

POLICY TYPE:	GOVERNANCE/BOARD	
POLICY:	DIRECTOR NOMINATION AND ELECTION POLICY	
APPROVED:	Board of Directors	2023-05-18
REVISION APPROVAL & EFFECTIVE DATES:	2024-02-27; 2025-02-13	
REVIEW RESPONSIBILITY:	Governance and Nominating Committee	
NEXT REVIEW REQUIRED:	2028	

1. Purpose

The purpose of this policy is to outline the processes and procedures for the nomination and election of directors to the OMVIC Board of Directors (the “Board”).

2. Application and Scope

The Governance and Nominating Committee (the “Committee”) manages and oversees the nomination process for election as a director. The Committee is composed of the Board Chair and three other directors, including at least one director appointed by the Minister. In case of a conflict between these processes and procedures and OMVIC By-Law No. 1 (the “By-Laws), the By-Laws prevail.

This policy does not apply to directors appointed by the Minister. Ministerial directors are appointed and serve at the Minister’s pleasure. It is within the Minister’s discretion to determine an appointed director’s length and number of terms.

3. Definitions

“elected director” means a director of the Board elected by the Dealer Members of OMVIC.

“Dealer Member” means a person registered as a motor vehicle dealer under the *Motor Vehicle Dealers Act, 2002*.

“Industry Candidate” means a candidate involved in the motor vehicle industry from one of the following classes:

- Motor vehicle dealers.
- Salespersons.
- Individuals who are directors, officers, employees or agents of registered motor vehicle dealers.
- Individuals who are directors, officers, employees or agents of an industry association representing the interests of motor vehicle dealers or salespersons.
- Individuals who met the description of any class above within one year before becoming a director of the Board of OMVIC.

“Minister” means the Minister responsible for the administration of the *Motor Vehicle Dealers Act, 2002* S.O. 2002, c. 30, Sched. B, or the *Safety and Consumer Statute Administration Act, 1996*, S.O., 1996, c. 19, as the case may be.

“Public Candidate” means a candidate who has no direct personal or business interest in the motor vehicle sales industry.

"Registrant" means a person registered as a motor vehicle dealer or a salesperson under the *Motor Vehicle Dealers Act, 2002*.

4. Board Composition

The Board shall consist of nine (9) directors, three (3) appointed by the Minister and six (6) elected directors. No more than thirty-four percent (34%) of the Board members may be industry directors, with three (3) of the nine (9) directors drawn from the industry. The Board will endeavour to include at least one Registrant among the elected directors.

5. Nominations

5.1. Preparation

At least four (4) months before each annual meeting, the Committee will assess the need for an election based on the terms of the elected directors. Additionally, at least four (4) months prior to the expiration of a current elected director’s term, they will be asked to complete a Re-Election Information Form to indicate their interest in standing for re-election. The Committee will review the submitted forms as part of the evaluation process.

The Committee may engage external services as needed or deemed appropriate to assist with recruitment, review of applications, interview and background checks.

5.2. Skills Profile

If an election is required, the Committee will assess the current Board's skills to determine the skills gaps. This information will be used to create a skills profile for the election. Skills-based selection ensures a diverse mix of knowledge, skills, experience, and attributes for informed decisions in the public interest. The skills profile will be reviewed and updated annually and shall include competency criteria requiring that each director possesses a positive orientation for proactive consumer protection initiatives. The Board is responsible for approving the skills profile recommended by the Committee.

5.3. Qualifications

An individual is ineligible to serve as a director if they:

- (i) are not a resident of Ontario or registered with OMVIC, if applicable.
- (ii) are under eighteen (18) years old.
- (iii) have been found incapable of managing property under the Substitute Decisions Act, 1992 or the Mental Health Act.
- (iv) have been found to be incapable by any court in Canada or elsewhere.
- (v) have the status of bankrupt.

An individual elected or appointed to hold office as a director must consent in writing to such election or appointment before or within ten (10) days after the election or appointment unless such director has been re-elected where there is no break in the director's term of office.

A Board decision as to whether an individual is qualified to be a director is final.

5.4. Call for Applications

The Committee will solicit applications for each elected director's office which will be vacant and for which an election is to be held at an annual meeting of Dealer Members via a call for applications. The application period will allow a minimum of ten (10) calendar days to receive applications. The call for applications will be posted on OMVIC's website and other external websites for board membership opportunities.

The call for applications package will include the following information:

- The number of director positions to be filled at the annual meeting.
- The term of each position to be filled.
- A skills profile, including competency criteria requiring each director to possess a positive orientation for proactive consumer protection initiatives.
- Instructions on how to apply.
- The application deadline, which per the By-Laws, must be no earlier than sixty (60) days before the date on which the annual meeting notice must be given to the Dealer Members.

At a minimum, the application form will request the following information be provided by each candidate:

- Classification (Industry or Public Candidate)
- Two professional references (e.g., employer, coworker, client, vendor, etc.)
- Confirmation of Eligibility, including governance experience (preferred) or agreement to complete governance education/training (as offered by OMVIC) if elected.
- Relevant Experience and Skills
- Resume

The Board Secretary provides ongoing administrative assistance to the Committee and to candidates to ensure the integrity and effectiveness of the application processes by:

- a) Receiving applications.
- b) Providing information to interested parties and assisting candidates in understanding the nomination and election processes.
- c) Supporting and assisting the Committee, including communicating with candidates on behalf of the Committee or its chair.

5.5. Evaluation of Candidates

Management, supported by external services, if any, will conduct an initial competencies, skills and experience assessment for all candidates and advise the Committee regarding candidate eligibility and the validity of the applications, including any basis for rejecting them.

Management, supported by external services, if any, may recommend certain candidates for election based on their skills and experience, their alignment with the board-approved skill profile and their potential ability to contribute to the effective governance of OMVIC.

Industry Candidates

To further assist the Committee, OMVIC’s Enforcement Team will also complete background checks on all Industry Candidates to ensure compliance with the legislation and regulations for which OMVIC has an enforcement mandate.

Industry Candidates will be assessed based on the following board-approved elements:

Registrants (Motor Vehicle Dealers & Salespersons)	Non-Registrants (Directors, Officers, employees or agents of registered motor vehicle dealers or industry associations)
<ul style="list-style-type: none"> ▪ Number of years registered with OMVIC (at least five years) ▪ Sales Transactions ▪ Criminal Record ▪ Social Media ▪ Financial/Credit Bankruptcy ▪ Licence Appeal Tribunal Order (within five years) ▪ Proposal ▪ Conditions ▪ Consumer Complaints (Review complaints history within the five-year period before the date of application) ▪ Dealership Inspection (Review details of a dealership inspection completed within the five-year period before the date of application; if none, complete an inspection of the affiliated dealership) 	<ul style="list-style-type: none"> ▪ Number of years affiliated with a registered motor vehicle dealer or industry association (at least five years) ▪ Criminal Record ▪ Social Media ▪ Financial/Credit Bankruptcy ▪ Consumer Complaints (Review complaints history within the five-year period before the date of application)

Public Candidates

To further assist the Committee, management will engage a third-party service provider to complete background screening, including criminal record and social media background checks.

5.6. Committee Review

The Committee will review all information available for all candidates, including any Re-Election Information Forms, and the assessments provided by OMVIC management or external services and the Enforcement Team.

Following the review, the Committee will develop a shortlist of candidates and may remove any candidate unsuitable to stand for election as a director.

Public Candidates considered most qualified for election will be invited to participate in an interview - either in person, by telephone or by electronic means. The Committee, with the support of external services, if any, will interview the shortlisted Public Candidates. Criminal record and social media background checks for Public Candidates will follow the interview process.

5.7. Governance and Nominating Committee Conflict of Interest

Committee members are subject to the [Code of Conduct for Directors](#) and have a duty to ensure that they are free from conflict in their deliberations and decisions. The Code of Conduct for Directors sets out Committee members' obligations to avoid and address conflicts of interest.

5.8. Slate of Candidates

After completing interviews, the Committee collectively discusses their assessment of all qualified candidates and recommends to the Board:

- A slate of one (1) or more qualified [Industry Candidates](#) for each industry director's office, which will be vacant and for which an election is to be held at an annual meeting of Dealer Members.
- A slate of one (1) qualified [Public Candidate](#) for each public director's office for which an election is to be held at an annual meeting of Dealer Members.

In addition to ensuring the slate includes the required range of expertise and skills, the Committee will strive to reflect the diversity of Ontario, with an inclusion lens applied to consider gender, race, age, geographical representation, accessibility, language and other diversity criteria.

The Board will ratify the slate of candidates before being circulated to the Dealer Members with the Notice of Annual Meeting and posted on OMVIC's website.

6. Elections

Directors will be elected by ordinary resolution at each annual meeting at which an election of directors is required and will take office commencing at the close of such meeting.

Industry Candidates

In elections where the number of Industry Candidates is equal to or less than the number of vacant positions, the annual meeting chair will cast a single ballot electing the number of Industry Candidates for the offices on the Board to be filled.

In elections where the number of Industry Candidates exceeds the number of vacant positions for Industry Directors, an election will be by electronic ballot.

Public Candidates

The Board shall present a slate of Public Candidates equal to the number of vacant positions for Public Directors and the annual meeting chair will cast a single ballot electing the number of Public Candidates for the offices on the Board to be filled.

6.1. Voting

The slate of candidates for election will be posted on OMVIC's website and circulated with the Notice of Annual Meeting. Voting will be conducted through a service provider specializing in secure and protected e-voting. OMVIC, via the service provider, will notify all Dealer Members on how to access the electronic ballot and enter their votes.

6.2. Eligibility to Vote

Each Dealer Member will be entitled to one (1) vote on each matter considered at the annual meeting.

6.3. Announcement of Results

After the voting period, the votes will be tallied, and the annual meeting chair will announce the result.

7. Amendment

The Governance and Nominating Committee will review this policy every three years or as needed. Any changes to the policy will be subject to approval by the Board.