

First Bank of Nigeria LTD



POLICY ON RECEIPT OF GIFTS AND HOSPITALITY FROM THIRD  
PARTIES

## POLICY ON THE RECEIPT OF GIFTS AND HOSPITALITY FROM THIRD PARTIES

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### Reviewers & Approvals

Name	Position	Signature	Issue No
'Yemi Ogunmoyela	Chief Compliance Officer		2
Rosie Ebe-Arthur	Group Head Human Capital & Management Development		2
Olusegun Alebiosu	Chief Risk Officer		
Adesola Adeduntan	Management Committee		2
Tunde Hassan-Odukale	Board Risk Management Committee		2
Ibukun Awosika	Board of Directors		2

### Ownership/Custodianship of the Manual

The Chief Compliance Officer has overall responsibility for the implementation of this policy, monitoring effectiveness and dealing with queries with regard to its interpretation in line with the Bank's legal and ethical obligations.

Supervisors at all levels are responsible for ensuring that their direct reports are made aware of the policy and adequately informed on its application.

It shall be subject to review every three (3) years or as required in order to keep it up to date with changes to relevant regulations or best practice. All suggestions for review and or amendments shall be forwarded to the Chief Compliance Officer for review, including obtaining Management/Board approvals of the amended policy.

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DEFINITIONS/ABBREVIATIONS

GIFT




Means anything of value, including – but not limited to – loans, cash, favorable terms or discounts on any product or service, services, equipment, prizes, products,

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transportation, lunch/meals, use of vehicles, vacation or other facilities, stocks or other securities, home improvements, tickets, gift certificates, gift cards, discounts except those available to all First Bank staff, memberships and employment or consulting relationships. It includes but not limited to anything including, payments given to any employee or immediate family member or relation of an employee.

May also include, but not limited to items, goods, services, information or money in whatever form, from which the recipient may derive benefit, as well as any other benefit, but does not include:

-  Official First Bank branded goods or items;
-  Official First Bank sponsored functions, promotions or hospitality events;
-  Official donations made on behalf of First Bank.

### IMMEDIATE FAMILY MEMBERS

Means a child, step-child, parent, step parent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, management staff, nominee for director or beneficial owner, and any person (Other than a tenant or employee) sharing the household of such director, staff, nominee for director or beneficial owner.

### GLOSSARY OF TERMS

ET- Executive Trainees

SE- Service Executive

ABO – Assistant Banking Officer

BO- Banking Officer

SBO- Senior Banking Officer

AM- Assistant Manager

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DM- Deputy Manager  
MGR- Manager  
SM- Senior Manager  
PM- Principal Manager  
AGM- Assistant General Manager  
DGM- Deputy General Manager  
GM- General Manager  
ACO – Area Compliance Officer  
MO – Monitoring Officer  
HODs- Heads of Department  
M&CC- Marketing and Corporate Communications  
CS&R – Corporate Responsibility & Sustainability

## 1. INTRODUCTION

The Criminal and Penal Codes prohibits and imposes fines/imprisonment on an agent who accepts, for himself or for any other person, any gift or consideration as an inducement or reward for doing or not doing any act in relation to his principal's affairs or business. Other legislations/regulations also align with this provision such as The Corrupt Practices and Other Related Offences Act, 2000; Economic and Financial Crimes Commission Act (Cap E1, LFN 2004); the Code of Conduct Bureau and Tribunal Act, (Cap C15, LFN 2004); the Code of Conduct in the Nigerian Banking Industry 2014; and the Constitution of the Federal Republic of Nigeria, (Cap C23 LFN 2004). We also acknowledge the extra territorial implications of the United Kingdom's Bribery Act 2010 and other related international legislations.

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In accordance with the principles articulated in the Code of Business Conduct, First Bank is committed to promoting an ethical environment for all employees, where strict adherence to the highest levels of transparency and integrity guide the processes and actions of its employees. The Bank's reputation and continued success as a leading brand among its peers is built on this foundation even as we strive to sustain our leadership position and relevance both in the local and international financial services sphere.

Therefore, all employees are required to act in accordance with the highest standards of ethics and be committed to treating all persons and organizations, with which they come in contact or conduct business with impartially.

Accepting or receiving certain gifts can be part of normal business relationships particularly during the festive seasons. Employees may in such circumstance(s) and subject to strict rules, accept offers of gifts. However, most times, the receipt of gifts creates a conflict of interest or the appearance of a conflict of interest and may give rise to an adverse inference regarding the integrity of either the donor or the employee. All staff must therefore follow stipulated procedures as detailed within this policy on receipt of gifts.

Whilst, the Bank recognizes that a refusal may constitute embarrassment or offence to the donor, it is pertinent to critically examine and prioritize the inherent risks to both employees and the Bank accordingly.

There is therefore a need to institute measures to guide the receiving of gifts by employees, in relation to vendors, suppliers, potential or existing customers, potential employees, potential vendors or suppliers, or any other individual or organization. Additionally, the need has arisen to establish a reporting threshold, over which all gifts are to be declared, whether monetary or otherwise whilst affirming exceptional conditions where these gifts can be retained.

At Firstbank, the policy on gift receipt and offering is a two-part document that addresses:

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- a. Policy on the Receipt of Gifts and Hospitality from Third Parties
- b. Policy on the Giving of Gifts and Hospitality to Third Parties.

These policies should also be read and interpreted jointly in compliance with the directives of the Board to have a holistic view on the policy direction of the Bank on the receipt and offering of gifts in the course of transacting the business of the bank.

Furthermore, this policy should be read in conjunction with the following relevant policies in the bank such as; The Related Party Transactions and Conflict of Interest Policy and Procedure, Anti-Bribery and Corruption Policy and the policy guiding the Corporate Responsibility and Sustainability donations made by the Bank.

## 2. SCOPE

This policy applies to all line executives, employees (core and non-core); temporary workers; consultants; contractors and agents of the Bank.

It is however pertinent to note that this policy, which regulates processes and procedures in accordance with existing legal duties and obligations, that an employee owes the employer in terms of the law, does not replace but complement the banks approved internal control, policies and guidelines.

## 3. OBJECTIVES

First Bank conducts business based on its principles of quality, service excellence, pricing and technical ability and recognizes that employees in the course of their dealings may be required to accept or receive gifts, as a means of gratitude or cultural expectation. In order to avoid any impropriety in the acceptance and receipt of gifts, it is imperative that all employees should, at all times, be aware of the wider implications of the offer. Therefore, the main objectives of this policy are:

- ✚ Provision of guidance on acceptable/expected behaviors in line with the core values of the Bank.
- ✚ Promotion of transparency and avoidance of business-related conflicts of interest.
- ✚ Ensuring fairness in the interests of employees and First Bank.
- ✚ Create an audit trail of the process for the acceptance and receiving of gifts.
- ✚ Compliance with requirements of various legislations and regulations relating to the prohibition of corruption.

These objectives, if properly implemented, would:

- ✚ Avert any unjustified perception of self-interest, prejudice or bias by employees acting in situations where the bank has approved the acceptance and receipt of gifts by employees.
- ✚ Provide a structured process for the receipt of gifts by employees and the Bank thereby protecting employees from misplaced charges of conflict of interest or corruption.
- ✚ Permit employees, in appropriate circumstances, to receive gifts, on the condition that such gifts do not interfere with or have the potential to improperly influence their judgments or inappropriately interfere with their responsibilities to the bank or when acting on behalf of the bank. In such instance, an employee must be seen to be fair, impartial and unbiased.

#### 4. POLICY STATEMENT

Except as provided in this policy, First Bank of Nigeria generally prohibits its employee (core and non-core) from soliciting, accepting or from agreeing to solicit, accept or receive anything of value, whether in cash or in any other form, directly or indirectly from anyone in connection with the business of the Bank. All gift received must be disclosed in line with laid down guidelines.

An employee's family is also prohibited from soliciting, accepting or receiving any gifts directly, or indirectly on behalf of the employee, where such gifts are obtained from



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Contractors, Consultants or agents of the Bank and where the employee has a professional relationship with those Contractors, Consultants or agents of the Bank

Specifically, all travels at the invitation and expense of Contractors, Consultants or agents of the Bank by employees or employee's family as well as acceptance or receipt of cash to defray travel costs are also prohibited. Such trips may only be undertaken if the costs are being borne by the Bank, and where prior written approval has been obtained, it must be in line with the Bank's policy.

Invitation to breakfast, lunch or dinner from third parties is only permissible, where such invitation is to discuss business matters either with representatives of the hosting organization or representatives of other organizations that might have common interests with the hosting organization; provided the venue and hospitality are not in themselves an inducement to accept the invitation or the purpose of the invitation.

Where invitation is extended for conference and trade shows, the hospitality received should be supplementary to the event and it is expected that business insight would be realized from such an event. However, prior written approval must be received from respective line executives before acceptance of such invitation.

Invitations to social events should only be accepted except where the Company's interests can be clearly defined in advance.

Where hospitality includes travel or accommodation being extended, prior written approval must be received from respective line executives before acceptance. Where acceptance may be seen to impact on the business decision of the staff, such gift must be declined.

Whenever in doubt as to whether a disclosure is required regarding receiving or acceptance of a gift as stipulated in this policy, it is the duty of the employee to seek for further clarification/advice from respective Heads of Department and/or from the Chief Compliance Officer.



Any actual or suspected breach of this policy will be thoroughly investigated and any employee found to be in breach would be subjected to the Bank's disciplinary proceedings, which may ultimately result in dismissal regardless of the intent and purpose of such breach.

## **5. PROCEDURE FOR THE ACCEPTANCE OF GIFTS**



### **5.1 Conditions for Acceptance of Gifts**

Provided that there is no corrupt intent, only gifts of value above N10, 000.00 (**Ten thousand Naira only**) (or its equivalent in any other currency) is required to be declared and handed over in line with this policy. Cash gift of any value is however **PROHIBITED**. Where cash gift is given by a third party and the recipient is unable to return it to the third party, same must be declared and handed over to the Monitoring Officer.

#### **5.1.1 When receiving or accepting such gifts, an employee must:**

-  Disclose the acceptance or receipt of any gift as soon as practicable but not later than seven (7) working days from the date of receipt, in a Gift Register in the prescribed form set out in **Annexure 'A' to this policy**.
-  Disclose the acceptance or receipt of more than one gift from the same Contractor, Consultant or Agent of the Bank, within a period of three months, except where such gifts are given during festive periods or special events that are of significance to the customer which sum must not exceed the set threshold. In these instances, the employee may not accept such recurring gifts from the same contractor, consultant or agent more than two (2) times in any financial year.

Every employee should however note that:

-  A gift involving a clearly established monetary value of the amount allowable as specified in this Policy, received directly by the employee must be declared. With the proviso that the acceptance or receipt of the gift does not impair the independence or objectivity of the employee acting in his or her official capacity on behalf of the bank.
-  The acceptance or receipt of the gift may not take place in circumstances that amount to a conflict of interest on the part of the employee as explained in

the bank's *Conflict of Interest and Related Party Transactions* Policy and Procedure.

- ✚ The acceptance or receipt of the gift may not take place in circumstances that amount to Bribery and Corruption, as is also explained in the bank's *Anti-Bribery and Corruption* Policy.

In the event of any doubt, a disclosure should be made in the prescribed format.

### **5.1.2 Social considerations**

Where it would be reasonably deemed to be impractical, inappropriate or insulting to refuse to accept a gift that has been offered with an estimated value greater than ₦10,000.00, the employee shall accept the gift. Thereafter, the employee must disclose the acceptance or receipt of such gift as soon as practicably possible, but within seven (7) working days from the date of receipt, in the format prescribed in the Gift Register.

It is pertinent to note that all Cash Gifts are never permitted as allowable gifts under the policy regardless of amount or consideration, therefore if accepted, it must be declared and follow the gift disposal process in s.7 below.

## **6. THE REGISTER OF GIFTS**

- ✚ Management approves the appointment of the Head, Corporate Compliance Review within the Compliance function as the Monitoring Officer (MO) to coordinate the acceptance of gifts in the Head Office.
- ✚ All staff must ensure that information on all qualified gifts is detailed in the disclosure form to the Monitoring Officer through the management of each department or business unit within seven (7) working days.
- ✚ The disclosure form must be completed in paper version, signed by the staff member and passed to the management of each department or business unit for approval and signature. After being signed off, it must be passed to the Monitoring officer, who will confirm the approval of the Line Executive or his designate is endorsed on the form before acknowledging receipt and forwarding same to the CCO for overall review and monitoring. The CCO then renders a bi-annual report to the Board on Gifts-related issues.

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- The Marketing and Corporate Communications Department will arrange for the distribution of all qualified gifts in line with the Corporate Social Responsibility focus of the Bank.

### 7. GIFT DISPOSAL PROCESS

In line with the Gift policy of the Bank, employees are expected to follow the process detailed below in disposing the declared and collected gifts

#### Procedures

No	Action and Description	Responsibility
1.	<b>Receive declared gifts</b> All Banking Services Managers of respective bank branches receive declared gifts; Designated compliance officers of respective departments receive the declared gifts	Area Compliance Officer (ACO) for the cluster; MO for Head Office departments
2.	Gifts are registered in the Gift Register of the Branch/ Department	Area Compliance Officer (ACO) for the cluster; MO for Head Office departments
3.	Gifts are transferred to the Compliance Department for custodianship and documentation; M&CC is alerted on the gifts received by the Compliance department	MO for Head Office departments
4.	<b>Sort &amp; Evaluate Gift items</b> Check and set aside gift items not suitable for homes and orphanages such as alcoholic drinks	Area Compliance Officer (ACO) for the cluster; MO for Head Office departments
5.	<b>Approve sorted items for disposal</b> Approve the gift items sorted and categorized for disposal	Head, Corporate Social Responsibility
6.	<b>Auction excluded gift items to staff</b> Unsuitable gift items for homes & orphanages are auctioned to staff within the respective branches with concurrence from the Group Head, M&CC	Area Compliance Officer (ACO) for the cluster; MO for Head Office departments
7.	<b>Monies realized from Auctions</b> Monies realized from auctions are used to procure gifts suitable for charities with concurrence from the Head, Corporate Social Responsibility	Area Compliance Officer (ACO) for the cluster; M&CC to coordinate for HO
8.	<b>Send selected gift items to Charity</b> Gift items suitable for charity (procured and received) are sent to approved homes and orphanages as communicated by M&CC within the respective	Area Compliance Officer (ACO) for the cluster; M&CC to coordinate for HO

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No	Action and Description	Responsibility
	states/towns where branches are located. For gifts received from Head office, this is picked up by the notified Charity at the Compliance Office	
9.	<b>Communicate Activity</b> Communicate accordingly in reports to Board	Compliance Department

All such gift items received at branches must be disposed within each quarter of receipt and report on disposed gifts forwarded to the Monitoring Officer and the Head Corporate Social Responsibility.

Any overt or covert offer of any gift, benefit or other inducement to take some action or prospective decision must be reported to the Chief Compliance Officer through the Monitoring Officer whilst Compliance Department must ensure that all employees are made aware of the existence of the Gift Register with requisite access thereto.

The life span of a register is five (5) years.

## 8. NON-COMPLIANCE AND REPORTING

Non-compliance with this policy and the procedures described in it may be considered as misconduct and erring employees' subjected to disciplinary action that could lead to suspension, and in serious cases, summary dismissal.

All suspected incidents of corruption and contraventions of this policy should be reported to the Chief Audit Executive for investigation and recommendation as appropriate in line with the Whistleblowing Policy of the Bank.

## 9. ROLES & RESPONSIBILITIES

### 9.1 The Board of Directors and Management

The Board is ultimately responsible for ensuring that an appropriate/effective structure and process is in place to manage the acceptance and receipt of gifts effectively

### 9.2 Internal Audit

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Internal Audit conducts periodic reviews to provide independent assurance to the Board through Management that the policy on the receipt of gifts and hospitality is implemented and followed, and that the risks are being appropriately assessed, managed and controlled.

### 9.3 Chief Compliance Officer

The CCO coordinates the implementation of the framework governing the policy and all updates thereto, whilst monitoring the review of the procedures, reporting obligations and awareness responsibilities under the policy.

Furthermore, in consultation with other relevant role players, ensures that all contraventions are investigated in accordance with relevant approved policies.

## 10. CONCLUSION

All staff must be aware of the requirements of this policy and it should be read in conjunction with other relevant policies in the bank. All staff are mandated to attest to the declaration page of this policy, which must be forwarded through the management of their respective department/ business units to the Monitoring Officer.

It is the responsibility of all staff to ensure that the spirit and letter of this policy are adhered to at all times.

## 11. STAFF DECLARATION

I have read and understood the **Policy in The Receipt of Gifts and Hospitality from Third Parties** of First Bank of Nigeria Limited. I understand that if I misrepresent the material nature of any gift accepted or received, that such action could constitute misconduct that may result in disciplinary action being taken against me, which may result in dismissal.

NAME: -----

STAFF NO: -----

BUSINESS UNIT/DEPARTMENT: -----

SIGNATURE: ----- DATE: -----