

LTE GROUP DISCLOSURE AND CONFLICTS OF INTEREST POLICY

The scope of this policy

1. LTE group is a national learning and skills group in receipt of public and other funds. As such it subscribes to the highest standards of corporate governance. This policy sets out how the LTE Group ensures that clear procedures are in place for managing conflicts of interest. This policy articulates a framework of responsibilities by which staff, trustees and others disclose interests which may conflict with those of the group. Any reference to the group, unless otherwise explicitly stated, will be construed as referring to all parts, including trading as entities and subsidiaries.
2. The underlying premise of this Policy is that all individuals involved in the business of the group (governors, co-opted, staff and contractors) have a duty to avoid conflicts of interest and a responsibility to identify and disclose actual, potential or perceived conflicts between their personal, family, pecuniary or business interests and their professional responsibilities to the group.

Introduction

3. The open and careful management of conflicts of interest is intended to support:
 - [i] the group and/or its subsidiaries entering relationships, partnerships and ventures in the confidence that these do not conflict with legitimate personal interests
 - [ii] the safeguarding of the assets, resources and reputation of all parts of the group, particularly in making good use of public funds
 - [iii] a culture of transparency, accountability and integrity, as core values the group wishes to uphold.
4. The disclosure of interests is intended to balance the protection of employees from exposure to, or allegations of, wrongdoing with the safeguarding of the group and its constituent parts from legal claims, reputational damage or financial loss. LTE group seeks to adopt a proportionate and fair approach to the management of conflicts of interest. It is anticipated that the majority of activities or associations which overlap, or could be seen to be at odds with, the personal interests of staff and the interests of the group will continue to operate as normal, in the confidence that they are properly understood and managed through effective disclosure.

Definition of “Conflict of Interest”

5. A ‘conflict of interest’ may be defined as a situation where an individual may be perceived or known to be prevented from acting in the best interests of the group as a result of a relationship with a person or another body or organisation, or where the individual personally benefits, or is perceived to benefit, from an activity, opportunity or transaction.

In some cases it may not be clear that there is an obvious benefit, but nevertheless others could perceive or judge that impropriety has occurred as a result of the individual's interest.

6. There is no strict legal definition of an 'interest', and it should therefore be considered as a broad term which includes any activity or association which may interfere, or be perceived to interfere, with an individual's ability to properly discharge his/her duties to the group.
7. **Financial interests** refer to anything of non-trivial monetary value, including, but not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, intellectual property rights, other business interests which could be perceived as giving the individual a financial advantage if a decision was made as a result of that individual's influence within the group;
8. **Non-financial interests** refer to any non-financial benefit or advantage, including: enhancement of an individual's career or personal or other business interest, education or professional reputation; access to privileged information or facilities, personal, business or family connections or associations which could affect or influence the individual's role within the group or a decision made as a result of that individual's influence within the group;
9. **Indirect interests** refer to instances where a connected person (close relative or business partner) may have a personal connection with an individual who has a financial or non-financial interest in an individual, body or organisation with which the group has had, has or intends to have a relationship.

Statutory and Regulatory Context

10. LTE group is a conglomerate made up of both charitable and corporate entities, as such the following as apply:
 - Companies Act 2006 (a director of a company must avoid a situation in which he has or can have a direct or indirect interest that conflicts or may conflict with the interests of the company)
 - Charity Act 2011 (general duty of trustees to avoid conflicts of interest)
 - Bribery Act 2010 (failure of commercial organisations to prevent bribery)
 - The 'Honesty' strand of the 'Nolan Principles of Public Life' (holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest).

Roles and Responsibilities

11. **Trustees, governors, non-executive directors and co-optees together with members of the group executive** are expected to avoid conflicts of interest in all circumstances, abide by the Nolan Principles of Public Life and promote transparency and integrity as part of their leadership role. They are required to complete an annual return for the register of interests and to advise the office of Group Company Secretary &

General Counsel of timely amendments. Ad hoc disclosure of interests are included as a standing item on the agenda of all corporate meetings and are dealt with in accordance with the relevant articles or standing orders.

12. **Senior Leaders or Staff in Positions of Trust** (in any part of the group) as identified by the group executive shall also be required to complete an annual return for the register of interests supplemented by ad hoc disclosures as interests arise or are amended. Senior staff also have a leadership role to play in promote the importance of disclosing interests and support staff accordingly in doing so.
13. **All staff** have a responsibility to identify and disclose known or potential material personal, indirect, pecuniary or business interests which may interfere, or be perceived to interfere, with an individual's ability to properly discharge his or her duties to the group or the subsidiary where their employment contract resides if and when a conflict occurs as a result. There is no requirement for the completion of an annual return for the register of interests.
14. **Contractors and external bodies** (individuals or bodies bidding, through competitive tender or otherwise, to enter into a contractual relationship with the group, whether consultants, service-providers or suppliers) are regarded to be in a position of trust and therefore have a duty to disclose interests with a potential to impact on their independence.
15. Staff responsible for the negotiation and approval of contracts with external bodies, service providers and suppliers (e.g., Procurement and Legal Services) will need to ensure that contractors are reminded of their duty to disclose interests, and the need for the management of conflicts of interests through this Policy.

Register of Interests

16. A Register of Interests shall be maintained by the office of the Group Company Secretary & General Counsel.
17. Completed returns are to be considered as public information and may be made available on request. Completion of a register of interest return implies consent for the data therein to be accessible for these purposes.

Management of Potential Conflicts of Interest

18. Interests are registered on the basis of self-declaration. Advice may be sought from the office of the Group Company Secretary & General Counsel as to whether a connection is capable of being considered an interest and whether a situation may be perceived as a conflict of interest.
19. Advice may be given informally or in writing. It is for the individual to then act upon that advice or in the case of a member of staff to seek instruction from an appropriate person in authority as to how to proceed.

20. Advice may consist of but is not limited to the following:

- Interest noted but individual is free to proceed
- Interest noted and individual required make it clear to all others involved that the interest exists
- Interest noted and as the potential for conflict clearly exists, to withdraw from any group business associated with that interest
- Interest noted and as the potential for material, continuing conflict which has the potential to significantly or adversely impact the group or any part of the group, consideration be given to either ceasing the activity which gives rise to the interest or consideration be given by the individual to their continuing position in the group.

Associated Policies and Procedures

- Financial Regulations
- Gifts & Hospitality Policy
- Public Interest Disclosure (“Whistleblowing”) Policy
- Bribery and Corruption Policy
- Governor Code of Conduct
- Disciplinary Procedure (Staff)

Owner: Company Secretary & General Council

Authority to approve: Group Audit Committee

Date of approval:

Review cycle: three years