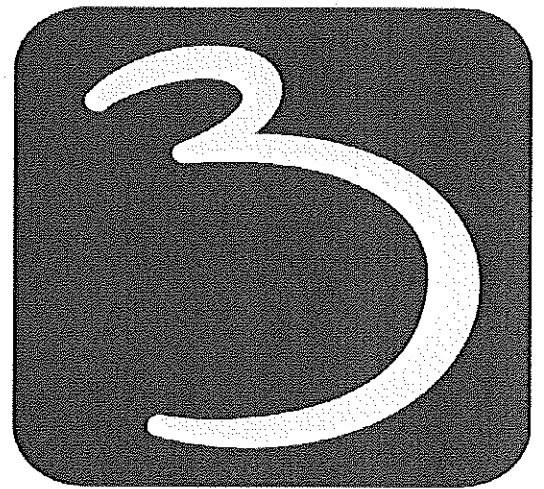


Investment Policy



***Boxing
South
Africa***



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1. Introduction

In terms of the Public Finance Management Act (PFMA), section 7(4) and 53(3), a public entity or a government business enterprise with funds under management must have an investment policy approved by the board.

An Board has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long-term viability and sustainability of the entity. Hence, it is critical for Boxing South Africa to have its own investment policy located within the local government legislative framework. This draft policy should be read and understood against this background.

2. Terms and definitions

Accounts - Means statement of moneys received

Bank: - Means an institution recognized by the Registrar of Banks.

Bank Accounts: - Are the recognised statement of financial holdings on behalf of the Boxing South Africa

Cash Management: - Means efficient and effective management of funds

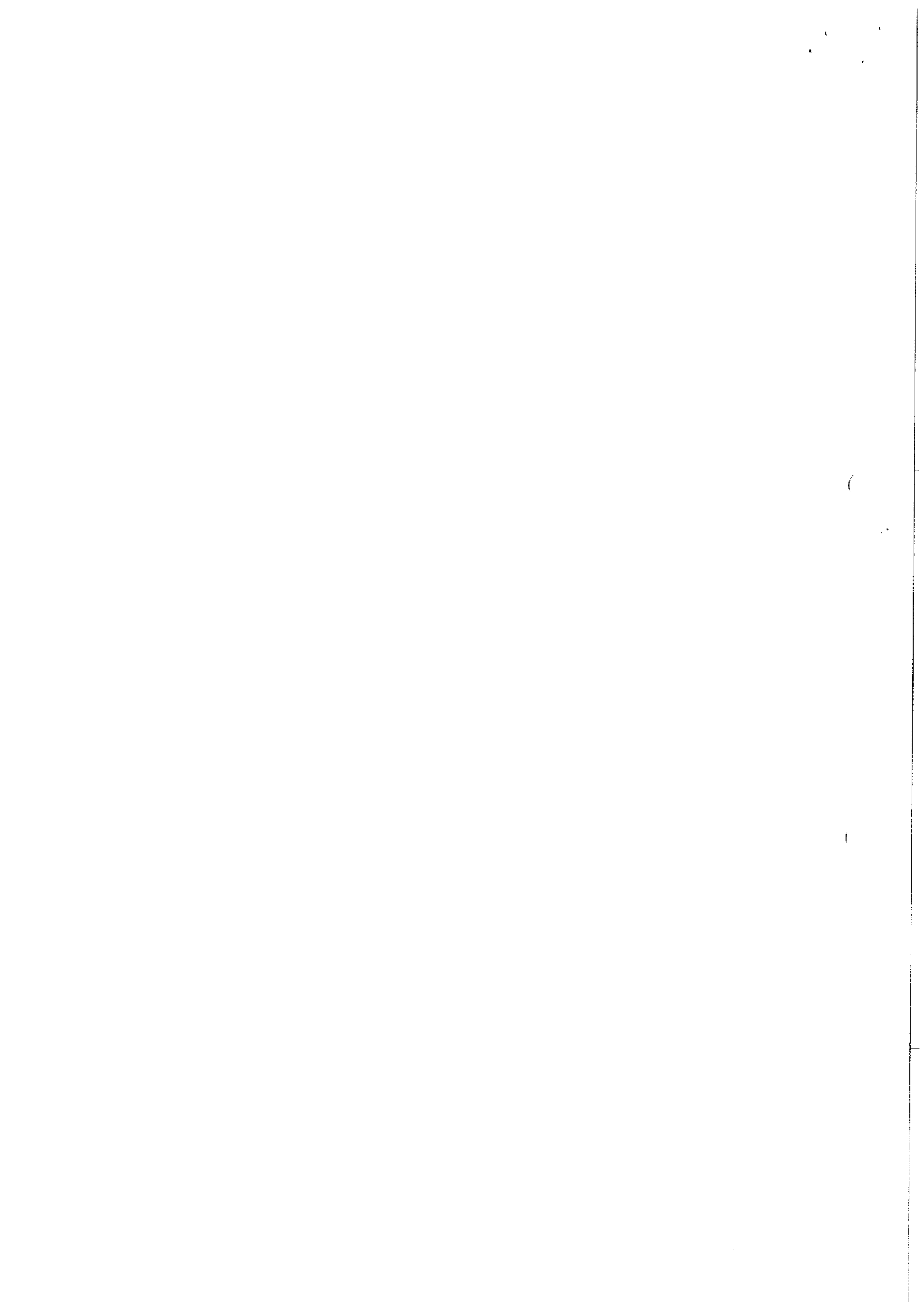
Delegate: - Means an official/person delegated to perform tasks on behalf of another person.

Investment Ethics: - Means ethical framework within which investments must take place

Liquidity: - Means the ease with which financial instruments can be converted to cash or cash equivalents

3. Objectives of the policy

The primary and the ultimate goal of the investment of funds is to earn the safety of returns on investment principal, an amount invested whilst managing liquidity requirements and, providing the highest return on investment at minimum risk, within the parameters of authorized instruments as per the PFMA.



4. Cash flow

4.1 Before money can be invested, the Board or his or her delegate must determine whether there will be surplus funds after meeting the necessary obligations.

To be able to make investments for any fixed terms; it is essential that cash flow estimates be drawn up.

4.2 The Auditor-General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

5. Investment ethics

5.1 The Board and his or her delegate are responsible for the investment of funds and must ensure that there is no interference in these processes.

5.2 A certificate of Commission is required by the Auditor General regarding the investment.

5.3 Under no circumstances may he/she accept bribes into making an investment. Refer to point 6 below for the gifts policy created to avoid conflict of interests.

6. Gifts Policy

6.1 No member of staff may accept any gifts unless that gift can be deemed so small that it would not have an influence on his or her relationship with the said institution

6.2 The gift must be declared to Boxing South Africa, and included in a gifts register, which should be reviewed monthly by the CEO and reported on at Board meetings.

6.3 The Board and his or her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to the executive authority i.e. the department of Sport and Recreation.

6.4 Excessive gifts and hospitality should be avoided at all costs

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7. Approval of investments

7.1 Investment with financial institution requires full board's approval based on the requirements mentioned below.

7.2 In the event that an investment that needs to be made, quotations are required from the various financial institutions.

7.3 In the case of telephonic quotations, the following information is required:

- a) The name of the person, who gave the quotation,
- b) The relevant terms and rates and
- c) The information scheduled in respect of the telephone quotation is to be signed by the Board and the Chief Financial Officer
- d) Telephonic quotes are to comply with the Supply Chain Policy.

7.4 Where payments to financial institutions in respect of investments are to be effected by cheque, the following procedures must apply:

- a) The Chief Financial Officer's or delegated official must complete a cheque or EFT requisition form and submit it to the Board and the Chief Financial Officer together with the supporting quotations
- b) The Board and the Chief Financial Officer must either authorize the requisition or submit it to the Executive authority for authorization depending on the value of the investment,
- c) When the Executive authority or the Board have authorised the requisition, the Board and the Chief Financial Officer or their delegated signatories are required to sign the cheque and submit it to the financial institution concerned.
- d) All investment documents must be signed by two authorized cheque signatories.
- e) The Chief Financial Officer must ensure that a bank, insurance company or other financial institution, which at the end of a financial year holds, or at any time during financial year held, an investment for the entity must
- f) Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and
- g) Promptly disclose information regarding the investment when so requested by the National Treasury, the Auditor-General or any other relevant government department
- h) Promptly disclose information of any possible or actual change in the investment portfolio that could or will have a material adverse effect.



8. Control procedures over investment

8.1 An investment register should be kept of all investments made. The following facts must be indicated:

- Name of institution
- Capital invested;
- Date invested
- Interest rate
- Maturity date
- Interests earned on investments
- The Reason for investment (Purpose).

8.2 The investment register and accounting records must be reconciled on a monthly basis.

8.3 The investment register must be examined on a monthly basis by the senior official under the direction of the Chief Financial Officer/ assignee as instructed, to identify investments falling due within at least the next two weeks. An investment plan must then be established for the next calendar month bearing in mind the cash flow requirements.

8.4 Interest, correctly calculated, must be received timeously, together with any distributable capital. The Chief Financial Officer or his or her assignee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.

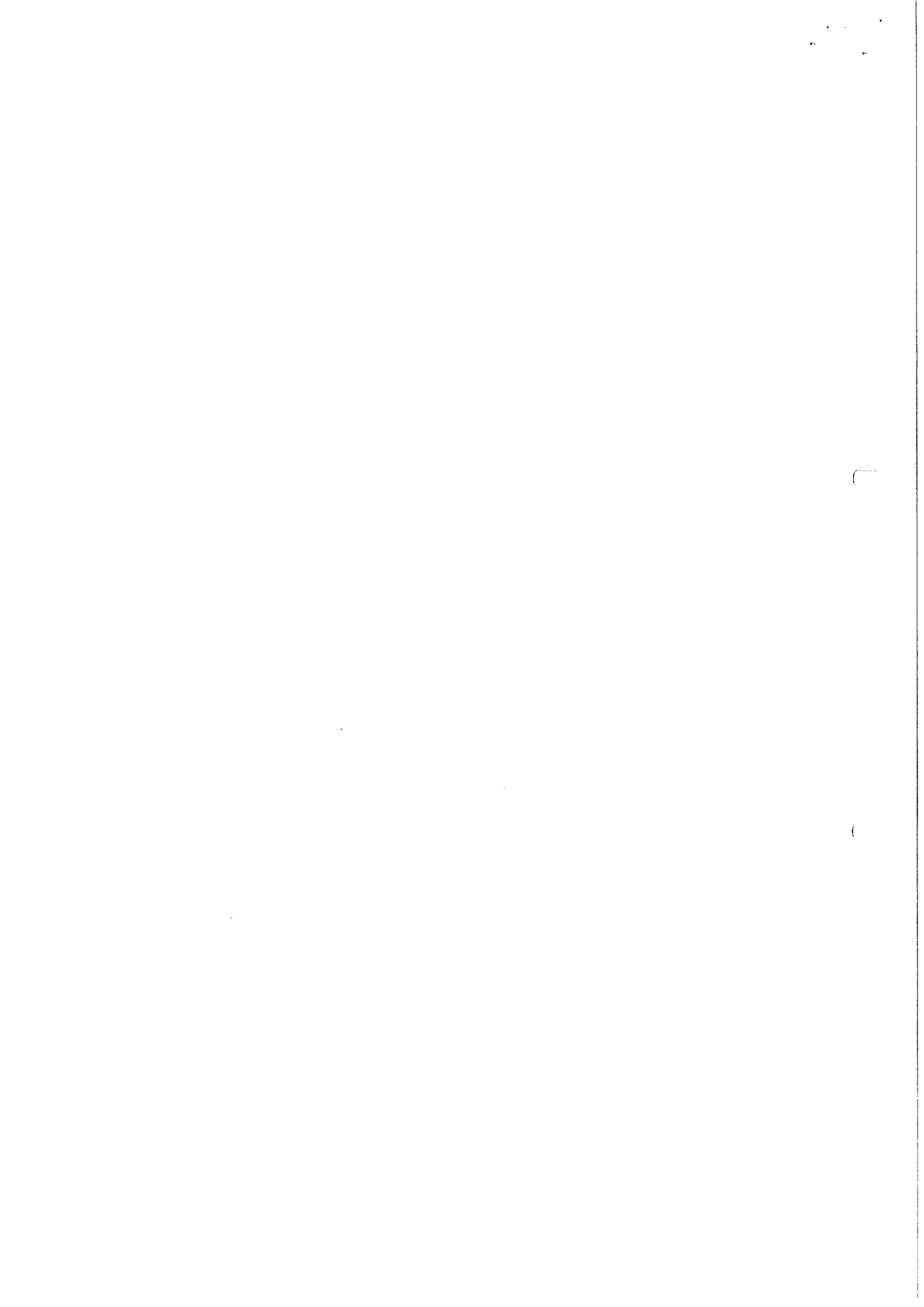
8.5 Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate;
- Receipt for capital invested;
- Copy of electronic transfer or cheque requisition;
- Schedule of comparative investment figures;
- Commission certificate indicating no commission was paid on the investment;
- Interest rate quoted; and
- Memorandum of agreement / proof of grant.

8.6 All investment must be denominated in South African Rand (ZAR)

8.7 The Chief Financial Officer or his or her assignee is responsible for ensuring that the invested funds have been invested with financial institutions approved by the Republic of South Africa: National Minister of Finance, Public Investors Commission or with a bank rating of AA and endeavour to minimize risk exposure

8.8 Daily deposits should only be done when it is financially feasible to the Entity i.e. the cost of depositing the money at a financial institution should not exceed the actual deposit.



9. Reporting and monitoring

9.1 Within 10 days of the end of each month the CFO must prepare a report describing in detail the investment and cash flow position of Boxing South Africa as at the end of the month.

9.2 The report must contain a statement, prepared in compliance with generally recognized accounting principles/generally accepted municipal accounting principles, that states the

- a) Beginning market value for the period
- b) Additions and changes to the market value during the period
- c) Ending market value for the period;
- d) Fully accrued interest/yield for the reporting period
- e) The credit risk rating for the institutions whose securities are held by BSA as at beginning and end of the reporting period;
- f) Investments disposed of due to adverse changes in credit ratings;
- g) Diversification of investments;
- h) Any investments locked into a time period with an institution that has a rating that is not acceptable according to Fitch, Naspers or CA-ratings;
- i) Any impairment loss of the investment.

9.3 This monthly report must be submitted to the finance committee for review and discussed at the Board meetings.

10. Use of independent investment managers

10.1 Should the need arise to use an investment manager at any time; one will be appointed using Supply Chain Management principles and practices.

11. Approval and implementation

11.1 This policy is effective from the date of approval by the Chairperson of the Accounting authority.

11.2 The CEO will be responsible for implementation and monitoring of the policy.

11.3 The policy will be reviewed on an annual basis and revision thereto must obtain Board approval.

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12. Level of approval

Dr P Ngatane

2011 -05- 0 6

Board Chairperson



Signature

Date

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