

Constitution of “Rational Capital Investment Fund (RCIF)”

1. Name

The official name of this recognized student group is “Rational Capital Investment Fund”

The acronym or abbreviation of this group is: RCIF

2. Purpose and Objectives

The mission of Rational Capital shall be (a) provide an active learning environment to its members in the principles of personal finance, portfolio management, investment research, and corporate finance, (b) create an atmosphere of a real investment firm and help students in developing social, analytical, and leadership skills, and (c) generate greater awareness among students of the economic realities of success and failure, profit and loss.

Rational Capital believes that the University of Toronto, through its diversity and depth of knowledge and talent, provides one of the world’s premier locations for the development of the next generation of business and finance leadership. Our vision is to provide students, through the avenue of this club and through assisting other like-minded students, with the opportunity to learn and develop to have the University of Toronto recognized as a premier center for the next generation of business and investment finance leaders.

Rational Capital also believes that knowledge of personal finance is crucial to every individual’s life goals and that the current lack of knowledge in the general population can be remediated through impartial personal finance education.

We believe strongly in the right for students to educate themselves, uninhibited by administrative diktat, financial impediments, or political credo. Our values are the reasonable right to open education for all, the development of a multidisciplinary skill and knowledge set, and the belief that investment finance can only be pursued from a value-oriented mindset.

3. Membership

Executive members with voting privileges shall be currently registered students of the University of Toronto. Executives are to be selected via an application process (including candidates applying internally or externally) and applications will be evaluated by the incoming president, with insight from the board. The incoming president is appointed by the outgoing RCIF president, with insight from the board. Executive terms are from May of a given year to April of the next year, so for example May 2022 to April 2023 for the 2022/2023 academic year.

Staff, faculty, or alumni members may hold non-voting executive positions. These nonvoting executive positions shall be limited to a maximum of one (1) or ten per cent (10%) of the full executive body, whichever is greatest. Persons holding these nonvoting executive positions

cannot serve as an officer (including financial signing officer) or contact person of the Student Group.

Non-voting membership may be extended to interested staff, faculty, and alumni, or persons from outside the University, without restriction on those grounds outlined by the Ontario Human Rights Code's Prohibited Grounds of Discrimination. However, these members do not hold the aforementioned rights. Members must register with a designated executive by submitting their full name and a valid email address.

The membership fee will be \$50.00 per year.

Any member of the club may apply for a refund within one (1) month of becoming a member. No refunds are permitted 30 days after the election periods.

4. Executive List and Duties

The President shall:

- Oversee the operations, management, and success of the group
- Be the spokesperson for the group
- Hold signing officer authority along with the Director of Operations for financial purposes
- Preside overboard meetings as well as general meetings
- Ensure transition of office to the future Executives

The Vice President shall:

- Oversee Fund side of the club
- Ensure Fund KPI's are met
- Recruit research team members
- Coordinate research team

The Director of Operations shall:

- Make a list of all registered members
- Maintain the web sites and member contact list
- Record notes and motions for meetings
- Notify all members of meetings
- Co- Coordinate organizational recruitment efforts
- Co-Coordinate club event structure and planning
- Record all financial transactions of the group
- Hold signing officer authority along with the President for financial purposes
- Maintain a budget of income and expenses along with receipts
- Prepare an annual budget for the group as well as budgets for specific events
- Co-Coordinate organizational recruitment efforts
- Co-Coordinate club event structure and planning

The Director Marketing shall:

- Inform the broader public about anything/everything RCIF related
- Drive applications and engagement
- Communicate the values of RCIF to the border public (focus on learning, self-development and a passion for value investing)
- Co- Coordinate organizational recruitment efforts

The Director of Education shall:

- Oversee the Educational programs administered by the club
- Prepare the underlying content for educational program
- Implement educational programs

5. Election of Executives

Each of the executives shall be elected by eligible members of the club. Eligible members are members that have been part of the club for at least the previous 60 days to the election.

The elections will be held at a meeting open to all eligible members where they will vote in the meeting in a secret ballot for each position. Members must be present at the meeting to vote. At this meeting, each person running for an executive position will outline their plan for their position before the vote is carried out. The candidate must appear at the meeting. The candidate with the most votes will gain the position for the following academic year.

It is recommended that for each executive position, the following experience is strongly recommended:

President: previously Vice-President, 2+ years on the research team, has completed the ACP program.

Vice President: 1+ years on the research team, has completed the ACP program.

Director of Education: 1+ years on the research team, has completed the ACP program.

Director of Operations: Previously Operations Intern, completed Fundamentals Program and/or ACP.

Director of Marketing: Previously Marketing Intern, completed Fundamentals Program and/or ACP.

6. Board of Directors

All Directors need not be current University of Toronto students nor former alumni of the organization. They are selected by the President and elected to the board by majority vote of the investors.

The Board of Directors shall consist of one or more members, the number of which is determined by resolution of the Board of Directors. Directors need not be investors.

Directors

- I. Provide strategic governance to the President and the Executive Team. During transitionary periods, Directors will provide guidance to the President on selecting a successor.
- II. The Directors will be available to provide educational guidance to members on matters of investment research and business operations amongst other things.
- III. Directors shall meet once a year or as deemed necessary and reasonable by the Chairman and/or the President of Rational Capital. The Board meeting is open only to the Directors, the President and authorized guests of the President.
- IV. Each Director shall hold his/her position until a successor is elected and qualified, or until he/she resigns, is removed or is disqualified.
- V. Any Director may resign any time by delivering his/her resignation in writing to the Chairman. Such resignation shall be effective upon receipt.
- VI. Vacancies may be filled by recommendation of the President or Directors and majority approval by the Board.
- VII. A Director may be removed per an impeachment hearing called by at least 20% of the Board constituents. A Director may be removed upon a 2/3 majority vote of the investors. The process follows Section VII protocol.

7. Termination of Executives or General Members:

Any member of the club who commits an act negatively affecting the interests of the club and its members, including non-disclosure of a significant or continuing conflict of interest, may be given notice of removal. The member up for removal shall have the right to defend his/her actions. A vote will be held at an executive meeting, and a two-thirds majority vote of the current executives present in favor of removal is required. The member must have the right to an appeal before the general membership, and the majority vote of the general membership will have the final say on the matter.

The member will be removed from the club's membership and will lose any privileges associated with being a member of the club.

Executive members are subject to the same termination or impeachment process and, as determined by the vote, may lose their executive position along with their membership to the group.

8. Finances

The Treasurer shall keep records of all income and expenses. The Treasurer shall present the group's financial health at the annual general meetings. The Executive Committee will vote on expenditures of over \$100.00 by majority vote at an executive meeting.

The group's executive or members may not engage in activities that are essentially commercial in nature. This is not intended to preclude the collection of membership fees to cover the expenses of the group, or of charges for specific activities, programs or events, or to prohibit groups from engaging in legitimate fundraising. However, the group will not have as a major activity a function that makes it an on-campus part of a commercial organization, will not provide services and goods at a profit when that profit is used for purposes other than those of the organization, and will not pay salaries to some or all of its officers.

9. Meetings

a) Executive Meetings:

The executive committee shall meet on a weekly basis where date and times are to be set by an executive. The quorum of executive meetings shall be 50%+1 of executives.

10. Amendments

Any registered U of T students may propose and vote on amendments to this constitution. The Executive Committee will administer the process of having amendments discussed at general meetings.

Constitutional amendments shall require a 2/3 majority to be passed at Annual General Meetings by registered U of T members in attendance.

The Executive Committee shall formally adopt the new constitution and submit the revised constitution to the respective University offices (i.e. The Office of Student Life, The University of Toronto Students' Union, etc) within two (2) weeks of its approval by general members.