

Conflict of Interest Policy

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1. Introduction

This Conflicts of Interest Policy sets out the principles and procedures for identifying, disclosing, and managing conflicts of interest at London Internet Exchange Limited and its subsidiaries (the **Group**). This policy was drafted with consideration to Director's Duties included in the Companies Act 2006 (the **Act**) (**CA2006**).

Non-executive directors on the Board of the Company are typically appointed from amongst the Company's membership. While this constitutes an interest, it is declared in accordance with the Policy and is not considered a conflict unless it compromises or appears to compromise the director's ability to act in the best interests of the Company and in accordance with CA2006. Similarly, members' interests arising from their commercial activities are not inherently conflicts but must be managed to ensure fairness and transparency in decision-making.

2. Purpose and Statement

The purpose of this policy is to:



- Ensure compliance with CA2006;
- Ensure that decisions made by the Board are in the best interests of the Company;
- Promote transparency and accountability;
- Provide a clear process for identifying and managing conflicts of interest.

3. Scope

This policy applies to all Directors of the Board, particularly in relation to their participation in decision-making processes such as voting or procurement.

4. Definitions



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- **Conflict of Interest:** A situation where an individual's personal, financial, or other interests (or those of a connected person) could influence or appear to influence their decisions or actions on behalf of the Company.
 - **Connected Person:** A spouse, civil partner, child, sibling, parent, business associate, or any organisation in which the individual or a close associate has a material interest.
 - **Material Benefit:** Any financial or non-financial gain or advantage, including gifts, hospitality, contracts, employment opportunities, or preferential treatment.
 - **Perceived Conflict:** A situation where a reasonable third party might consider that an individual's judgment could be compromised, even if no actual conflict exists.

5. Types of Conflicts

A conflict of interest arises when a director's personal interests, or those of a connected person or organisation, could improperly influence their duties and responsibilities to the Company.

- **Transactional Conflicts:** Directors must declare to the Board where they have a direct or indirect interest in a proposed or existing transaction or arrangement with the Company. This could involve direct or indirect interests, including those of connected persons. Tender processes are considered transactions for this purpose. The director would then usually abstain from voting on any Board resolution relating to that transaction and may also be required to recuse themselves from the Board discussions on that topic.
- **Situational Conflicts:** The Act requires each director to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. A situation might arise where a director could exploit Company property or information, or a company opportunity, for personal gain. In that case, the Company itself is not entering into any sort of transaction; it is the situation the director is in that is creating the conflict. If such a situation exists, it must be authorised in advance by the Board for the director to have complied with this duty.
- **Connected persons and indirect conflicts:** The Policy applies to indirect interests, including those of persons connected to the director. These connections would include members of the director's immediate family, a trust of which the director is a beneficiary, a directorship or interest of another company, or any other organisation where the director or their family or business partners hold a position of significant influence.
- **Third Party Benefits:** Where benefits are offered or accepted due to the individual's role in the Company.

6. Procedure for Managing Conflict



Each Director of the Company must complete a Declaration of Interests form upon appointment and annually thereafter. This includes:

- Employment or consultancy roles.
- Membership of other boards or committees.
- Financial interests in organisations that may do business with the Company.
- Any other interest that could reasonably be perceived as a conflict.

Conflicts of interest for Directors of the Company are made publicly available on the Company's website and will be maintained and refreshed by the Company Secretary.

Each director must monitor for actual or potential conflicts and inform the Company promptly of any changes, including proposed positions/directorships or material changes in existing situational conflicts that have previously been authorised by the Board.

Directors must declare any conflicts of interest within their Declaration of Interests at the earliest opportunity, and at the start of any relevant Board meeting. The Board, excluding the (potentially) conflicted director, will determine whether a conflict exists and how it should be managed. All disclosures will be recorded in the Register of Interests and in the minutes of the meeting.

If the Board determines that a director has a conflict with an item of a Board agenda:

- The conflicted director will abstain from voting.
- The conflicted director may be asked to recuse themselves from discussion on that topic.

7. Third Party Benefits

A director must not accept a benefit from a third party conferred because of their position as a director or for doing (or not doing) anything as a director, unless the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest. Examples would include gifts of low or nil value.

This duty arises under section 176 of the Companies Act 2006. Companies may, in some cases, authorise such acceptance through provisions in the articles or by shareholder approval. Directors are advised to monitor offers from third parties as a matter of good governance to ensure compliance and transparency.

8. Breach of Policy



Failure to disclose a conflict of interest or comply with this policy may result in action at the discretion of the Board, including removal from the Board. It may also, in particularly egregious cases, be considered to be breach of the CA2006 and the director may be subject to directors' disqualification proceedings

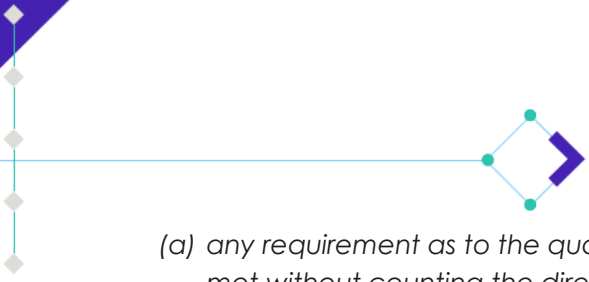
9. Policy Review

This policy will be reviewed every two years by the Board or a designated committee to ensure it remains compliant with legal requirements, reflects best practices, and meets the needs of the Company.

10. Reminder of Directors' Duties

s.175 CA2006 - Duty to avoid conflicts of interest

- (1) A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.*
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- (2) This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity).*
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- (3) This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.*
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- (4) This duty is not infringed—*
 - (a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or*
 - (b) if the matter has been authorised by the directors.*
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- (5) Authorisation may be given by the directors—*
 - (a) where the company is a private company and nothing in the company's constitution invalidates such authorisation, by the matter being proposed to and authorised by the directors; or*
 - (b) where the company is a public company and its constitution includes provision enabling the directors to authorise the matter, by the matter being proposed to and authorised by them in accordance with the constitution.*
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- (6) The authorisation is effective only if—*

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- (a) *any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and*
 - (b) *the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.*

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(7) *Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.*