

GIFTS & BENEFITS POLICY



1. INTRODUCTION

- 1.1. Ikeja Electric (the "Company") conducts its business based on the principles of fairness, honesty, openness, decency, integrity and respect. The Company recognizes the importance of having guidelines in place to help Employees make the right decisions when giving or receiving gifts, benefits and hospitality while conducting business on behalf of the Company.
- 1.2. The giving and receiving of gifts, benefits and hospitality on a modest scale is common practice within all business environments in which the Company operates.
- 1.3. The objective of giving or receiving of gifts, hospitality and benefits is to promote goodwill and sound business relationships between the Company and its stakeholders.
- 1.4. However, at no time should the giving or receiving of gifts, hospitality and entertainment affect the decision making or actions of the Company or its Employees or representatives or affect the objectivity or transparency of decisions or actions taken by the Company or any of its Employees or representatives.
- 1.5. The Company also has zero-tolerance to bribery, corruption and fraud and thus, the provisions of this Policy are intended to ensure compliance with the Company's Anti-Bribery and Corruption Policy and related laws.
- 1.6. It is required of all Employees to make customers and all third parties aware of the provisions of this Policy.

2. PURPOSE

- 2.1. The intended objectives of this Policy are to:
 - 2.1.1. Provide guidance on the behaviours expected from Employees regarding the giving and acceptance of gifts, benefits and /or hospitality;
 - 2.1.2. Regulate and guide Employees on the steps and actions to take with respect to the giving and acceptance of gifts, hospitality and/or benefits;

- 2.1.3. Provide Employees and all stakeholders with a clear understanding of the ethical standards and values of the Company regarding the giving and acceptance of gifts, hospitality and/or benefits.
- 2.1.4. Promote transparency and aid the avoidance of any business-related conflicts; and
- 2.1.5. Promote fairness in the interest of the Company and Employees.
- 2.2. By ensuring the above is implemented, the Company will be able to:
 - 2.2.1. Allow Employees, where appropriate, to accept, receive and give gifts, provided that these gifts do not interfere with or have the potential to interfere with their responsibilities to the Company, improperly influence the judgments expected of them when acting on behalf of the Company or amount to corruption in any way.
 - 2.2.2. Protect Employees from false accusations of conflict of interest or corruption by providing a mechanism for the acceptance, receipt and giving of gifts by Employees.
 - 2.2.3. Avoid any unjustified perception of bias or self-interest by Employees acting in situations where the Company has approved the acceptance, receipt and giving of gifts by Employees.
 - 2.2.4. Promote strict compliance with the Company's guidelines, Code of Ethics and Professional Conduct (the "Code"), legal/regulatory provisions and governance business principles; and
 - 2.2.5. Promote and develop a culture of openness, accountability, fairness, transparency and integrity.

3. SCOPE & APPLICABILITY

- 3.1. The primary targets of this Policy are all Employees of the Company – irrespective of function and rank. The secondary target audience are other external stakeholders such as customers, electricity consumers, vendors, suppliers, contractors, consultants, business partners and agents acting on behalf of the Company, whether permanent, temporary or on contract; wherever located.
- 3.2. Where indicated, this Policy will be applicable to partners/spouses and direct family members of the above parties.
- 3.3. Ikeja Electric also expects its business partners, contractors, suppliers and vendors to abide by the terms of this Policy and will, where appropriate, include clauses to this effect in relevant contracts.

- 3.4. This Policy regulates processes and procedures in accordance with existing legal duties and obligations that an Employee owes an employer in terms of the law, and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

4. RESPONSIBILITY

- 4.1. Although the Board is ultimately responsible for ensuring that an appropriate structure and process is in place to manage the acceptance, receipt and giving of gifts and benefits effectively, the Board of Directors have mandated the following Committees and/or persons to do the following:
- 4.2. The Audit, Risk & Governance Committee shall be responsible for reviewing the adequacy and effectiveness of the Company's systems of internal control, including those relating to the acceptance, receipt and offer of gifts, and the means through which related exposures are managed.
- 4.3. The Internal Audit Department is to conduct periodic reviews and provide independent assurances to the Board and Executive Management that the policy on the acceptance, receipt and giving of gifts is implemented and complied with, and that the risks are being appropriately assessed, managed and controlled.
- 4.4. The Corporate Governance & Compliance Unit is responsible for implementing this Policy and shall undertake all such administrative actions necessary to ensure Employees comply with the procedural aspects of this Policy.
- 4.5. Every Head of Department, Business Manager and Undertaking Manager shall be responsible for ensuring gifts received by the Employees situated at their respective office locations are declared and that the gifts handed over to them are handled in accordance with Section 7 of this Policy.
- 4.6. Every Supervisor, Line Manager and Team Lead has the responsibility to ensure compliance of this Policy in letter and spirit by Employees under his/her supervision.
- 4.7. Every Administrative Officer, Business Unit (BU) Legal Representative, Employee Relations Specialists at the BUs, or HR & Admin Supervisors at the Undertakings (UTs) shall provide the Corporate Governance & Compliance Unit with full support in the administrative actions involved in management of gifts declared.
- 4.8. It is the responsibility of every Employee to comply with the processes designed to control the giving and receiving of gifts as contained in this Policy.

5. DEFINITIONS

- 5.1 Certain words or phrases used in this Policy shall have the following meaning:

- a. *"Benefits"* means travel, entertainment and hospitality. This is not limited to meals, drinks, entertainment (including tickets to sports or social events), recreation, transportation, invitations, and privileged access to equipment, materials or facilities.
- b. *"Employee"* means all permanent, contract and temporary Employees employed by the Company, its partners and associate companies, directors, management and all authorized representatives of the Company.
- c. *"Gift"* means any gratuity, favour, discount, loan, services and interest in property of any description or other item that constitutes a personal benefit to the Employee, which may appear to be disproportionately generous or could reasonably be construed as an inducement to affect a business decision. The term, "Gift" excludes the following:
 - i. items given to the Company;
 - ii. anything for which any Employee or representative legally pays market value;
 - iii. the receipt of moderate food or refreshments at corporate engagements where an Employee is representing the Company;
 - iv. plaques, trophies, awards, souvenirs, mementos, or similar items of commemorative value, and
 - v. informational materials in the form of business-related books, articles, other written materials, audiotapes, CD's, DVDs, videotapes, and other similar business-related materials.
- d. *"Gift Register"* means a document in which all Gifts that are received by or offered to any Employee or representative from any external organizations and/or individuals, including gifts that have not been accepted, are recorded. This register will be maintained by the Frontdesk Administrative Officers.
- e. *"Hospitality"* shall include, but not be limited to meals, drinks, entertainment (including tickets to sports or social events), recreation, transportation, supplier invitations, equipment, materials or facilities.
- f. *"Public Official"* covers people not only working directly for the government, but also Employees of government-owned or controlled companies or agencies. Public Officials may be:
 - i. Appointed or elected;
 - ii. Permanent or temporary;
 - iii. Paid or unpaid;
 - iv. Of any level of seniority;
 - v. A member of a political party;

- vi. A candidate for public office; and
 - vii. An Employee of a public international organization (such as the United Nations).
- g. "Third-Party" means any person, group, organization, customer, business partner, vendor, supplier, contractor, agent, consultant, advisor, regulatory entity, potential Employees, potential vendors or suppliers, business partners or any other individual or organization.

6. THE GENERAL PRINCIPLES & OBLIGATIONS

- 6.1 Receiving Gifts
- 6.1.1 To avoid a conflict of interest, bribery and corrupt practices and the appearance thereof, the Company and its Employees shall not accept gifts.
 - 6.1.2 The only exception to the above is the acceptance of low-value corporate branded promotional items (i.e. diaries, calendars, t-shirts, stationery, etc.) and hampers that are less than N35,000.00 (Thirty Five Thousand Naira Only) , provided the receipt of such gift does not create a sense of obligation and indebtedness towards the donor of the gift.
 - 6.1.3 Gifts must never be solicited by an Employee from anyone with whom the Company has a business relationship, whether such a Gift is for the Employee, family members or on behalf of anyone else.
 - 6.1.4 Personal friendships may develop during the course of normal business interaction with third-parties, and when such friendship continues outside the business, Gifts received should not improperly influence or appear to influence any business decisions.
 - 6.1.5 During the pre-engagement or disengagement stage with any supplier/contractor, where the acceptance of any Gifts would lead to a perceived influence of the business decisions or expectation on the part the supplier/contractor, Gifts must not be accepted. Any supplier who offers Gifts to an Employee during a tender or selection process will automatically be disqualified, blacklisted and excluded from doing business with the Company in accordance with the Company's Supply Chain Management Policy.
 - 6.1.6 Employees must advise third-parties to abide by the Company's policy and not deliver any gifts to Employees, a department, an office or the Company, at any time, for any reason, where possible.
 - 6.1.7 If an Employee, department, Business Unit or Undertaking of the Company receives a gift that cannot be refused or returned, perhaps because the donor takes offence, the gift must be declared in accordance with Section 7 of this Policy.
 - 6.1.8 Gifts of alcohol or drugs must never be accepted.
 - 6.1.9 Under no circumstance should gifts of cash or cash equivalent (e.g. recharge cards, cheques, travelers' cheques, securities, gift vouchers, coupons, shares, etc.) be accepted.

6.2 Receiving Benefits

- 6.2.1 Reasonable business meals, entertainment, travel or accommodation, including attendance of sporting, corporate or cultural events, may be accepted provided that:
- It is for a legitimate business purpose on behalf of the Company, for example, a business meeting or conference, fostering business relationships, and is provided as a normal part of business.
 - The value is relatively low, having regard to all relevant circumstances and position of the IE recipient, and should always be such that it can be regarded as reasonable by the average person.
 - In all cases, local flights or accommodation per (b) above must be approved by the Employee's Head of Department in writing and a soft copy of the approval sent to the Corporate Governance Unit by email. For international flights or accommodation, approval must be sought from the Company's Managing Director in writing and a soft copy of the approval submitted to the Corporate Governance Unit by email.
 - In all cases, IE staff are discouraged from accepting meals, drinks, transport fare, or any tangible/intangible token of appreciation from IE customers, vendors and suppliers, in particular, to avoid any suspicion of impropriety.
- 6.2.2 The regular, frequent and/or habitual receipt of a benefit, entertainment, travel or accommodation from the same third party in a three (3) month period is discouraged, as this may create a suspicion of impropriety. If there is a legitimate business reason for the frequent receipt of the above, a written waiver must be obtained from the Managing Director and a soft copy of the waiver must be submitted to the Corporate Governance Unit by email.

6.3 Giving Gifts and Benefits

- 6.3.1 Except as otherwise indicated, no gift or benefit exceeding ₦15,000 (Fifteen Thousand Naira) in value may be given to any third-party. The gift must be a Company-branded item while the benefit must be in relation to legitimate business purposes or for the purposes of strengthening business relationships.
- 6.3.2 No offer of gifts or benefit may be provided under circumstances where it is accompanied by any direct or indirect suggestion, hint, "understanding" or implication that in return for the gift or benefit, some expected or desirable outcome is required.
- 6.3.3 Employees are discouraged from offering gifts or benefits to third-parties unless it is an inherent part of the job, or the gift or benefit is part of or flows from an action consistent with approved business practices, such as Corporate Social Responsibility (CSR) activities.
- 6.3.4 For the avoidance of doubt, gifts to suppliers or business partners and other stakeholders for the purposes of celebrating a non-business event, such as a festive period or holiday are discouraged.
- 6.3.5 Approval from the Managing Director is required in instances where the giving of gifts or benefits may be required as a result of specific or festive circumstances. The value of these

gifts must not exceed the provisions of this Policy except where the Managing Director approves in writing.

- 6.3.6 The cumulative annual value of all gifts or benefits that can be given pursuant to 6.3.5 above should not exceed the value in 6.3.1 or the value approved by the Managing Director in exceptional cases.
- 6.3.7 Personal favours or other “preferential treatment” which might place the recipient under any obligation, should not be offered to a customer or any third-party.
- 6.3.8 It is incumbent upon Employees to understand the third-party's policy with regard to receiving gifts, hospitality or other benefits and to observe at all times, the third-party's practice in this regard.
- 6.3.9 No gifts comprising cash or cash equivalents (e.g. gift vouchers, recharge cards, coupons, shares etc.) may be offered under any circumstances; except under general promotional activities approved by the Company's Management or Board of Directors.
- 6.3.10 For the avoidance of doubt, the following gifts or benefits are never appropriate to be given:
 - a. Anything given in order to obtain or retain business, or to secure an improper advantage, e.g. pay-offs, bribes or kickbacks;
 - b. Anything that is prohibited under any law or regulation;
 - c. Anything that may be viewed as excessive by an objective third-party;
 - d. Alcohol and drugs;
 - e. Anything known to be prohibited by the third-party recipient or his/her organization; and
 - f. Gifts given in the form of services or other non-cash benefits such as, the promise of employment.
- 6.3.11 Employees may provide gifts or benefits to fellow colleagues (e.g. on birthdays), as long as the gifts are in good taste, reasonable, appropriate, and not expensed to the Company. Gifts or benefits offered or received from fellow colleagues do not need to be declared.

6.4 Public Officials

- 6.4.1 Given the specific criminal offences created by various local and international laws and regulations regarding the bribery of Public Officials, particular care must be taken in dealings with such individuals. In particular, Public Officials are likely to be subject to strict internal provisions from their organizations as to what is and is not an acceptable gift or benefit. Considerations should include:
 - a. Avoid engaging Public Officials on a one-on-one basis.
 - b. Engaging with Public Officials at their official offices, Ikeja Electric's business premises or formal social gatherings.
 - c. Documenting and keeping minutes of all meetings held with Public Officials.
 - d. Avoid discussions which could be taken as an inference that the Company is willing to offer bribes or kickbacks.

- e. Ensuring that gifts and benefits provided to Public Officials are appropriate for the level of office of the Official.
- f. Ensuring that gifts and benefits provided to Public Officials are authorized by the Managing Director.
- g. Formally recording/documenting any gift or benefit given to Public Officials.

6.4.2 Entertaining Public Officials also have the potential of being seen as a bribe or kickback and as such, due care must be applied. As a guide, entertaining Public Officials is permitted only if the entertainment is:

- a. Not extravagant or lavish;
- b. Not, or could not be perceived as, a bribe, payoff or kickback given in order to obtain or retain business or secure an improper advantage; and
- c. Provided in good taste and occurs at a business-appropriate venue.

6.4.3 Any request for the payment or provision of travel and hospitality expenses for Public Officials must be reviewed on a case-by-case basis and must be approved by the Managing Director. The approval must be attached to the Finance Department's Cash Advance and Retirement Forms.

6.4.4 In all cases, the following must be taken into consideration in reviewing travel and hospitality requests:

- a. The primary purpose is business-related;
- b. The class of travel and hospitality is appropriate and reasonable; and
- c. The itinerary minimizes the possibility of side trips and visits to non-business related destinations being undertaken by the Public Official.

6.5 Loyalty and Incentive Programs

- 6.5.1 This Policy is cognisant of the fact that managing key, strategically placed customers is an integral part of the Company's awareness and enlightenment marketing strategy.
- 6.5.2 Gifts or benefits to customers may only be offered as a reward for past loyalty and pursuant to a customer incentive or recognition programme which has been approved in advance by the Managing Director or the Board of Directors.
- 6.5.3 An Employee may receive entertainment or gifts or prizes from third-parties pursuant to a loyalty or incentive programme available to the public generally.

7. DISCLOSURE, RECORDING AND APPROVAL OF GIFTS AND BENEFITS

- 7.1 All gifts and benefits received by an Employee must be declared by completing the Gifts and Benefits Declaration Form obtainable from the Corporate Governance portal on the intranet, Corporate Governance Team, BU Legal Representatives, Employee Relations Specialists at the BUs, HR & Admin Supervisors at the UTs, the Front Desk at the Corporate Headquarters

or HR Business Partner/Representatives for assessment and approval. Please refer to Appendix 1 for a copy of the Form.

- 7.2 The following information must be disclosed:
- Date of issue or receipt of gift/benefit;
 - Date of disclosure;
 - The nature of the gift/benefit;
 - The approximate value of the gift/benefit;
 - The name of the person/organization that provided the gift;
 - The relationship of (e) to the Company and the Employee (declarant); and
 - The reason for the gift/benefit.
- 7.3 Declarations shall be made within 48 hours of receipt of a gift or benefit to the Corporate Governance & Compliance Unit. For the purposes of assessment, a clear, coloured picture of the gift must accompany all completed forms which must be sent to corp-gov@ikejaelectric.com. Failure to complete the form properly or attaching a picture renders a declaration null and void.
- 7.4 Only gifts that are not corporate branded items with a maximum value of N35,000 including hampers and food items must be handed over in the following manner within 48 hours of receipt:
- Gifts above the maximum allowed (including food items and hampers) received by an Employee situated in a Business Unit must be handed over to the Business Manager within 48 hours of receipt.
Step 1: The Business Manager must ensure the gift is recorded in the designated Gifts Register provided accurately and signed by the recipient.
Step 2: The Business Manager shall notify either the BU's Employee Relations Specialist, or BU Legal Representative copying the Corporate Governance Unit by email upon receipt of the gift.
Step 3: The BU's Employee Relations Specialist, or BU Legal Representative shall visit the Business Manager's office to collect the gifts and have them sent to the Corporate Governance Unit at the CHQ **within 3 (three) calendar days** and notify the Corporate Governance & Compliance Unit by email of the incoming gift(s), copying the Business Manager at all times.
- *Please see 7.5 for the process for handling food items and hampers.
- Gifts above the maximum allowed (including food items and hampers) received by an Employee situated in an Undertaking Office must be handed over to the Undertaking Manager within 48 hours of receipt.
Step 1: The Undertaking Manager must ensure the gift is recorded in the designated Gifts Register provided accurately and signed by the recipient.
Step 2: The Undertaking Manager shall notify the UT's HR & Admin Supervisor, copying the Corporate Governance Unit by email upon receipt of the gift.
Step 3: The UT's HR & Admin Supervisor, shall visit the Undertaking Manager's office to collect the gift and have them sent to the Corporate Governance Unit at the CHQ within 3

(three) calendar days and notify the Corporate Governance & Compliance Unit by email of the incoming gift(s), copying the Undertaking Manager at all times.

*Please see 7.5 for the process for handling food items and hampers.

- c. Gifts above the maximum allowed (including food items and hampers) received addressed to an Employee or the Company at the Corporate Headquarters must be handed over to and safely stored by the Administrative Officers at the Frontdesk.

Step 1: The Admin Officer shall record the receipt of gifts in a dedicated Gifts Register, and notify the Employee the gift was addressed to via email of the gift in their custody immediately (copying the Corporate Governance & Compliance Unit).

Step 2: The Employee must visit the designated storage area to view the gift and take pictures for the purposes of attaching when submitting a duly completed declaration form.

*Please see 7.5 for the process for handling food items and hampers.

- d. For gifts addressed to the Company, the Admin Officer at the Frontdesk should notify the CEO's Office by email. The CEO's Office must complete the declaration in accordance with subsection c above.

7.5 In the case of gifts of food (such as bags of rice, oil, etc.) or hampers (with a mixture of items) that may arrive during the festive season and at other times of the year when gift-giving is traditional, the following shall apply in addition to submitting a duly completed Declaration Form with pictures:

- a. The gift must be handed over in to the Business Manager, Undertaking Manager or Administrative Officers at CHQ Frontdesk, as applicable.
- b. Food gifts and hampers will be shared amongst Employees within the Employee's location/department/unit. The Head of Department, Business Manager, Undertaking Manager and CHQ's Administrative Unit, as the case may be, shall facilitate the fair distribution of the food gift and items in the hamper once the declaration is made. The distribution of food gifts and hampers must never be undertaken before submitting a duly completed declaration form with clear photographs of the food gift or hamper and receipt of approval from the Corporate Governance Unit.
- c. In the case of food items that are largely perishable, the distribution of these items to staff must be carried out on the same day of receipt – not stored overnight at any Company location. All other hamper items that are not perishable or susceptible to any form of infestation by insects or rodents are expected be shared among Employees by the end of the next working day.
- d. In the case of food gifts or hampers with items that cannot be shared or that are clearly not permitted under this Policy (e.g. alcoholic beverages) or exceeds the prescribed value of ₦35,000, the Head of Department, the Business Manager or Undertaking Manager must send the food gift/hamper to the Corporate Governance & Compliance Unit at the Corporate Headquarters in accordance with 7.4 (a - c) above. Any perishable food item contained therein must be brought to the Corporate Governance & Compliance Unit's attention immediately for a determination of what to do with the perishable item(s).

- 7.6 All gifts, benefits, hospitality, food items or hampers must not be utilized by the recipient until he/she is duly informed of the outcome of the Corporate Governance & Compliance Unit's assessment of the declaration. For the speedy assessment of some gifts – particularly food items, the Corporate Governance & Compliance Unit may delegate the assessment to BU Legal Representatives, Employee Relations Specialists at the BUs, or HR & Admin Supervisors at the UTs, where necessary. Assessments will be carried out by any member of the Legal & Regulatory Department for gifts delivered to CHQ employees.
- 7.7 Employees are expected to provide an estimation of the value of the gift or benefit when completing a declaration form. The Corporate Governance and Compliance Unit will be responsible for assessing the reasonableness of such valuations where provided by the declarant. To foster a fair assessment, the current market price at acceptance date would be used in assessing the value of the gift or benefit received. This is based on the principle of what the recipient would have had to pay for a similar/like item in an open market. An assessment of the value may also be delegated to the BU Legal Representatives, Employee Relations Specialists at the BUs, or HR & Admin Supervisors at the UTs, where necessary.
- 7.8 Subject to the nature of the gift or benefit, the Corporate Governance and Compliance Unit shall assess declarations within 5 working days of receipt and provide feedback to the declarant via email within the same timeframe.
- 7.9 If it is determined that the gift or benefit is deemed to be in contravention of this Policy, the gift will be withheld by the Corporate Governance & Compliance Unit to be utilized as a donation to a charity under the Company's Corporate Social PCSR Scheme, as a prize at a formal corporate function, Internal Communication quizzes/competitions or utilized under any Employee reward/recognition scheme. Note that items that are clear contraventions of the Code of Conduct such as drugs and alcohol will be destroyed.
- 7.10 Where a gift or benefit is declined by an Employee, due to it contravening this Policy, the information should be disclosed on a Declaration Form. This may protect an Employee from false and/or malicious allegations of impropriety in the future.
- 7.11 Gifts or benefits not declared as required in this Policy shall be inferred to be a bribe or kickback.

8. NON-COMPLIANCE

- 8.1 Failure to comply with this Policy may lead to disciplinary action being initiated by the Company in line with the extant Disciplinary Policy and Procedures; which may attract sanctions up to dismissal.
- 8.2 Employees are implored to promptly and anonymously report any violation or suspected violation of this Policy using any of the Whistleblowing platforms. This includes cases where you observe a colleague directing a third party to meet him/her outside the Company's premises to deliver a gift or a colleague retaining gifts that are clearly not supposed to be in his/her custody. Such reports shall always remain confidential and Employees shall be protected in accordance with the Company's Whistleblowing Policy and Guidelines.

- 8.3 Any supervisor, line manager, or officer who directs, approves, facilitates or condones a breach of this Policy or has knowledge of a breach, and does not act promptly to report and correct them may also face disciplinary action in line with the Disciplinary Policy and Procedures.
- 8.4 Contracts with any vendors, suppliers, business partners or agents may be terminated where associated or connected Employees or representatives contravene this Policy.
- 8.5 In addition to this Policy, Employees should refer to other Company policies and standards such as:
- Code of Ethics & Professional Conduct
 - Anti-Bribery and Corruption Policy
 - Conflict of Interests Policy