Ontoly

The Carbon Registry Built for Buildings

Conflict of Interest Policy

Ontoly Building Emissions Reduction Standard — BERS Program

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1. Purpose and Authority

1.1 This Policy establishes a framework to ensure objective, impartial decision-making across all BERS Program activities. Conflicts of interest, whether actual, potential, or perceived, shall be identified, disclosed, and managed in accordance with BERS Standard, Section 2.5, Section 2.2, and ICVCM Assessment Framework Criterion 1.1. The primary purpose is to protect the integrity of the BERS Program and maintain stakeholder confidence in Ontoly's governance and decision-making processes.

1.2 Authority for this Policy derives from the BERS Governance Board, which has fiduciary responsibility for Program oversight. The Ontoly Chief Executive Officer (CEO) is designated as the responsible officer for ensuring compliance and shall designate a Compliance Officer to administer this Policy on a day-to-day basis. All Covered Persons, as defined herein, shall comply with this Policy as a condition of their engagement with the BERS Program.

1.3 This Policy aligns with regulatory requirements including the Canadian Not-for-Profit Corporations Act (Part 2, Division 1 — Directors and Officers), IRS Form 990 Schedule O disclosure requirements (United States), and the ICVCM Assessment Framework Article 1.1 regarding independence and governance. Where provincial or state law imposes more stringent requirements, those provisions shall prevail.

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2. Scope — Covered Persons

2.1 Covered Persons

2.1.1 The following individuals and entities are designated as Covered Persons for purposes of this Policy: (a) all Ontoly employees, officers, and members of the Board of Directors; (b) all members of the BERS Governance Board as referenced in BERS Standard, Section 2.2; (c) members of any advisory committees or working groups established by the BERS Program; (d) contracted Validation and Verification Body (VVB) personnel responsible for verification activities, as referenced in BERS Standard, Section 8.2; (e) external consultants engaged to provide substantive advice to the BERS Program regarding policy, methodology, or governance; and (f) any other individual with decision-making authority over BERS Program matters, including allocation of BERUs, project approval, or VVB accreditation.

2.2 Extended Scope: Close Relations and Controlled Entities

2.2.1 For purposes of this Policy, conflicts involving Close Relations to a Covered Person shall be treated as conflicts of that Covered Person. Additionally, any entity controlled, substantially owned, or materially influenced by a Covered Person or a Close Relation shall be deemed to have the same conflicts as the Covered Person. Control includes legal ownership exceeding 25% of voting equity, management authority, or ability to appoint board members or key personnel.

2.3 Temporal Scope

2.3.1 Obligations under this Policy shall continue for a period of twenty-four (24) months following a Covered Person's departure from their position with the BERS Program or Ontoly, to the extent that such Covered Person retains Financial Interests, Decision-Making Authority, or access to Confidential Information. Post-departure obligations include disclosure of employment with or financial interests in BERS Program Participants and VVBs.

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3. Definitions

3.1 Conflict of Interest (Actual, Potential, Perceived). An Actual Conflict exists when a Covered Person has a Financial Interest in a matter on which they exercise Decision-Making Authority. A Potential Conflict exists when a Covered Person's Financial Interest could reasonably be expected to influence, or appear to influence, their judgment. A Perceived Conflict exists when a reasonable observer could believe that a Covered Person's judgment has been compromised, regardless of the Covered Person's actual integrity.

3.2 Close Relations. For purposes of this Policy, Close Relations means a person related to a Covered Person by blood or marriage up to and including the second degree of consanguinity. This includes spouses, domestic partners, children, parents, siblings, grandparents, and grandchildren. The definition extends to persons in legally equivalent relationships (e.g., civil unions, common-law partnerships).

3.3 Financial Interest. A Covered Person has a Financial Interest if they have a material stake in the outcome of a BERS Program decision. Financial Interest includes: direct ownership of equity securities, debt instruments, or partnership interests; receipt of compensation, fees, or other remuneration beyond the Covered Person's primary BERS engagement; entitlement to future earnings from a BERS activity; beneficial ownership of intellectual property; and liens or claims against the Covered Person. Financial Interest shall not include: ownership of diversified, publicly-traded mutual funds in which the Covered Person has no influence; assets held in registered retirement accounts (RRSP, IRA) where the Covered Person does not exercise discretionary control; or de minimis benefits of general applicability.

3.4 Program Participant. A Building Owner, Building Representative, or any legal entity that has an active or prospective BERS project, including entities that have submitted applications, completed baseline assessments, or engaged in validation or verification activities.

3.5 Related Organization. A current or former BERS Program Participant, a Validation or Verification Body accredited under the BERS Program, a buyer of BERUs, or a service provider to Ontoly in connection with the BERS Program. Related Organization status extends backward five (5) years from the date of the conflict assessment.

3.6 Compliance Officer. An individual designated by Ontoly to administer this Policy, oversee disclosure processes, maintain the Conflict of Interest Register, conduct risk assessments, and coordinate remedial measures. The Compliance Officer shall report to the Ontoly CEO and have direct communication rights to the BERS Governance Board.

3.7 Cooling-Off Period. The minimum period required between the cessation of a particular role and commencement of a different role with the BERS Program to ensure independence. For VB personnel who worked for a Building Representative, the Cooling-Off Period shall be minimum three (3) years.

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4. General Principles

4.1 Proactive disclosure is the cornerstone of this Policy. Covered Persons shall adopt a culture of transparency and shall disclose actual, potential, and perceived conflicts promptly and completely. When in doubt, disclose. Failure to disclose a known conflict, with intent to deceive or with reckless disregard, constitutes a material breach of this Policy.

4.2 The existence of a conflict of interest does not automatically disqualify a Covered Person from participation in a matter. Rather, the conflict shall be disclosed and managed in proportion to its severity and reputational risk. Some conflicts may be managed through abstention from decision-making, while others may permit continued participation subject to enhanced monitoring.

4.3 A Covered Person who is uncertain whether a situation constitutes a conflict of interest shall err on the side of disclosure and consultation with the Compliance Officer. Premature conclusion that no conflict exists, without proper analysis, does not shield a Covered Person from liability for undisclosed conflicts.

4.4 All Covered Persons owe a fiduciary duty of loyalty and care to the BERS Program. This duty requires that decisions be made in the best interest of the Program, not in the personal or pecuniary interest of the Covered Person or their Close Relations. Loyalty requires that confidential BERS information not be used for personal gain or to benefit a competing interest.

4.5 The principle of proportionality shall guide conflict management measures. A low-risk, potential conflict may be managed through disclosure and monitoring, while a high-risk, actual conflict involving a BERS Governance Board member may require recusal, divestiture, or resignation.

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5. Prohibited Conduct

5.1 A Covered Person shall not use their position with the BERS Program to influence outcomes, decisions, or allocations for the purpose of furthering their own Financial Interest or that of a Close Relation or Related Organization. This includes steering projects, decisions, or recommendations toward favorable outcomes for connected parties.

5.2 A Covered Person shall not participate in, vote on, or otherwise influence decisions regarding projects in which they or their Close Relations hold a Financial Interest or have a material relationship. This prohibition applies to all decision-making bodies: the BERS Governance Board, advisory committees, and operational approval processes.

5.3 No Covered Person shall solicit, accept, or retain gifts, gratuities, benefits, or other consideration of value exceeding CAD $150 or USD $100 per calendar year from any Program Participant, VVB, or other BERS stakeholder. Gifts from Ontoly or the BERS Program shall be disclosed. Gifts that create apparent obligations or indebtedness shall be declined regardless of value.

5.4 A Covered Person shall not disclose Confidential Information regarding BERS Program methodology, decisions, project details, proprietary data, or governance matters for personal gain, to benefit a Related Organization, or to provide competitive advantage to a third party. This prohibition survives termination of engagement.

5.5 VVB personnel shall not conduct validation or verification, provide interim or final validation or verification reports, or participate in validation or verification decision-making for projects in which they or their employer, during the past three (3) years, has held a Financial Interest, employment relationship, or consulting arrangement with the Building Owner or Building Representative. This prohibition applies to every member of the validation or verification team.

5.6 A Covered Person shall not maintain simultaneous employment, consulting arrangements, or material financial relationships with a BERS Program Participant without advance written disclosure to, and written approval by, the Compliance Officer and, where applicable, the BERS Governance Board.

5.7 No Covered Person who possesses material non-public information regarding BERS projects, program decisions, BERU issuance, validation or verification activities shall trade, transfer, or speculate in BERUs or derivatives thereof. This prohibition applies to the Covered Person and their Close Relations and extends for the duration of the Cooling-Off Period.

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6. Disclosure Requirements and Procedures

6.1 Initial Disclosure. All Covered Persons shall complete and submit a Conflict of Interest Disclosure Form within thirty (30) days of their appointment, engagement, or commencement of service with the BERS Program. The Disclosure Form shall identify all Financial Interests, Related Organizations, and Close Relations engaged in activities that could create conflicts.

6.2 Ongoing Disclosure. A Covered Person shall disclose any new, previously unknown, or materially changed conflict within fourteen (14) calendar days of the event or discovery that creates the conflict. Ongoing disclosure is not limited to formal review periods and shall be made using the standard Conflict of Interest Disclosure Form.

6.3 Annual Certification. All Covered Persons shall complete and certify an annual Conflict of Interest Declaration within thirty (30) days of each calendar year commencing, and at such other times as the Compliance Officer may require. The Declaration shall affirm accuracy of previously disclosed conflicts and disclose any new conflicts.

6.4 Disclosure Form and Process. All disclosures shall be submitted in writing using the Ontoly Conflict of Interest Disclosure Form, provided by the Compliance Officer. Disclosures may be submitted electronically (PDF or digital copy) and shall be retained by the Compliance Officer with restricted access. A Covered Person may request confidentiality with respect to disclosure of certain information, subject to the Compliance Officer's judgment regarding necessity to manage the conflict effectively.

6.5 Disclosure Register. The Compliance Officer shall maintain a confidential Conflict of Interest Register containing all disclosures, assessments, management decisions, and remedial actions. The Register shall be reviewed at least quarterly and shared with the BERS Governance Board at least semi-annually. Board members may request review of the Register on a confidential basis.

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7. Review and Management of Disclosed Conflicts

7.1 Upon receipt of a disclosure, the Compliance Officer shall conduct an initial assessment within fourteen (14) business days to determine whether the disclosed interest actually constitutes a conflict under this Policy and, if so, what risk the conflict poses to the BERS Program.

7.2 Risk Classification. Conflicts shall be classified into risk tiers: (a) Low Risk: potential conflict with minimal financial value, immaterial decision-making authority, or clear mitigation factors; (b) Medium Risk: actual or potential conflict with moderate financial value, material decision-making authority, or limited mitigation options; (c) High Risk: actual conflict with significant financial value, substantial decision-making authority, or involvement of sensitive BERS matters; and (d) Critical Risk: actual conflict involving BERS Governance Board members, VVB personnel with verification authority over related projects, or conflicts materially affecting BERS Program integrity.

7.3 Management Measures. Following risk classification, the Compliance Officer shall recommend and implement management measures proportionate to the risk level: Monitoring (ongoing disclosure and periodic review); Restriction (limiting decision-making authority on affected matters); Recusal (exclusion from specific decisions, committees, or activities); Divestiture (requiring sale of conflicted financial interests within specified timeframe); and Removal (termination of engagement with the BERS Program).

7.4 Board Member Conflicts. For BERS Governance Board members, conflicts shall be assessed by the Board, excluding the conflicted member. The Board shall vote on whether to permit continued participation (with mitigation) or require recusal. Board minutes shall record the conflict, the vote, and the rationale for the decision. A pattern of recusals exceeding 25% of Board voting matters may trigger a discussion regarding whether continued Board service is appropriate.

7.5 VVB Personnel. VVB personnel found to have conflicts with respect to assigned validation or verification projects shall be automatically recused from those projects. In addition to the organizational rotation requirement in Section 5.6 of the BERS Validation and Verification Standard, an individual VVB employee who has validated or verified the same building or project for three (3) consecutive engagements shall be rotated off that project, to avoid excessive familiarity and ensure independence. Where a Combined Engagement is performed under Section 7.7 of the BERS Validation and Verification Standard, validation and the first verification count as a single engagement for the purposes of this Section

7.6 Certification Decisions. The Certification Decision-Maker (BERS Standard Section 2.1.4) shall not decide on Validated status, BERU issuance, suspension or cancellation for any project in which they have a conflict of interest. In those cases the decision shall be taken by an alternate designated in advance by Ontoly who has no such conflict. The Compliance Officer shall record each substitution in the Disclosure Register.

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8. Verification Body Independence Requirements

8.1 No Validation Body or Verification Body (VVB) may be engaged to conduct validation or verification services for a BERS project if that VVB, its owners, or its employees provide consulting, design, engineering, energy advisory, or other professional services to the Building Owner or Building Representative for the same project. No organization that has been paid to assist in developing any part of a BERS Methodology, or any part of a project's design or documentation, shall act as the Validation Body or Verification Body for that project. This requirement aligns with BERS Standard Section 2.5 and Section 5.5 of the BERS Validation and Verification Standard, and is essential to maintain VVB independence from client pressures.

8.2 VB Personnel History. No individual who was employed by the Building Owner or Building Representative in any capacity within the three (3) years preceding the verification assignment shall serve as the lead verifier or signatory for that project. A shorter Cooling-Off Period (minimum one year) may be approved by the Compliance Officer for minor roles not involving decision-making authority.

8.3 Conflict Disclosure by VVBs. Every Validation Body and Verification Body engaged to provide services to the BERS Program shall disclose to Ontoly all Financial Interests in BERS Program Participants, VVBs, technology providers, and software vendors within its organizational structure. These disclosures shall be updated annually and upon any material change. In addition, the VVB shall complete and submit a signed Conflict of Interest Disclosure prior to the commencement of each validation or verification engagement, in accordance with Section 5.3 of the BERS Validation and Verification Standard. Failure to disclose conflicts may result in suspension or removal from the BERS validation and verification panel.

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9. BERS Governance Board Specific Provisions

9.1 No member of the BERS Governance Board shall hold or retain any Financial Interest in any BERS Program Participant, VVB, or software vendor providing services to the BERS Program. Board members in compliance roles (e.g., Chair of Governance Committee) must maintain heightened independence. A Board member who acquires such an interest must immediately disclose and divest within sixty (60) days or resign from the Board.

9.2 Board Recusal. A Board member shall recuse from all voting and deliberations on any matter involving a Related Organization. Related Organization includes entities with which the Board member or their Close Relations had a financial or employment relationship within the past five (5) years. Recusal includes not participating in executive sessions devoted to the matter.

9.3 Quorum Requirements. When Board members are recused due to conflict, they shall not count toward quorum requirements, and a quorum shall be calculated based on non-conflicted members present. If recusals reduce the Board to insufficient non-conflicted members to achieve quorum, the Board may request the appointment of temporary independent directors to permit business to proceed.

9.4 Board Minutes and Records. All Board minutes shall record: (a) the names of members who recused themselves due to conflicts; (b) the nature of the conflict (at a level of detail that maintains confidentiality); (c) the vote or decision on the matter; and (d) the rationale for permitting continued Board participation where applicable. Minutes shall be retained for minimum seven (7) years.

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10. Sanctions for Non-Compliance

10.1 Sanctions for violations of this Policy shall range in severity from written warning (for good-faith disclosure or immaterial violations) to suspension, termination of engagement, or removal from office (for undisclosed conflicts, repeated violations, or conflicts materially affecting BERS integrity). The Compliance Officer and BERS Governance Board shall jointly recommend appropriate sanctions for Board and senior Ontoly personnel.

10.2 Post-Facto Discovery. When an undisclosed conflict is discovered after a decision has been made or action has been taken, the BERS Program shall conduct a review of all associated decisions and actions involving the conflicted party. If the conflict could have influenced the decision, the decision may be revisited, altered, or rescinded. Affected parties shall be notified of material changes.

10.3 Validation and Verification Body Sanctions. A VVB found to have conducted validation or verification in violation of independence requirements shall face suspension from new validation and verification assignments pending investigation, and may be removed entirely from the BERS validation and verification panel if the violation involved material misrepresentation or client pressure. VVBs placed on suspension shall have right of appeal to the BERS Governance Board within thirty (30) days.

10.4 Referral to Regulatory Bodies. Where a violation of this Policy also constitutes a violation of professional licensing requirements (e.g., engineering, accounting, law), the Compliance Officer may refer the matter to the relevant professional regulatory body. This referral shall not be considered retaliatory.

10.5 Anti-Retaliation. No Covered Person shall face retaliation, discrimination, or other adverse consequences for making a good-faith report of a conflict of interest, even if the report is later found to be unfounded. Retaliation is prohibited and shall itself be subject to sanctions under this Policy.

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11. Training and Awareness

11.1 Mandatory Onboarding Training. All Covered Persons shall complete comprehensive training on this Conflict of Interest Policy within thirty (30) days of their appointment or engagement. Training shall cover: the definition and types of conflicts; disclosure obligations and procedures; prohibited conduct; consequences of violations; the role and contact information for the Compliance Officer; and case studies illustrating conflict scenarios in BERS context.

11.2 Annual Refresher Training. Ontoly shall provide annual refresher training to all Covered Persons on evolving conflict risks, regulatory updates, and lessons learned from disclosed conflicts (on a confidential basis). BERS Governance Board members shall receive enhanced training focused on fiduciary duties and governance-specific risks.

11.3 Training Records. Ontoly shall maintain records of all training attendance, completion dates, and certification of understanding for minimum seven (7) years. Training records shall be available for audit by external parties, including VVBs and regulatory authorities.

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12. Review and Amendment

12.1 Annual Review. The Compliance Officer, in coordination with the BERS Governance Board, shall conduct a comprehensive annual review of this Policy to assess effectiveness, identify gaps, and respond to changing regulatory requirements. The review shall include analysis of disclosed conflicts, management decisions, and sanctions applied.

12.2 Amendments. Material amendments to this Policy shall require approval by the BERS Governance Board. Non-material clarifications and procedural updates may be made by the Compliance Officer subject to notice to the Board. All amendments shall be documented with version control and effective dates.

12.3 Notice of Changes. Ontoly shall provide written notice to all Covered Persons of material changes to this Policy at least thirty (30) days prior to the effective date. Notice shall be accompanied by summary of changes and updated training opportunities.

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13. Record Retention

13.1 All Conflict of Interest disclosures, assessment documents, management decisions, sanctions, and related records shall be retained by Ontoly for a minimum of seven (7) years from the date of the disclosure or decision. This retention period aligns with BERS Standard, Section 7.2.2 and regulatory requirements under Canadian tax and not-for-profit law.

13.2 Record Access. The Conflict of Interest Register and supporting documents shall be maintained in a secure, confidential format with access restricted to authorized personnel: Ontoly CEO, Compliance Officer, BERS Governance Board Chair, and members of the Board's Governance or Audit Committee. Records are available for inspection by external auditors, Validation Bodies, Verification Bodies, and regulatory authorities pursuant to legal process or investigation.

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