

Rules of the House of Sigma Investments Stichting Administratiekantoor Sigma II

According to article 18 of the statutes

Agreed to by the board of Stichting Administratiekantoor Sigma II on June 2, 2005



Chapter 1

General considerations

Article 1

Where in this set of rules the E.F.M. is mentioned, stichting Economische Faculteitsverenging Maastricht is meant. Where in this set of rules the I.A.D. is mentioned, the Interne Accountants Dienst of the E.F.M. is meant. Where in this set of rules the association is mentioned, Financial Study Association FOCUS is meant. Where in this set of rules the participation holder is mentioned, the money provider according to the definition as stated in chapter 2 is meant. Where in this set of rules the foundation is mentioned, Stichting Administratiekantoor Sigma II is meant. Where in this set of rules the board is mentioned, the board of Stichting Administratiekantoor Sigma II is meant.

Article 2

Sigma Investments is an activity of Stichting Administratiekantoor Sigma II. Sigma Investments is part of Study Association FS FOCUS.

The purpose of Sigma Investments is to provide an opportunity for all participation holders to invest actively and to gain experience. It must be stressed that the success not only of the financial performance but also of the Study Association itself depends crucially on active participation of all members. Sigma Investments is not intended to be merely a financial investment without further involvement on part of the participation holders.

Article 3

All affairs of the foundation are controlled by the articles of this set of rules with regards to the principles following the statutes of the foundation and the law as determined by the Dutch state.

Article 4

The board makes sure the statutes and this set of rules are protected. Every legal representative of the foundation is personally liable for legal claims resulting from deliberate or negligent misconduct.

Article 5

In cases in which this set of rules does not provide a solution and/or answer to a question and there is room for open interpretation of the articles of the statutes of the foundation, the board has the decisive power.

Article 6

Changes to this set of rules are made by decision of the general meeting of participation holders. A proposal to changes can be made by a board member or a participation holder.

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Article 7

1. A proposal to changes of this set of rules should be present at the office of the association, at least seven days before the concerning meeting of participation holders. This should be communicated to the participation holders, the board, and the board of the association FS FOCUS.
2. If the proposal also concerns the association, the board of the association should also agree to the proposal.

Article 8

For members of the association, copies of the statutes, rules of the house, and the minutes of the meetings are available at no cost at the secretary of the foundation.

Article 9

In case a participation holder desires a view into the books of the foundation, the board is obliged to provide for these within five days.

Chapter 2

Participations

Article 10

1. The foundation administers the provided capital, executes security transaction of the participation holders and keeps these securities.
2. Only participation holders have the right to vote on transactions concerning the portfolio managed by the foundation.
3. Suspended members of the association do not have the right to vote.

Article 11

In exchange for the in custody given money, the money provider receives a statement, acknowledging that he contributed a certain amount and has received a specific amount of Sigma Shares in exchange.

Article 12

1. Only members of the association can purchase participations and hold those at the foundation.
2. In case a participation holder has sold all his participations once, this person cannot buy participations again.
3. In case a educational mandatory foreign stay is the reason for the sale of the participations subsection 2 does not apply. This reason should however be mentioned in the written note as described in article 19.

Article 13

1. The combined value of the securities and cash held by the foundation will be communicated to the participation holders by any means the board of the foundation deems appropriate, including but not limited to electronic media at least every meeting.
2. In doing so, the board will observe the interests of the participation holders to the greatest possible extend within the limits of feasibility.
3. Listed Securities are valued at current prices

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4. The board shall not be held liable for malfunctions occurring in systems provided and maintained by third parties.

Article 14

1. The current value of an individual participation is calculated by dividing the combined value of the securities and cash as reported according to article 13 section 1 by the number of currently outstanding participations.

2. If a participation holder sells some or all of his participations (liquidation), section 1 shall not apply. The liquidation value of an individual participation is calculated according to article 20.

Article 15

Expenses directly related to transactions in securities and cash shall be charged against the funds provided by the participation holders according to articles 11 and 17.

Chapter 3

Financial assets of the foundation

Article 16

The foundation can claim an allowance for the administrative, promotional costs and costs related to activities beneficial to the participation holders. The board of the association determines the amount to be disposed to the foundation with fairness.

Article 17

1. Only enrolled students or academic personnel of the University of Maastricht can become participation holders.

2. A participation holder's initial cash contribution to the portfolio shall not be less than five hundred Euros.

3. Funds provided by participation holders will only be used for investment purposes and related expenses in accordance with article 15.

4. The funds necessary to cover administrative, promotional and other costs not directly related to investments shall be obtained according to article 16.

Article 18

It is not allowed without permission of the board of the association to acquire any form of sponsoring of any party. This is according to the restrictions concerning agreements as defined in the statutes.

Chapter 4

Transactions in participations

Article 19

The sale of participations should be announced to the treasurer of the corresponding portfolio of the foundation in writing. The written announcement directed to the treasurer of the foundation concerning the sale should at least mention the date, bank- or giroaccount of a private-account and a signature.

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Article 20

1. If a participation is sold according to article 19, the participation holder shall receive the liquidation value of an individual participation multiplied by the number of participations sold.

2. The liquidation value of an individual participation is calculated according to the following formula:

Combined worth of all securities as reported by the broker(s) where the securities are held on valuation date, plus all cash as reported by the banker(s) where cash is held on valuation date, less estimated transaction costs that would be incurred if all securities were sold, divided by the number of participations outstanding on valuation date.

3. Valuation is according to closing prices on the day following the meeting in which the required asset sales to pay out the participation were decided upon by members. If no assets have to be sold, valuation will still be the day after the next meeting.

4. The transaction cost estimate as mentioned in section 2 shall be based on the actual transaction costs incurred on purchase of the securities.

5. The payment of the liquidation value shall take place as soon as sufficient cash is on hand.

6. If securities need to be sold in order to obtain sufficient funds to repay the participation holder, the board is obliged to arrange for a vote on which securities to sell as soon as possible, but no later than in the next general meeting according to article 27.

Article 21

At the end of every academic year every participation holder will receive a separate overview, in which he / she will be informed of his current number of participations, the intrinsic value and other possible important announcements, which may be of importance to the participation value.

Article 22

A participation holder can dispose of his participations up to a minimum value of five-hundred Euros without disposing of all the participations.

Chapter 5

The Board

Article 23

1. The board of the foundation ought to hold participations dependent on the number of participants in the portfolio.

2. Board members are not obliged to hold participations in case the limit of twenty-five participants has been reached for a portfolio.

3. In case not the full board is able to participate according to subsection 1 the board will, with the exception of a decision otherwise, not participate in the following order: Chairman, Vice-Chairman, Treasurer of affected portfolio, Secretary, PR-commissioner, Activities-commissioner.

4. In the case previously mentioned, the affected board member will be granted the right to bring in proposals.

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Article 24

In case a board member of the foundation wants to sell his participations, this board member should first resign. After resignation as processed by the chamber of commerce the board member can sell his participations according to regulations described in article 19.

Article 25

A board member of the foundation takes minutes of the general meeting and in particular takes note of the accepted proposal. The foundation archives these minutes, signed by both the secretary/treasurer and the chairman.

Chapter 6

General Meetings

Article 26

1. In case of misbehavior of a participation holder the board of the foundation can decide to remove this person after two warnings. The board of the foundation is obliged to report the removal to the board of the association, which can pursue any further sanctions.
2. If the purpose of Sigma Investments is misunderstood and not supported by a member, the Board has the right to inform this member of their responsibility and thus ensure the proper functioning of the investing process and the effectiveness of the activity itself.
3. If no change of attitude can be observed and there are more aspirants to the portfolio than available places, the board can give a final warning to the concerned person. This means that two months after this warning, the member will be expelled from the foundation in case no change in behavior can be observed. The value of the shares will be determined according to Article 20.

Article 27

The General Meeting will be held preferably weekly and whenever the board regards desirable.

Article 28

1. A proposal has the following requirements:
 - Clearly description of the presented security
 - Character of the security (option, stock, etc.)
 - Character of the transaction (limit, etc.)
 - Number of Securities or Nominal Amount
 - Amount of money related to it
 - Financing of it in case of purchase / sale of particular securities if fully invested
 - Date of execution of the transaction
2. In case the proposal does not mention the date of execution of the transaction, the date will be set to the first following trading day after the meeting.

Article 29

1. A proposal can only be accepted by an absolute majority of the Votes present.
2. If there are counterproposals, all proposals will be voted upon together at first. Here, an absolute majority has to indicate that the participation holders want to do something with the underlying of

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the proposals. This means that either the proposal itself or one of the counterproposals will definitely be executed.

3. After this general vote, each of the counterproposals will be voted on separately. Each present participation holder can vote once on each proposal. The proposal with the highest number of votes in favor will be carried out.
4. In case the number of votes in favor is equal between proposals, the one with the least votes against is carried out.
5. Should these votes also lead to a draw, a new vote on the proposal and the counterproposals takes place. This time each present participation holder has only one vote overall (only one in favor of a specific proposal). The proposal with the most votes in favor will be carried out.
6. In case that this leads to yet another draw, the legal representatives of the foundation present at the meeting have decisive power or the entire proposal is dropped.

Article 30

1. At every general meeting a legal representative of the foundation should be present.
2. Transactions in securities which may necessitate payments in excess of the initial investment plus transaction fees, including but not limited to financial futures, must neither be proposed nor executed.
3. A legal representative of the foundation provides the broker of the foundation with the transaction order in accordance to the accepted proposal before 12:00 (noon) of the first following trading day.

Article 31

1. It is possible to authorize another participation holder for a general meeting in writing.
2. The authorization should be handed over to the chairman or secretary at the beginning of the meeting.
3. The authorization should include name, date, signature, name authorized participation holder, and optionally the voting behavior.
4. Authorizations may also be given via the use of the University email Account, sending an email directly to the board via sigma@studver.unimaas.nl

Article 32

1. In principle every presenter is encouraged to use sheets or a beamer for his/her proposal.
2. Subsection 1 does not apply in case the proposal is a counterproposal.

Article 33

1. Proposals concerning transactions for the first following general meeting should at latest be published on the website of the foundation the same day the meeting takes place before 14:00.
2. The sending of a proposal means this should be presented at the following meeting.
3. Only with report of acceptable reasons the proposal does not have to be presented.

Article 34

Guests to the General Meetings may be invited by any participation holder with permission of a board member. These guests may take part in discussion and observe the meeting. They do not have the right to vote and they cannot bring forward proposals or counterproposals. However,

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they are welcome to bring in suggestions, which can be considered by the present participation holders.

Article 35

“Counterproposals shall be defined in one of the following ways:

- a) A counterproposal must concern the same underlying security/Index of the original proposal. This means that a put option on the DAX is a valid counterproposal to a call option on the DAX. A Call Option on eBay is also a valid counterproposal to buying the stock of eBay. However, buying a bond of ThyssenKrupp is not a valid counterproposal as buying the stock of ThyssenKrupp, since the underlying security is a bond or a stock respectively. Note however that in the DAX example, a certificate on the DAX is still a valid counterproposal to the call option on the DAX, because the underlying of both is the DAX Stock index.
- b) In case a certain security has to be sold in order to carry out a certain proposal, a counterproposal can include another security to be sold. This means that buying eBay and selling Vodafone is a valid counterproposal to the proposal of buying eBay and selling Nokia.
- c) A Counterproposal as defined like in a) or b) does not have to be proposed until 4 pm the day before the meeting.

Chapter 7

Balance and State of assets and liabilities

Article 36

The board of the foundation should at least report twice per year at a general members meeting of the association to the association and present the administration as described in article 11 of the statutes of the foundation.