BLACK OPPORTUNITY FUND

CONFLICT OF INTEREST POLICY

Policy Name		
Conflict of Interest Policy		
Review Frequency	**Approved by the Board**	**Date to Review Policy**
● Annually	●October 13th, 2021	●November 2022

1. PURPOSE AND SCOPE

1.1 The Directors, Officers, employees, and volunteers of Black Opportunity Fund ("**BOF**") as well as members of committees with delegated authority from the Board of Directors (the "**Board**") each owe a duty of care to BOF. This means that these individuals must always consider the interests of BOF and not allow their personal interests or preferences, or the interests and preferences of their friends, relatives (whether by blood, adoption, marriage, or common law partnership), or co-workers, to affect their conduct or decisions. It also means that such persons must act honestly and in good faith with a view to the best interests of BOF and not any other organization with which they may be involved.

1.2 This Conflict of Interest Policy (the "**Policy**") is designed to ensure that whenever a matter is discussed or a decision is made by the Board, or a committee of the Board, the persons discussing or making decisions are aware of the existence of any actual or potential conflicts of interest.

1.3 This Policy is implemented as a supplement to, and not as a replacement for, the laws that govern not-for-profit corporations and charitable organizations in respect of conflicts of interest, and in particular section 141 of the *Canada Not-for-Profit Corporations Act*. This Policy shall at all times comply with such applicable laws. To the extent that there is any error, omission, or conflict between this Policy and any applicable legislation, the applicable legislation shall prevail.

2. INTERPRETATION

2.1 In this Policy, all capitalized terms that are used but not otherwise defined herein shall have the meanings ascribed to them in the by-laws of BOF in force and as may be amended from time to time.

3. APPLICATION OF POLICY

3.1 This Policy shall apply to any Director, Officer, employee, volunteer, or member of a committee of the Board (each an "**Interested Person**"), who has a conflict as defined in section 5 of this Policy.

4. ANNUAL DECLARATION

4.1 Each Interested Person who is a Director, Officer, or member of a committee if the Board shall be provided with a copy of this Policy and shall be asked to declare in writing, annually, that the individual:

(a) has received a copy of the Policy;

(b) has read and understands the Policy;

(c) has agreed to comply with the Policy;

(d) understands that BOF is a charitable organization and that pursuant to the *Income Tax Act* (Canada), BOF must devote its resources to exclusively charitable activities in furtherance of its charitable purposes; and

(e) where the individual is a Director, is not an Ineligible Individual as defined under the *Income Tax Act* (Canada).

Written declarations shall be in the form of declaration attached hereto as "**Appendix A**".

5. CONFLICT OF INTEREST DEFINED

5.1 A conflict of interest (a "**Conflict**") may occur when the personal, professional, business, or financial interests, whether direct or indirect, of an Interested Person, or a friend, relative or co-worker of an Interested Person, conflict with or are perceived to conflict with the interests of BOF.

5.2 For purposes of this Policy, a Conflict may arise for an Interested Person where that Interested Person, or a friend, relative (whether by blood, adoption, marriage, or common law partnership), or co-worker of that Interested Person, has:

(a) an existing or potential interest in any transaction or relationship in which BOF also has or will have an existing or potential interest, or when an Interested Person or his or her friend, relative (whether by blood, adoption, marriage or common law partnership), or co-worker has or will derive a financial or other benefit directly or indirectly in any transaction or relationship in which BOF is or will become a party;

(b) a compensation arrangement with BOF or with any entity or individual with which BOF has or will have a transaction arrangement;

(c) a real or potential ownership or investment interest in, or compensation arrangement with, an entity or individual with which BOF is negotiating a transaction or arrangement;

(d) any discretion to choose the individuals or entities who benefit from BOF and uses his or her power without complete fairness; or

(e) in the case of a Director or Officer of BOF, a competing fiduciary duty to more than one organization.

5.3 For purposes of this Policy, compensation includes fees for services, direct and indirect remuneration, as well as gifts and favours that are substantial in nature.

5.4 Both a factual Conflict and the appearance of a Conflict may be considered to be a Conflict for purposes of this Policy.

6. DISCLOSURE REQUIRED

6.1 In connection with any Conflict:

(a) an Interested Person who is a Director or Officer (including the Executive Director) must disclose the existence and nature of his or her Conflict to the Chair of the Board of BOF (or his or her designate) as soon as possible and at the latest at the next meeting of Directors after the Conflict arises. The Chair shall inform the Board upon being advised of the Conflict.

(b) an Interested Person who is a member of a committee of the Board must disclose the existence and nature of his or her conflict to the Chair of the relevant committee, who shall disclose the conflict to the Board.

(c) an Interested Person, other than the Executive Director, who is an employee or volunteer must disclose the existence and nature of his or her conflict to the Executive Director, who shall disclose the conflict to the Board.

(d) If the Chair of the Board is in Conflict, the matter must be brought to the Board.

(e) Any Interested Person who perceives another Interested Person to be in Conflict in a matter under consideration must raise this with the Chair of the Board.

7. FAILURE TO DISCLOSE CONFLICT

7.1 If the Board has reasonable cause to believe that an Interested Person has failed to disclose a Conflict, it shall inform the Interested Person of the basis for such belief and afford that person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board determines that the Interested Person has in fact failed to disclose a Conflict, the Board shall take appropriate disciplinary and corrective action, including, without limiting the generality of the foregoing, requiring the Interested person to account to BOF for any profit or benefit realized.

8. DETERMINATION OF CONFLICT

8.1 After a Conflict has been disclosed by an Interested Person, the following conditions shall apply to determine whether a Conflict exists:

(a) If the Conflict involves an Interested Person who is a Director or Officer, the Interested Person may be asked to step out of the Board meeting while the matter is discussed and voted upon. The remaining Directors, in consultation with BOF legal counsel, if required, shall consider all relevant factors and determine if a Conflict exists and what action is required.

(b) If the Conflict involves any other Interested Person, the Chair of the Board of BOF, in consultation with any other persons such as the Directors, or BOF's legal counsel, shall consider all relevant factors and determine if a Conflict exists and what action is required.

9. WHERE CONFLICT EXISTS

9.1 Any Director or Officer who has a conflict shall not participate in or be permitted to hear the Board's discussion of the matter that is the subject of the Conflict, except to disclose material facts or respond to questions.

9.2 Any Director who has a Conflict in respect of a matter before the Board shall not vote on the matter.

9.3 A Director or Officer who has a Conflict shall not attempt to exert his or her personal influence with respect to the Conflict, either at, our outside of, the Board meeting at which the matter is discussed.

9.4 If, after consideration of all relevant factors, a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a Conflict, the Board shall determine, by a majority vote of the disinterested Directors:

(a) whether the transaction or arrangement is in BOF's best interests; and

(b) whether BOF should enter into the transaction or arrangement.

9.5 Notwithstanding anything contained in this Section 9, where another policy or terms of reference of BOF impose a prohibition on conflicts of interest (or any stricter requirement) such policy or terms of reference document shall be paramount to this Section 9.

10. MINUTES

10.1 BOF's Board minutes shall contain:

(a) the name of any Interested Person found to have a Conflict or otherwise failed to disclose a Conflict, the nature of the interest, any action taken to determine whether a Conflict was present, and the decision as to whether a Conflict existed; and

(b) the names of the persons who were present for discussions and votes relating to the Conflict, the content of the discussions, including any alternatives to the Conflict, and the result of any vote taken in connection therewith.

11. BREACH OF POLICY

11.1 Breach of this Policy may be considered cause for removal of an Interested Person from the Board of BOF, or other position within BOF, as applicable.

APPENDIX A

BLACK OPPORTUNITY FUND

ANNUAL CONFLICT OF INTEREST AND INELIGIBLE INDIVIDUAL DECLARATION

Name of Declarant: _____

Role within BOF: _____
(Director/Officer/employee/member of committee of the Board)

I declare as follows:

- In accordance with the current conflict of interest policy (the "**Policy**") of Black Opportunity Fund, I hereby certify that I have read and understood the Policy and agree to comply with the Policy.

- I hereby acknowledge that I understand that BOF is a charitable organization and that pursuant to the *Income Tax Act* (Canada), BOF must devote its resources to exclusively charitable activities in furtherance of its charitable purposes.

- To the best of my knowledge, as of the date of this acknowledgement, neither I nor any of my friends, relatives, or co-workers is engaged in any activity that could create a conflict of interest with BOF, as described in the Policy, or otherwise violate the Policy, except as previously disclosed to BOF by me prior to signing this acknowledgment.

If a Director (only):

- I am not an Ineligible Individual, as defined in the attached Schedule "A.1". Should I become an Ineligible Individual, I will disclose this fact to the Board immediately.

_____ _____
Name (Print Name) Signature

_____
Date

SCHEDULE A.1 to APPENDIX A

Section 149.1 of the *Income Tax Act* defines “ineligible individual” as follows:

“**ineligible individual**”, at any time, means an individual who has been;

(a) Convicted of a relevant criminal offence unless it is a conviction for which,

(i) a pardon has been granted or issued and the pardon has not been revoked or ceased to have effect, or
(ii) a record suspension has been ordered under the *Criminal Records Act* and the record suspension has not been revoked or ceased to have effect:

(b) Convicted of a relevant offence in the five-year period preceding that time;

(c) A director, trustee, officer or like official of a registered charity or a registered Canadian amateur athletic association during a period in which the charity or association engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration under this Act and for which the registration of the charity or association was revoked in the five-year period preceding that time:

(d) An individual who controlled or managed, directly or indirectly, in any manner whatsoever, a registered charity or a registered Canadian amateur athletic association during a period in which the charity or association engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration under this Act and for which its registration was revoked in the five-year period preceding that time, or

(e) A promoter in respect of a tax shelter that involved a registered charity or a registered Canadian amateur athletic association, the registration of which was revoked in the five-year period preceding that time for reasons that included or were related to participation in the tax shelter.

Section 149.1 of the *Income Tax Act* defines “relevant criminal offence” as follows:

“**relevant criminal offence**” means a criminal offence under the laws of Canada, and an offence that would be a criminal offence if it were committed in Canada, that

(a) relates to financial dishonesty, including tax evasion, theft and fraud, or

(b) in respect of a charity or Canadian amateur athletic association, is relevant to the operation of the charity or association.

Section 149.1 of the *Income Tax Act* defines “relevant offence” as follows:

“**relevant offence**” means an offence, other than a relevant criminal offence, under the laws of Canada or a province, and an offence that would be such an offence if it took place in Canada, that:

(a) relates to financial dishonesty, including an offence under charitable fundraising legislation, consumer protection legislation and securities legislation, or

(b) in respect of a charity or Canadian amateur athletic association, is relevant to the operation of the charity or association.