

POLICY

EXCHANGE RATE

Adopted by ADFM's Board of Directors

Last update: December 2023



INTRODUCTION

As a Mauritanian civil society organization committed to fulfilling our mission in service to our community, we recognize the vital importance of the financial resources at our disposal to successfully carry out our projects and initiatives. Given that we receive international funds, the volatility of exchange rates can have a significant impact on the actual value of these resources when converted into local currency. Hence, we have formulated this exchange rate policy, aiming to ensure responsible and transparent management of fund transfers while seeking to minimize risks associated with fluctuations in the financial market.

At the core of this policy is our commitment to financial transparency and accountability. We firmly believe that clarity and openness in managing our currency exchange transactions enhance the trust of our stakeholders, including donors, beneficiaries, and partners. We pledge to provide clear information regarding our approach to exchange rates, ensuring that each transaction is conducted with integrity and in compliance with prevailing laws and regulations.

By adopting this policy, we also acknowledge the potential risks associated with exchange rate fluctuations and commit to managing them responsibly. We are aware that each Ouguiya (MRU) we spend holds significant value and directly impacts our ability to fulfill our mission and meet the needs of our community. Therefore, we will strive to maximize the value of received funds by selecting advantageous exchange options and minimizing transaction costs.

This exchange rate policy reflects our commitment to exercising diligence in the management of our financial resources and leveraging best practices in financial risk management. We will ensure that all members of our team understand the procedures and principles outlined in this policy through appropriate training.

Guiding Principles

- a) Transparency: We commit to providing clear and transparent information regarding our exchange rate policy to relevant stakeholders.
- b) Financial responsibility: We will ensure that each currency exchange transaction is conducted responsibly and in compliance with prevailing regulations.
- c) Risk minimization: We will take measures to minimize risks associated with exchange rate fluctuations, paying special attention to transfer methods, and identifying the most opportune moments for currency conversions.
- d) Value maximization: We will strive to maximize the value of funds received in local currency by selecting exchange options that offer the most advantageous rates and by limiting transaction costs.

Conversion method

For local currency fund transfers, we will use the official exchange rate of the Mauritanian foreign exchange market prevailing at the time of conversion. We will prioritize authorized local financial institutions for conducting currency exchange transactions, paying particular attention to associated commissions and fees.

Currency hedging

As part of our financial risk management policy, we will consider the possibility of subscribing to currency hedging instruments, such as forward contracts or currency options, to reduce exposure to exchange rate fluctuations for significant amounts or long-term projects.

Financial Reports

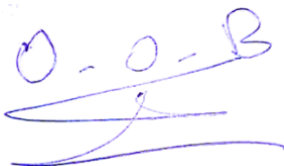
We will include information on currency exchange transactions, including the rates used and incurred fees, in our regular financial reports. We are committed to providing clear and transparent explanations of financial outcomes related to conversions of funds into local currency.

Policy Review

This exchange rate policy will be periodically evaluated to ensure its relevance and effectiveness, adapting to changes in the financial market and the needs of ADFM.

Adherence and Signatures

By signing this exchange rate policy, we affirm our commitment to responsible and transparent financial management, reiterating our determination to demonstrate integrity and diligence in the use of the resources entrusted to us.



Oumou Oumar Bâ
General Director

Date: 2023-12-17



Haby Mamadou Dia
President of the Board of Directors

Date: 2023-12-17