

## **INVESTMENT RULES**

(consolidated version of the modification submitted  
for the General Assembly on 31 May, 2023)

### **Preamble**

The Central European Service for Cross-border Initiatives non-profit association (hereafter abbreviated as: the Association) in compliance with the provisions related to investment of Act CLXXV of 2011 on the Freedom of Association, Non-profit Status and the Operation and Support of Civil Organisations (hereinafter: Act CLXXV), such as

- point 3 of Article 2, which defines investment activity as *“the acquisition of securities, ownership rights of assets arising from membership, real estate and the acquisition activity of other assets for long-term investment from the resources of a civil organisation”*, and also with regard to
- Article 45 of the Act CLXXV. which stipulates that *“a public benefit organisation engaged in investment activities must create an investment regulation, which is approved by the decision-making body – if one exists – following consultation with the supervisory authority.”*

hereby decides to establish an investment rules.

### **I. Purpose of the Rules**

- (1) The general purpose of these rules is to utilise the Association's untied financial resources in a prudent, responsible and reasonable manner, providing regular financing for its activities by means of investment activities, thereby supporting the continuity of the Association's operation.
- (2) The direct purpose of these rules is to define the framework of activities related to the Association's short and long-term investments, as well as their administration.

### **II. Principles**

- (1) The basic principles of the Association's investment policy are:
  - a) income-generating: investing untied financial resources in short and long term and generating income from them;
  - b) safety: keeping the risk taken on investments at a relatively low level;
  - c) liquidity: harmonising the investments with one-year and long-term liabilities and the maintenance of ongoing solvency;
  - d) low cost: seeking to minimise the cost of investment;
  - e) a fast but safe decision-making system: to take advantage of the financial benefits of current favourable investments (primarily) through the approval of the Board and the Supervisory Board, which can be convened at short notice;
  - f) deployment of expertise: supporting the decision-making body by involving experts.

### **III. General provisions**

- (1) The Association may carry out its investment activities only to achieve the objectives set out in its Statutes, without putting them at risk. The profits from the investments may be used only to achieve the objectives set out in the Statutes.
- (2) The primary considerations, in the complex assessment of the return, risk and liquidity of an investment and the subsequent decision-making, are the safety of the invested assets, full knowledge of the rules governing investment activity, quick access to the invested amount for short-term investments and minimisation of the costs associated with the investment.

### **IV. Procedural rules**

- (1) Decision-making and implementation of decisions concerning investments is the responsibility of the Board of the Association. Investment decisions may only be made with the prior approval of the Supervisory Board.
- (2) The resolution of the Board on the investment must contain at least the own resources used for the investment, the type, amount, starting and maturity dates and expected return on the investment. Information on the benefits and risks of the investment and its impact on the Association's liquidity must be attached to the investment proposal.
- (3) Before voting on the investment proposal, the head of the Supervisory Board invited to the meeting or a member authorised by him/her shall be heard.
- (4) The implementation of the investment decision essentially involves the administrative and financial operations necessary for the investment, during which the President of the Association has the exclusive right to sign.
- (5) The Board shall report on the investment decision and its implementation in a separate agenda item at the next General Assembly of the Association.
- (6) The investment activities of the Association and their regularity are audited according to the annual work plan of the Supervisory Board.
- (7) The Association is required to maintain proper financial records from which investments can be identified and are traceable at the same time. The report on the investment activity is included in the annual public benefit annex of the Association.
- (8) This investment regulation, after its adoption, must also be communicated to members intending to join the Association.
- (9) This investment regulation has been prepared in accordance with the provisions of the Statutes of the Association.

31 May 2023, Budapest

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Dr. Zsuzsanna Fejes  
President