



## INVESTMENT POLICY

### 1.0 INTRODUCTION

In the ordinary course of business, Playmaker Capital Inc. (the “**Company**”) will accumulate excess cash balances that are not required for short-term operating or capital purposes. Excess funds are to be invested in approved products to earn interest income above the amount that would be earned if left in corporate bank accounts.

#### 1.1 Purpose

This policy describes strategies and controls for managing the Company’s cash investment program.

#### 1.2 Approval

This policy has been approved by the Company’s board of directors (the “**Board**”) and material deviations from the investing activities described must be approved by the Board.

### 2.0 POLICY

#### 2.1 Corporate Objective

The Company’s main objective is to invest excess cash in a manner which:

- a) minimizes the risk of loss of capital,
- b) maximizes the rate of return, and
- c) minimizes capital tax.

#### 2.2 General Policy

Investments will only be made in certain Money Market, Commercial Paper, Government of Canada or U.S. Government products that are described in Section 4.2. Investments should be timed to mature at the date the funds are required but in no case longer than 36 months. A maximum of 25% of the total proceeds available for investment, per type of investment, should be kept at any one bank. In the case of commercial paper, this amount should be reduced to 10% of the company’s net assets.

### 3.0 RESPONSIBILITIES & APPROVALS

The Chief Financial Officer or his/her delegate will be responsible for the investing activities of the Company.

## **4.0 PROCEDURE**

### **4.1 Timing and Maturity Dates**

Investing activities should be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be staggered so that investment cash inflows occur throughout the year.

### **4.2 Investment Products**

Investments will only be made in certain Money Market products, Government of Canada or U.S. Treasury Bills or Bonds. The following are approved Money Market, Government of Canada or U.S. investments:

#### **(a) Government of Canada or U.S. Treasury Bills**

Government of Canada or U.S. Treasury Bills are short-term debt obligations issued and guaranteed by the Government of Canada or United States.

#### **(b) Government of Canada or U.S. Bonds**

Government of Canada or U.S. bonds are normally issued with a fixed interest rate at time of issue. While yields on outstanding bond issues rise and fall as a result of changes to market conditions, the Government of Canada or U.S. guarantees to pay the full face value of the bond on maturity.

#### **(c) Provincial Treasury Bills, Provincial Promissory Notes**

Provincial Treasury Bills and Promissory Notes are issued by Canada's Provincial Governments. They offer high quality plus a higher rate than similar Government of Canada investments.

#### **(d) Banker's Acceptances**

Bankers' Acceptance notes are short-term debt obligations issued by corporations with repayment of principal at maturity guaranteed by a Chartered Bank. Bankers Acceptances carry the same credit rating as the guaranteeing bank.

#### **(e) Bank Bearer Deposit**

Bearer deposit notes are short-term debt instruments of a Canadian Chartered Bank. Similar to a Banker's Acceptance except that the debt obligation is that of the Canadian Chartered Bank.

#### **(f) Bank Term Deposits**

Term deposits are interest-bearing deposits that give a fixed rate of interest over a fixed time period. Issued and guaranteed by a Canadian Chartered Bank, they are non-negotiable and non-transferable. They can be cashed before maturity at a reduced interest rate.

#### **(g) Commercial Paper**

Commercial paper investments are short-term, unsecured promissory notes issued by high quality corporations. They provide higher returns than Treasury Bills and Bankers' Acceptances. Commercial Paper is not guaranteed by a bank but is backed by the general credit of the issuing company. Ratings Agencies will assign a credit rating to the corporation's commercial paper program, and the return will be a reflection of market sentiment, and the credit rating assigned. Only commercial paper with a credit rating of R-1 low or equivalent will be eligible for investment.

**(h) Crown Corporation paper (Government-Guaranteed Commercial Paper)**

Crown Corporation paper investments are short-term, unsecured promissory notes issued by a Crown Corporation. They are guaranteed by the Government of Canada or US and offer the same high quality as Government of Canada or US Treasury Bills, but pay a slightly higher rate of return.

**4.3 Records & Accounting**

Records of investing activities including matured and outstanding investments will be held and maintained by the Chief Financial Officer who is also responsible for ensuring that the investing transactions are accounted for and disclosed in accordance with generally accepted accounting principles.

**4.4 Reporting**

Details of all investment activities will be reported to the Chief Executive Officer on a monthly basis. On a quarterly basis, investment activities will be reviewed with the Audit Committee and once approved, a list of investments will be submitted to the Board. The Board may request that any investment be withdrawn if they see fit to do so.