



EQUITY AND RISK POLICY

Approved by: The Board of Afrikagrupperna

Adoption date: September 2025

Responsible: Secretary General

Maximum level

Increased equity is not normally a bad thing. On the contrary, it normally offers protection during more difficult times when there are fewer contributions and fewer donations.

It also allows more freedom of action. It is difficult to set a fixed maximum limit for equity. If Afrikagrupperna has a long-term strategy coupled with committed members and employees, there will always be ideas on how to use any surplus for beneficial activities.

Recommended maximum level

With a surplus, after restoration of the equity to the lowest level of risk 1), MSEK 22, up to 50% of the surplus can be used in the following year's budget, if the Board does not decide differently.

Minimum level

It is difficult to set a fixed minimum level for equity, as this is closely related to predictions for the future and in particular future income. Discussions have been held about the need for equity to range from between MSEK 22 and MSEK 27, in order to provide stability and security for our business activities.

Afrikagrupperna has selected to use "risk levels" to deal with the risks of reduced equity.

Recommendations for lowest level

Risk level 1.

The equity is below MSEK 22.

Action to be taken: The following year's budget should possibly be balanced, and a reason should be given for planning with a negative budget.

Risk level 2.

The equity is below MSEK 18.

Action to be taken: The following year's budget should not have a deficit without an extraordinary reason by the board. An Action Plan must be made for how to restore equity to a level above Risk level 2 within 12 months.

Risk level 3.

The equity is below MSEK 15.

Action to be taken: The following year's budget is not allowed to show a deficit, it needs to be balanced. An Action Plan must be made for how to restore equity to a level above Risk level 3 within the next 9 months.

Risk level 4.

The equity is below MSEK 12.

Action to be taken: The following year's budget is not allowed to show a deficit, it needs to be balanced. Meticulous result control must be carried out with the production of at least three budgetary forecasts over the year (in June, August and October). An Action Plan must be made by the board to restore equity to a level above Risk level 4 within 6 months. Discussion on staff cuts might have to be held.

Risk level 5.

The equity is below MSEK 9.

Settlement costs for the organisation are estimated at just over MSEK 9 – in an orderly settlement with an agreed level of service during the termination process.

Action to be taken:

The Board will make immediate suggestions for either an Action Plan for an orderly settlement or, alternatively, an Action Plan for a reconstruction of business activities that must be presented to a regular or extraordinary annual meeting.

This policy refers to:

- Capital investments and Liquidity Management Policy
- Sustainability Policy
- Order of Delegation