

Afrikagrupperna
Agneta Kuhbier

Afrikagrupperna´s Policy on Capital investments and liquidity management.

Draft 2020-06-03, approved by the Board XXX

The purpose of Afrikagrupperna´s liquidity management and investment policies aim to improve Afrikagrupperna´s liquidity both in the short term and long term, but also to strive for a good return on own equity.

The financial investments should be done with due consideration of ethical behavior and that the risk-profile is low to middle (risk-level maximum 5, at a scale of 1-7). Herewith the main rules:

Funding from Sida should be deposited into a separate bank account. A requisition of Sida-funding (longterm agreements) to be deposited into the bank account is done according to the agreement with Sida. For other kind of funding from Sida it can vary. Withdrawals from the separate” Sida-bank-account” will be done continuously, when the need occur, with two authorized signatories. For the larger partner distributions there will in advance be a requisition by email from the Controller that needs approval from the IPM (International Program Manager) before withdrawal from the bank account.

Own Equity can be invested in many ways depending on the wanted and possible time period and as well accepted risk-level. Afrikagrupperna has chosen to use the same risk-levels (1 – 7) that most Swedish banks and financial institutes are using. The financial instruments that primarily should be chosen are Plusgiro, bank accounts, different forms of special deposits, bonds, treasury bills, share trusts, interest funds, and eventual combinations, as an example equity funds.

The investments should be distributed over time so that the investments are due at different time periods, in order to reduce the interest risks and secure liquidity. For investments in derivatives other than currency hedging (i e options, warrants, futures and forwards) the board´s special approval is needed.

Cash should be invested so that there is enough money available for the daily operational payments and be placed in an account for example at Plusgiro or other bank accounts. In *Cash* is also included investments in low-risk ranked funds (risk level 1 – 2 is low risk), i.e. interest funds or equity funds, where the proceeds after sale is available within two bank days.

Long-term capital investments should be done with the existing equity that exceeds the needs according to above mentioned daily operations. The investment management should be founded on low or moderate risk taking in consideration ethics. Preferably be invested in special deposits of fixed interest with different due dates offered by the banks, or in bonds against various counterparties for risk diversification.

If investments are made in equity funds or equity index funds; the maximum total investment is limited to a maximum of 30% of Afrikagrupperna´s own equity (purchase price of the investment). Currently Afrikagrupperna´s own equity is about 14 944 Tkr (according to our 2019 annual accounts). Investments in equity- or equity index funds of more than 30% must have the approval of the board.

Investments should also not be made in any type of funds that have a higher risk level than” level 5” (risk level 3- 5 consider moderate risk according to Nordea bank). The total investment

holding should be invested more broadly, both in industries and geographical markets, for a better risk spread.

According to an earlier decision by the Annual meeting investments should not be made in shares where more than 5% of the companies' revenues are earned through alcohol, tobacco or defense equipment. Many financial institutions offer different forms of "ethical funds", which in many cases meet the mentioned criteria and they are often once's first choice.

If any doubts occur by investment in a specific share or equity fund the question should be asked and decided on in the board.

This policy refers to:

- Policy for Finance, fundraising, purchases and procurements (general)
- Policy on sustainability
- Order of Delegation