a Fee Review Analysis that shall be in the form of a business case consisting of a written analysis for the new fee or fee change greater than the cost of inflation that shall include:

- a scan of trends that may be occurring in the new home building sector or otherwise that could impact the HCRA;
- estimated costs for new, existing or expanded programs as outlined in the HCRA's business plan;
- estimated costs associated with implementing new or amended legislation;
- a rationale based on the HCRA's historical, actual and projected revenues and expenses as well as impact on standards of service;
- a summary of stakeholder comments solicited in accordance with the Consultation and Notice process set out below; and
- a statement of compliance with the Criteria set out below.

The HCRA shall provide the Minister with advance written notice of the new fee or fee change proposal and await the earlier of receiving written acknowledgment from the Minister to proceed, or 45 days, before soliciting comments from licensees and sector

stakeholder groups, or the fee proposal otherwise becoming public. The Fee Review Analysis (not including the summary of stakeholder comments) shall be submitted to the Minister at this time.

Consultation and Notice

The HCRA shall solicit comments from licensees and sector stakeholder groups on the proposed new fee or fee change greater than inflation for a period of at least 30 days, in advance of the written notice described below. A summary of the comments, once received, shall be forwarded to the Minister for information, and shall complete the Fee Review Analysis. The HCRA shall also provide the Minister with a copy of the draft notice, informing licensees and sector stakeholders that a new fee or fee change greater than inflation will take effect, at this time.

Concurrent written notice shall be given to the Minister and licensees and sector stakeholders at least 60 days prior to the new fee or fee change greater than the cost of inflation taking effect.

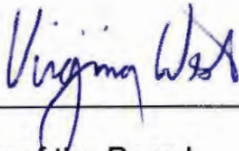
Criteria

In developing a proposed new fee or fee change greater than the cost of inflation, the HCRA shall give appropriate consideration to the HCRA's business plan and to the potential impact of the fee or fee change on consumers and licensees. In addition, the following criteria shall be considered and addressed:

- Fees shall be set on a cost recovery basis and designed to cover all of the HCRA's costs including those which cannot be directly attributable to the payees, including complaint handling, inspection, investigation, prosecution, public awareness campaigns, website development and maintenance, governance programs, government oversight and reporting, and general administration.
- The relative fees charged for different services and licensing types shall reflect:
 - the comparative costs to the HCRA for processing applications or providing the services;
 - the period during which a licence shall be effective; and
 - uniformity of application regardless of geographic location.
- All fees shall be payable when an application is made or when a service is requested or provided. A partial refund may be made (after deducting the HCRA's costs) for cancelled applications or requests for service. Notwithstanding the above, no refund shall be issued for cancellations received after an application has been processed or a service has been delivered.
- A reasonable late fee may be charged for applications, payments, filings, or other submissions that are received late. Where applicable, standard business

- practices shall be followed (e.g. interest charged on overdue accounts, etc.).
- In establishing or revising a fee, appropriate consideration shall be given to deterring breaches of the Act.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: *Oct. 30, 2020*

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

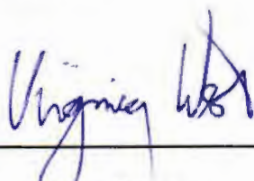
SCHEDULE "H" – PAYMENTS

BY THE HOME CONSTRUCTION REGULATORY AUTHORITY

Home Construction Regulatory Authority (HCRA) agrees to pay an oversight fee to the Minister for each Provincial fiscal year (April 1 to March 31) as of fiscal year 2022/23 unless otherwise specified by the Minister on the following terms:

1. An annual amount ("the payment") as determined by the Minister. The purpose of the oversight fee the Minister charges to the HCRA is to recoup the government's costs of the regulatory regime in its entirety. This includes the cost to government of oversight of the HCRA, responsibility for the development of legislation and regulations administered by the HCRA, and advice to the Minister in the execution of his or her duties in respect of the consumer protection regulatory regime within his or her mandate. The Minister will share with the HCRA the detailed information regarding the calculation of the cost of regulatory oversight upon request.
2. For each fiscal year, the Minister shall determine the payment for each year and will notify the HCRA at least 18 months in advance of the payment being due. If, during the fiscal year, the costs of regulatory oversight as determined by the Minister exceed the payment amount, the Minister may, after reasonable notice and prior consultation with the HCRA, increase the payment amount accordingly.
3. The payment for each fiscal year ending March 31 will be remitted to the Minister by way of cheque payable to the Minister of Finance within 30 days of the date of the invoice sent by the Minister each year.
4. Late payments will be subject to interest charged at the interest rate for unpaid debts to the Crown as fixed from time to time by the Lieutenant Governor in Council in accordance with subsection 10(4) of the *Financial Administration Act*.

**Home Construction Regulatory
Authority**



Chair of the Board

Date:

Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE “I” – ACCESS AND PRIVACY CODE

HOME CONSTRUCTION REGULATORY AUTHORITY

1 Overview

- 1.1 The Home Construction Regulatory Authority (HCRA) is a not-for-profit corporation without share capital that, if designated by the Lieutenant Governor in Council, would be the regulatory authority under the *New Home Construction Licensing Act, 2017* and be responsible for licensing of Ontario’s new home builders and vendors. This document establishes policy and practices regarding information in the custody and control of the HCRA, including:
- a) Access to information contained in existing documents collected or maintained by the HCRA in the administration of its anticipated statutory mandate, including personal information;
 - b) The protection of personal information;
 - c) The collection, use and disclosure of personal and other information by the HCRA in the administration of its anticipated statutory mandate; and
 - d) Effective and timely procedural remedies concerning the handling of personal and other information collected by the HCRA in the administration of its anticipated statutory mandate.
- 1.2 Although the Freedom of Information and Protection of Privacy Act does not apply to the HCRA, the HCRA is committed to the principles of promoting transparency and accountability of its regulatory activities, while also ensuring the privacy of personal and sensitive business information.
- 1.3 If designated, the HCRA will be required under the New Home Construction Licensing Act to share information, including personal information and other sensitive business information, with the Minister, Tarion and other prescribed persons. If designated, effective sharing of information between the HCRA and Tarion will be essential to the fulfillment of their respective mandates and to consumer protection. The access to information procedures in this Policy do not apply to the HCRA’s sharing of information with the Minister, Tarion and other prescribed entities. Procedures regarding information sharing between these organizations will be set out in information sharing agreements between these organizations.

2 Purpose

- 2.1 The purposes of this Policy are:

- a) To provide a right of access to information under the control of the HCRA in accordance with the principles that,
 - i) information should be available to the public, and
 - ii) exemptions from the right of access should be limited and specific; and
- b) To protect the privacy of individuals with respect to personal information about themselves held by the HCRA and to provide those individuals with a right of access to that information.

3 Application – Regulatory Activity

- 3.1 This Policy applies to information including *personal information* collected, used or disclosed by the HCRA in the course of the HCRA's anticipated statutory mandate.

4 Definitions

- 4.1 In this Policy:

<i>access</i>	means access by an individual or an organization to a <i>record</i> of information in the custody of HCRA and under the control of the HCRA.
<i>bulk data</i>	means <i>records</i> requested in bulk or selective form that do not contain personal information and may have commercial value.
<i>CEO</i>	means the Chief Executive Officer of the HCRA.
<i>control</i>	means the power or authority to make a decision about the use or disclosure of the <i>record</i> .
<i>custody (of a record)</i>	means the keeping, care, watch, preservation or security of the <i>record</i> for a legitimate business purpose.
<i>enforcement</i>	means: <ul style="list-style-type: none"> a) policing; b) complaints, inspections, deliberations or investigations that lead or could lead to proceedings in a court or tribunal of the HCRA or other provincial and federal enforcement bodies; c) compliance with regulatory requirements; or d) the conduct of proceedings referred to in clause (b)
<i>frivolous and vexatious (requests)</i>	means any request for information instituted, for example, without any reasonable ground; whose purpose is not legitimate, but is designed to harass or to accomplish some other objective unrelated to the process being used; is a repeat request for the purpose of revisiting the previously addressed issue; or is made in bad faith; or, a speculative

	and/or indiscriminate demand for information without any reasonable grounds to identify an expected outcome.
<i>Minister</i>	means the Minister of Government and Consumer Services or any other member of the Executive Council to whom the responsibility for the administration of the <i>NHCLA</i> is assigned under the <i>Executive Council Act</i> .
<i>NHCLA</i>	means the <i>New Home Construction Licensing Act, 2017</i> , S.O. 2017, c. 33, Sched. 1 and the regulations under that Act, as amended from time to time.
<i>ONHWPA</i>	means the <i>Ontario New Home Warranties Plan Act</i> , R.S.O. 1990, c. O.31 and the regulations under that Act, as amended from time to time
<i>personal information</i>	means a <i>record</i> of information about an identifiable individual or by which an individual's identity could be deduced, but does not include the name, title, business address or telephone number of an officer/director or employee of an organization, or a person acting in a business capacity.
<i>public Information</i>	means a <i>record</i> that the HCRA has published on its website or HCRA has otherwise determined is necessary to make available to the public in order to carry out its administration of the <i>NHCLA</i> .
<i>record</i>	means any <i>record</i> of information, however recorded, in the custody and control of HCRA as a result of administration of the <i>NHCLA</i> by the HCRA.
<i>Registrar</i>	means the Registrar as that term is defined in the <i>NHCLA</i> .
<i>Tarion</i>	means Tarion Warranty Corporation, the corporation designated under the <i>ONHWPA</i> .

5 Accountability

- 5.1 The *CEO* (and upon designation, the *Registrar*) shall have accountability for all decisions to release or not release *records* and for the administration of this Policy.
- 5.2 The *CEO* may delegate some or all of their powers and responsibilities under this Policy to a privacy officer or other designate. Any decision of any such delegated person shall be deemed to be a decision of the *CEO*.
- 5.3 The ongoing collection and processing of information may be the responsibility of other individuals within the HCRA.
- 5.4 Although the HCRA takes reasonable steps to ensure the accuracy of the information provided under this Policy, it does not warrant or otherwise guarantee that the information is complete, accurate and/or up-to-date.

6 Statutory Duty of Confidentiality

- 6.1 The HCRA is committed to openness and transparency about its regulatory activities.
- 6.2 If designated, the HCRA will also have a statutory duty under section 80 of the *NHCLA* to maintain confidentiality over information that is obtained in the course of exercising a power or carrying out a duty related to the administration of the *NHCLA*, subject to exceptions. Where permitted under the *NHCLA*, the HCRA will provide access to information in accordance with this policy.

7 Access to Records

- 7.1 Subject the *NHCLA* and the exemptions in this Policy, every person has a right of access to:
 - (a) His or her own personal information in the custody and control of the HCRA,
 - (b) Public information that is in the custody and control of the HCRA, and
 - (c) Information that may be communicated under section 80 of the *NHCLA*.

8 Access Requirements and Procedure – Public Information

- 8.1 The HCRA will ensure that the public has ready access to *public information*, including the information that is required to be public under the *NHCLA*. The HCRA will make *public information* available on the HCRA's website and in other ways determined by the *CEO* in accordance with the *NHCLA*.
- 8.2 The HCRA will promote access to information by communicating *public information* as is required and relevant to its administration of the *NHCLA*.

9 Access Requirements and Procedure – Other Records

- 9.1 Requests for access to information shall be made in writing and addressed to the HCRA's *CEO*. The written request shall include sufficient information to allow the HCRA to identify and authenticate the identity of the requester.
- 9.2 Within a reasonable period of time of receipt of a written request, having regard to the nature of the information requested, the HCRA shall, subject to the exemptions and provisions of the *NHCLA* and of this Policy, provide the person with access to the records requested or with written reasons for refusing access.
- 9.3 Where a person requests access to records that pertain to individuals or organizations other than the requester, this is considered a third party request for information.
- 9.4 Where a third party requests access to information that includes personal information, the HCRA will seek the affected individual's consent prior to providing access to the third party. The HCRA will only provide access to information that

includes personal information to a third party where the affected individual consents or where the access is otherwise permitted by section 80 of the *NHCLA*.

- 9.5 Before proceeding with any access request the HCRA will provide the requester with the approximate cost, if any, of responding to the request, and then confirm whether the requester still wishes to proceed with the access request, or whether the request is to be withdrawn.

10 Exceptions to Access

- 10.1 Mandatory Exceptions: Subject to section 10.3 of this Policy, the HCRA shall refuse a person access to a *record* where the *record* or part of the *record*:

- a) could reveal *personal information* about another individual, unless the affected individual consents to the access, and/or
- b) could reveal confidential financial information of a licensee (or an officer, director or interested person of a licensee) or of an applicant for a licence (or an officer, director or interested person of an applicant),

unless access is required by law, the information is already public, access is appropriate in litigation or regulatory proceedings, or with the consent of the individual or entity to which the information relates.

- 10.2 Discretionary Exemptions: Subject to section 10.3 of this Policy, the HCRA may refuse access to a *record* where giving access to the *record* or part of the *record*:

- a) may violate a legally recognized privilege such as solicitor-client privilege, litigation privilege or settlement privilege or may have been prepared by or for counsel in giving or seeking legal advice or in contemplation of litigation;
- b) may derive from or may compromise an inspection, investigation or *enforcement* activity of the HCRA, including where access may be refused under the exemptions described in section 14 of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, Chapter F.31 if that Act applied to the HCRA
- c) may contain *bulk* data, or other sensitive aggregate data that may identify a specific person;
- d) may have been generated in the course of a dispute resolution process, including the handling of complaints;
- e) may not be in the public interest or could reasonably be expected to threaten the life, health or security of an individual;
- f) may reveal commercial, scientific, proprietary, technical, financial or human resources information of the HCRA or of any individual, entity or third party that has supplied the *records* to the HCRA in confidence, whether explicitly or implicitly;
- g) may reveal the substance of deliberations by one or more of the following:

the HCRA's Board of Directors (including its committees, sub-committees and task forces), the HCRA's Committees (including its Discipline Committee and Appeals Committee), the *CEO*, or other HCRA management. Exempt information may include, but is not limited to: agenda, minutes, notes of participants, policy options and analysis, advice from staff or an external consultant, and advice to and from government;

- h) may be unreasonably costly to provide, taking into account the nature of the request and the volume of documents requested;
- i) may be for a frivolous or vexatious purpose;
- j) may reasonably endanger the security of a building or of a system, including an information system or procedure established for the protection of a building or information for which protection is reasonably required;
- k) may be a report or other information supplied by a government, regulatory or enforcement body to the HCRA in confidence, whether explicitly or implicitly; or
- l) may reveal procurement information, including information submitted to the HCRA in response to a procurement process.

10.3 Where information that is exempted from an *access* request can be reasonably severed or redacted from a *record*, the HCRA may sever or redact the exempted information and provide the requester with access to the remaining part of the *record* that is otherwise not the subject of any exemption.

10.4 The *CEO* may refuse to confirm or deny the existence of a *record* to which subsections 10.2 (a), (b), (d), (e), (g), (i), (k) or (l) apply.

11 Collection and Privacy of Personal Information

11.1 The HCRA shall limit the collection of *personal information* to that which is necessary to carry out the HCRA's anticipated administration of the *NHCLA* and to fulfill its anticipated consumer protection and regulatory mandate.

11.2 The HCRA collects *personal information* from new home purchasers, new home owners and other members of the public in relation to complaints made and concerns raised about licensees. The primary purposes of collecting this information are to assess whether a person has a valid complaint or has raised a valid concern about a licensee, to provide information regarding the person's rights and responsibilities, and to handle or resolve the complaint or concern.

11.3 The HCRA collects *personal information* from applicants for a licence and from licensees (including officers, directors, interested persons, and associated persons of applicants and licensees). The primary purposes of collecting this information are to determine if the person is entitled to a licence or renewal of a licence under the *NHCLA* and to ensure compliance with the *NHCLA*.

11.4 The HCRA collects information, which may include *personal information*, from Tarion

regarding the warranty plan administered under the *ONHWPA* and regarding historical registration information for the purposes of assessing whether a person is entitled to or remains entitled to a licence and to ensure compliance with the *NHCLA*.

- 11.5 The HCRA may collect information from vendors, builders and other prescribed persons as required by the *NHCLA*, including for the purpose of providing that information to Tarion.
- 11.6 By providing the HCRA with *personal information*, an individual consents to its use and disclosure in accordance with this Policy. As well, such consent may be implied through the individual's conduct with the HCRA.
- 11.7 Subject to the exception set out in section 11.8 of this Policy, where the HCRA collects *personal information*, it shall,
- a) Only collect *personal information* directly from the individual to whom the information relates, unless the individual authorizes another manner of collection; and
 - b) Explain to the individual the purpose for collecting the *personal information* and, at or before the time of collection, obtain their consent for its collection, use and disclosure by the HCRA for that purpose.
- 11.8 Where it is necessary for the administration of the *NHCLA*, the HCRA may collect *personal information* without the knowledge or consent of the individual to whom the information relates, and/or without communicating the purpose of the collection.

12 Use and Disclosure of Personal Information

- 12.1 Subject to the exceptions set out under subsection 12.2 of this Policy, the HCRA shall use *personal information* only for the purposes for which it was collected and/or shall disclose such *personal information* with the consent of the individual to whom the information relates.
- 12.2 The HCRA may use or disclose *personal information* without the consent of the individual, or for purposes other than those for which it was collected, if:
- a) the information is shared with the Minister, Tarion, or a prescribed entity in accordance with the *NHCLA*;
 - b) the information is used or disclosed for purposes related to ongoing licensing, inspection, investigation or *enforcement* activity of HCRA pursuant to the *NHCLA*;
 - c) it is required in connection with a proceeding under the *NHCLA* or in connection with the administration of the *NHCLA*;
 - d) it is requested by a ministry, department or agency of a government engaged in the administration of legislation similar to *NHCLA* or legislation that protects consumers or to any other entity to which the administration of legislation similar to *NHCLA* or legislation that protects consumers has been assigned;

- e) it is authorized under the *Regulatory Modernization Act, 2007*;
- f) it is requested by an entity or organization prescribed under the *NHCLA*, if the purpose of the communication is consumer protection;
- g) it is requested by a law enforcement agency;
- h) it is requested by the counsel of the person to whom the *personal information relates*;
- i) the information is subject to an agreement the HCRA has entered into with a third-party consultant or service provider to manage or use the HCRA *records* on its behalf, if such agreement requires the third party to comply with this Policy and have in place security safeguards comparable to those used by the HCRA;
- j) if required by law or pursuant to a court order;
- k) it is disclosed for the purpose for which it was obtained or for a consistent purpose;
- l) it is disclosed to the HCRA's counsel; or
- m) the information is publicly available.

13 Retention and Security of Personal Information

- 13.1 The CEO shall ensure that reasonable measures respecting records containing personal information are developed and put into place to preserve personal information in its custody and control.
- 13.2 Having regard to the level of sensitivity of the particular information, the HCRA shall take all reasonable steps to ensure that *personal information*, contained in both paper and electronic records, is kept secure from loss and theft.
- 13.3 The HCRA shall adopt administrative and security mechanisms to prevent the unauthorized access, disclosure, use, copying or modification of *personal information* under its *custody* and *control*, including:
 - a) Taking reasonable steps to prevent theft, loss or misuse of *personal information* and *records*, and protect them from unauthorized access, modification or destruction;
 - b) Implementing physical and organizational protections for paper records;
 - c) Implementing technological protections for electronic records;
 - d) Ensuring that all employees, the Board of Directors, Committee members, and all consultants or contract workers employed or retained by the HCRA have received adequate training to comply with this Policy; and
 - e) Ensuring that any consultant or service provider retained by the HCRA to manage or use the HCRA records on its behalf agrees to have security safeguards in place comparable to those used by the HCRA.
- 13.4 The HCRA will retain information for as long as is necessary to fulfill the purpose for which it was collected or for its use in accordance with this Policy, and for 12 months thereafter in order to provide an opportunity for the individual to access

their own personal information. A record of personal information may be retained beyond this time period in the following circumstances:

- a) Another law requires or authorizes the retention;
- b) The record is reasonably required for the HCRA's future regulatory actions;
or
- c) The record is transferred to storage or archives for historical research or permanent preservation, provided it is made anonymous of personal information.

13.5 For all records that have fulfilled the purposes for which they were collected or further use and are not to be further retained, the record will be destroyed in a manner that is appropriate given its medium:

- a) A paper record of personal information, and all copies, shall be shredded before it is destroyed.
- b) Electronic data containing personal information is to be deleted from hardware that hosted the data.
- c) Before hardware that hosted electronic data is discarded or destroyed, all electronic data containing personal information is to be deleted

13.6 Ongoing access to *personal information* under the control of the HCRA shall be restricted to appropriate HCRA staff.

14 Correction of Personal Information

14.1 Where an individual disagrees with the accuracy of *personal information* about themselves held by the HCRA, the individual has the right to challenge the accuracy and have it addressed as follows:

- a) Individuals requesting corrections to their own *personal information* in order to ensure its accuracy and/or completeness shall send their requests in writing to the HCRA's *CEO*. The request must include sufficient detail to identify the applicable personal information and the correction being sought.
- b) The HCRA shall respond in writing to a request for correction(s) or amendment(s) to *personal information* within a reasonable number of days after receiving the request, unless there are special circumstances.

14.2 Where the HCRA agrees to correct or amend a *record of personal information*:

- a) Amendments or corrections to *personal information* received from the individual to whom it relates shall be recorded by the HCRA as soon as practically possible, and
- b) The HCRA will provide written notice to every third party to whom the original *record* was provided within the previous twelve (12) months, unless to do so is impractical or would reasonably interfere with the regulatory activities of the HCRA.

- 14.3 If an individual's request for a correction or amendment is refused, the HCRA shall provide the reasons for such refusal in writing to the individual to whom the information relates, and the HCRA will file with the *record* a brief statement of disagreement provided by the individual if requested, unless to do so is impractical or would reasonably interfere with the regulatory activities of the HCRA.
- 14.4 The HCRA may be unable to make a requested correction, due to circumstances that include, but are not limited to the following:
- a) the fact that the statement was made, whether it is correct or not, is relevant to the regulatory activities of the HCRA;
 - b) The HCRA determines that it does not have sufficient knowledge, expertise or authority to make the correction;
 - c) correction or amendment may reasonably interfere with a regulatory process of the HCRA including, but not limited to, an inquiry, inspection, investigation or hearing;
 - d) correction or amendment may reasonably interfere with the regulatory or enforcement activities of another statutory regulatory body or a law enforcement agency;
 - e) correction or amendment may alter an original document that belongs to someone else and will eventually be returned to that person; or
 - f) correction or amendment is prohibited by a law.

15 Fees

- 15.1 *Personal information* shall be made available to the person to whom the information relates at a reasonable cost.
- 15.2 *Records*, other than *bulk data*, shall be made available to a requester at a cost which reflects the total cost of providing the information. The cost of providing *bulk data* will be determined on a case-by-case basis. In determining fees, the HCRA will make efforts to be consistent and base costs on publicly available criteria.

16 Complaints and Remedies

- 16.1 Complaints about the HCRA's handling of *personal information*, access to information or correction to *records* shall be made in writing to the HCRA's *CEO* and shall describe the issue the complainant wishes to have reviewed. The *CEO* will review all complaints and endeavour to respond within 30 days of receipt of the complaint. If the *CEO* is unable to respond within 30 days, the HCRA will advise the complainant of the date a response can be expected. If a complaint is found to be justified, the HCRA shall take appropriate measures to rectify the problem, including where necessary, amending its procedures and practices.

17 Administration

17.1 The HCRA shall implement policies and practices required to give effect to this Policy, as soon as practicable, including those relating to,

- a. advising Board members, management and staff about the Policy, and providing appropriate training to ensure compliance with the Policy's provisions; and
- b. the development of documentation describing this Policy and its related procedures and practices.

18 Interpretation

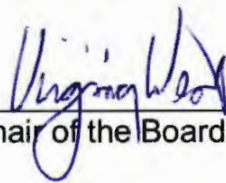
18.1 In the event that this Policy conflicts with the *NHCLA* and any other applicable legislation, the *NHCLA* and applicable legislation shall prevail.

19 Effective Date and Review

19.1 This Policy comes into effect on February 1, 2021 and applies to records received by or created by the HCRA after that date.

19.2 The HCRA shall initiate from time to time a review of this Policy and related policies and practices. If changes are made to this procedure, they will be posted on the HCRA's website.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: Oct. 30, 2020

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020

SCHEDULE "J" – NON-REGULATORY BUSINESS POLICY

HOME CONSTRUCTION REGULATORY AUTHORITY

Authority

The New Home Construction Licensing Act, 2017 authorizes the Home Construction Regulatory Authority (HCRA) to carry out other activities in accordance with its objects except it cannot engage in commercial activity through a person or entity that is related to the HCRA.

This Schedule authorizes the HCRA to undertake non-regulatory business, that is, business in addition to its Statutory Mandate.

Policy

The HCRA will only enter into non-regulatory business arrangements that promote and enhance consumer protection and are consistent with its objects, vision and mission. It will operate in compliance with the principles outlined in this policy. The HCRA will ensure that all of its employees are aware of and act in accordance with this policy.

Policy Principles

- Commitment to Core Responsibilities and Regulatory Integrity: The HCRA will at all times conduct itself in a manner that maintains its ability to effectively deliver its Statutory Mandate, with high standards of integrity and in a non-conflicted manner.
- Fair Business Practices: The HCRA will not use its authority as a regulator to create an unfair business advantage.
- Fair Competition: The HCRA shall ensure that all contracts, agreements or understandings are consistent with competition law.
- Financial Independence: The HCRA will only deliver non-regulatory business services that enhance consumer protection and generate revenues generally to the benefit – and never to the detriment – of its regulatory responsibilities. The HCRA will ensure independent financial reporting of non-regulatory business services.

Compliance

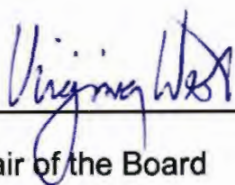
The HCRA will submit to the Minister a statement for each non-regulatory business arrangement confirming that it will not negatively impact its Statutory Mandate and regulatory business and is consistent with this policy. This statement shall be provided to the Minister a minimum of ten (10) business days prior to entering into or bidding on a legally binding contract. The statement shall contain the duration and parties of each contract, and the nature of the work.

The HCRA will communicate this policy to its stakeholders and licensees to ensure a broad base of understanding. The HCRA will monitor its business development activities to ensure this policy is being consistently applied.

The HCRA will implement this policy to ensure appropriate treatment of confidential information, proper disclosure of the HCRA's role, and decision-making that is fair and sound.

Upon request of the Minister, the HCRA will engage a third-party to conduct a review of compliance with this policy. In addition, the HCRA shall make a summary of findings of the review available to the public, including by posting on the HCRA's website.

**Home Construction Regulatory
Authority**



Chair of the Board

Date: *Oct 30, 2020*

**Her Majesty the Queen in right of
Ontario**



Minister of Government and Consumer
Services

Date: November 2, 2020