

Conflict of Interest Policy

This policy applies to Board Directors of London Luton Airport Limited (trading as Luton Rising) and those acting for Luton Rising in a decision-making or influencing capacity.

Why have a policy?

Board Directors, decision-makers and influencers have an obligation to act in the best interests of the company, and in accordance with the company's Articles of Association. Conflicts of interests (perceived or actual) may arise where an individual's personal, business or family interests and/or loyalties potentially conflict with those of the company.

Such conflicts may create problems; they can:

- risk the impression that the company has acted improperly;
- inhibit free discussion; or
- result in decisions or actions that are not in the interests of the company.

The aim of this policy is to protect both the company and the individuals involved from any appearance of impropriety.

The disclosure of interests

Board Directors who are also elected Members or officers of Luton Borough Council are required to disclose their interests, and any gifts or hospitality received in connection with their role, to the Council, and these declarations are held in a publicly available register maintained by the Council. Board Directors should ensure that these disclosures include any interest applicable to their role as a London Luton Airport Limited Board Director.

Board Directors who are not members of Luton Borough Council, and anyone acting on behalf of London Luton Airport Limited with responsibilities that include any of those set out below, should complete a similar form provided by Luton Rising. These disclosures shall be held in a publicly available register maintained by the Company Secretary and held at the company's registered office.

Responsibilities requiring a disclosure of interest:

- writing part or all of a Board report making a recommendation or asking for a decision;
- participating in the shortlisting of contractors, or in the appraisal of a competitive procurement process; and

- responsibility for the management or monitoring of a contract.

To be effective, the registration of interests needs to be updated at least annually, and also when any changes occur. Disclosures should be made either in advance of or at a meeting where a relevant matter is being considered.

If Directors are not sure what to disclose, or whether/when their registration of interests needs to be updated, they should err on the side of caution and contact the Company Secretary if uncertain.

Interests will be recorded on the company's register by the Company Secretary. This shall be accessible by the Chair of the Board ten working days prior to each Board meeting, in order to review the potential for perceived conflicts of interest arising. The disclosures of those responsible for shortlisting of contractors, or for scoring contractors' responses in a competitive procurement award process, shall also be available to the individual responsible leading or facilitating the process. The Company Secretary shall review the register in relation to checking potential for conflicts in contract management or monitoring.

Data Protection

The information provided will be processed in accordance with data protection principles as set out in current Data Protection legislation. Data will be processed only to ensure that Board Directors and other decision-makers and influencers act in the best interests of London Luton Airport Limited. The information provided will not be used for any other purpose.

What to do if a Director faces a conflict of interest

If Directors have a perceived or actual conflict of interest, they should not be involved in decisions that directly affect that interest. They should disclose their interest at the earliest opportunity and withdraw from any subsequent discussion. They may, however, participate in discussions from which they may indirectly benefit, for example where their interest is the same as all other residents of Luton and where a reasonable person would not see their interest as being prejudicial to them making an objective decision.

If a Director fails to disclose an interest that is known to the Company Secretary and/or the Board Chair, they may disclose that interest on the Director's behalf if they consider it relevant.

Decisions taken where a Board Director has an interest

In the event of the Board having to decide upon a question in which a Board Director has an interest, a quorum must be present for the discussion and decision. Interested parties who have withdrawn from the meeting for the

consideration of that item will not be counted when deciding whether the meeting is quorate.

The Chair will determine whether disclosed interests require the interested parties to withdraw from the meeting for the duration of the discussion and vote on the item concerned, whether they may participate in the discussion but not the vote, or whether the interest is insufficient to warrant them being excluded from the decision-making process.

All Board decisions taken when a disclosure of a conflict of interest is made will be recorded and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict;
- An outline of the discussion; and
- The actions taken to manage the conflict.

Procurement and the management and monitoring of contracts

If Directors or others have an actual or perceived conflict of interest, they must not be involved in the procurement, management or monitoring of a contract to which that actual or perceived conflict applies. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract, where permissible, if the relationship is unsatisfactory.

Heightened potential for conflicts of interest and duty

Where there is a single shareholder that appoints all the directors, the risk of conflicts of interest is heightened but this only becomes critical if the values and objectives of the company and shareholder become misaligned. Under such circumstances, directors will need to consider to which body their primary duty is owed.

There are various means by which a conflict of interests can be resolved or, at least, reconciled:

- the remaining directors can recognise and accept the conflict of interest;
- the director who has the interest can withdraw from the meeting;
- the director can resign

The first two of these can be used if the conflict of interest is limited but where the issues become fundamental and irreconcilable, particularly where the conflict is one of duty, the latter course of action may be the only option. Under such circumstances, directors will need to consider to which body their primary duty is owed and take action accordingly.

Where a director feels compelled to resign because of a fundamental and irreconcilable conflict of duty, it will be incumbent on the remaining directors to evaluate the extent to which the company remains aligned with its shareholder's interests.