

OPERATIONAL GUIDELINES

2010– 2011

I. INVESTMENT STRATEGY

The MAC Investment Club will follow a primarily long/equity investment strategy.

The use of specific Exchange-Traded Funds (ETFs) may be allowed for specific strategies, with the approval of the required Executive members.

Engaging in the use of other securities is prohibited in order to limit downside risk unless otherwise approved by the MACIC President/CEO.

II. LONG-TERM PLANNING

Prior to the beginning of every academic year (September-April), the MAC Investment Club Executive must prepare and/or revise three-year plan, outlining the club's short- and long-term goals. This will ensure constant and consistent progress within the MACIC, as well as sharpen the focus of the executive on reaching their specific targets.

III. EXECUTIVE ROLES & RESPONSIBILITIES

i. President/Chief Executive Officer (CEO)

The President/CEO of the MAC Investment Club is accountable to the members of the club, as well as the Board of Directors

The President/CEO is directly responsible for the operational performance of the club as a whole.

The President/CEO's responsibilities specifically include management and oversight of the Executive team, representation of the club with media, and executive decision-making.

The President/CEO of the MACIC has the ability to overrule any decision by other members of the Executive team and Fund Management.

The President/CEO may take on any additional roles necessary.

ii. Chief Financial Officer (CFO)

The CFO of the MAC Investment Club is directly accountable to the President/CEO.

The CFO is responsible for:

- oversight of the club's investment strategy, in cooperation with the President/CEO and the Senior Trader.

- annual budgeting.

- oversight of any banking and/or other financial transactions.

- promptly preparing the "Monthly CFO's Update" to a standard which meets guidelines regarding professionalism.

- contributing to the preparation of the annual report.

The CFO may take on any additional roles necessary.

iii. Chief Operations Officer (COO)

The COO of the MAC Investment Club is directly accountable to the President/CEO.

The COO is responsible for:

- management of basic club operations such as arranging and conducting meetings, distributing reports to members, and internal communications.
- preparing, distributing to, and collecting from members all MACIC paperwork including forms, agreements, and contracts.
- the collection of fees from all members and payment for investment 'slots' from investors.
- maintaining an up-to-date database containing the contact information of all past and present club members.
- keeping all past and present club paperwork.
- maintaining transparency and professionalism in all club operations.

The COO may take on any additional roles necessary

iv. Senior Trader

The Senior Trader of the MAC Investment Club is directly accountable to the President/CEO.

The Senior Trader is responsible for:

- conducting all trades made on behalf of the club's investors and on the conditions (if appropriate) of the Fund Managers.
- keeping an up-to-date log of all trades made.
- responsibly disclosing all trades made to the CEO and CFO in order to maintain appropriate transparency and accountability within the club.
- giving guidance to Fund Managers in regards of investment suggestions made to the club's investors.
- maintaining up-to-date information on the value of the club's assets under management.
- preparing and maintaining educational initiatives for members.
- contributing to the MACIC annual report.

The Senior Trader may, if necessary/appropriate veto any decision to trade made by the investors which is deemed too risky to the club's financial decision.

The Senior Trader may sell any position if necessary/appropriate.

The Senior Trader may NOT take a position in any security without the vote of investors.

The Senior Trader may take on any additional roles necessary.

v. Vice-President Administration (VP Admin)

The VP Admin of the MAC Investment Club is directly accountable to the President/CEO of the club, but will work in concert with and under the guidance of the COO.

The VP Admin is be responsible for:

- taking minutes at all meetings
- posting important information/news for members on the MACIC website.

- photocopying/distributing any club paperwork.
- assisting the COO with the preparation, distribution, and collection of contracts, paperwork, etc.
- the preparation of updates on the club's specific positions and overall performance, to be distributed at every meeting.
- the streamlining of all club processes with the assistance of the COO.

The VP Admin may take on any additional roles necessary.

vi. Vice-President External Relations (VP External)

The VP External of the MAC Investment Club is directly accountable to the President/CEO of the club, but will work in concert with and under the guidance of the CFO.

The VP External is be responsible for:

- developing promotional materials for the club
- developing a school/community wide marketing campaign for the beginning of the academic year to attract new members
- preparing and maintaining a sponsorship package to attract external financial support for the club
- communicating with sponsors, alumni, and media outlets on behalf of the club

IV. FUND MANAGEMENT ROLES & RESPONSIBILITIES

i. Fund Managers

Fund Managers are directly accountable to COO & Senior Trader.

Fund Managers are responsible for:

- guiding their team of associates in researching and suggesting promising investment opportunities to the investors
- distributing research tasks to their associates
- compiling data and preparing a professional report and presentation based on their research and presenting it to the club members
- answer any questions members and investors may have regarding their suggestions
- attending all meetings

ii. Associates

Associates are directly accountable to their respective Fund Managers

Associates are responsible for:

- carrying out tasks delegated by their Fund Managers in a timely manner
- attending all meetings

V. FINANCES

Upon joining the club, all members must contribute an annual fee designated by the Executive.

Membership fees will be the basis of MAC Investment Club funding.

Funding may also be accepted from McMaster University, the McMaster Student Union.

Funding gaps will be financed through outside sponsorship.

MACIC funding and financing needs will be planned by the incoming President/CEO and CFO through the preparation of a preliminary budget prior to the beginning of the September-April academic year.

The MAC Investment Club budget will reflect the performance of the previous academic year, as well as the goals outlined in the club's long-term planning.

VI. LEGAL

All MAC Investment Club investors must sign contracts detailing the risks associated with investing with the club, their rights, responsibilities, and understanding that their investment is not eligible for withdrawal prior to the end of the academic year (September-April).

All MAC Investment Club investors must sign a release form at the end of the academic year, stating their acceptance of their investment plus capital gains/losses as well as their intention to notify the proper authorities of their capital gains/losses and dividends received.

VII. MEETINGS

A general meeting of the MAC Investment Club must be held at least once each month, with the potential exceptions of September and April.

Non-members are welcome to attend club meetings.

VIII. VOTING

Voting by investors shall be held in person, or online through the MAC Investment Club website for investors.

For a vote to pass, over fifty (50) percent of the voters must be in favour of the motion.

IX. REMOVAL OF MEMBERS OF THE EXECUTIVE

The President/CEO of the MAC Investment Club may only be removed by a motion from the Board of Directors in extreme cases where the President/CEO's performance is deemed to be damaging to the long-term viability of the club.

Other members of the MACIC Executive team may be removed from their position by the President/CEO with the agreement of the other Executives in extreme cases where their performance is deemed sub-par and/or damaging to the viability of the club.

X. REMOVAL OF FUND MANAGEMENT

Fund Managers may be dismissed in cases of continued poor performance by agreement of Senior Trader or COO and the President/CEO.

Associates may be dismissed by their respective Fund Managers for continued poor performance after consultation with the COO.

XI. SELECTION OF THE EXECUTIVE

The incoming Executive team may be chosen from members of the club, or outsiders, at the discretion of the outgoing Executive team.

All incoming members of the Executive must be investors in the club as of the new academic year (September-April) or face replacement.

The selection of the incoming President/CEO must face Board of Directors approval.

The incoming President/CEO may provide input towards the selection of the rest of the incoming Executive team.

XII. SELECTION OF FUND MANAGEMENT

Fund Managers will be selected by agreement of the Executive team.

Applications for Fund Managers may be put forward at any time, however selection and decision will not take place before September of the new academic year.

Associates may send their applications in to their respective Fund Managers upon decision of the position of Fund Managers.

Associates will be chosen by Fund Managers for their respective teams.

XIII. BANK ACCOUNT

The MAC Investment Club will maintain a permanent checking account at a retail bank.

The bank account will be registered under the name of the President/CEO, CFO, and one other member of the Executive team.

Deposit and withdrawal to/from the bank account must take place with at least two of the executives listed on the bank account present.

Records of all banking transactions must be kept with the COO

Transfer of the bank account from the outgoing Executive team to the incoming team must take place before the end of the September-April academic year.

XIV. TRADING ACCOUNT

The MAC Investment Club will maintain a permanent trading account.

The trading account will be registered under the club, with the President/CEO, CFO, and Senior Trader listed as users.

Deposit of funds to the trading account must be done as soon as possible at the beginning of each academic year.

Withdrawal of funds must be completed by the middle of April every year for the collection of investments by investors.

XV. SPONSORSHIP

Sponsorship of the MAC Investment Club is only valid if it is through financial services firms.

All other sponsorship opportunities must be discussed with the Board of Directors.

XVI. AMMENDMENTS

Amendments to the MAC Investment Club Constitution and/or Operational Guidelines must be approved by the entire Executive team and the board of directors.
Amendments may not contradict or undermine the MACIC's four founding principles of "Education through Action", Transparency, Accountability, and Professionalism.