

STOKES CROFT LAND TRUST – SHARE WITHDRAWAL POLICY

1: AIM:

To minimise the cost of capital by the SCLT Board using its surplus cash to re-purchase members' shares.

2: APPROACH:

- 2:1 The SCLT Board will decide a maximum amount available for the repayment of shares for the financial year and this will be notified to members at the AGM. SCLT will match withdrawal requests received against the sum available.
- 2:2 In determining the amount available for share repayment, the SCLT Board will also take into account the capital requirements of any new projects in the pipeline.
- 2:3 SCLT may, if necessary, encourage members to withdraw their shares by highlighting the negative impact on future interest rates if the capital is not repaid (share dilution)
- 2:4 Special consideration will be given to requests for repayment in the event of the death of a member or in cases of hardship. Probate or Letters of Administration will be required for all withdrawals in the event of the death of a member.
- 2:5 This policy complies with the Co-operative & Community Benefit Societies Act 2014, the guidance on share withdrawal set out in the FCA's FG15/12 Guidance, the 2021 share offer document and with the Primary Rules of SCLT.

3: DEPLOYMENT

- 3:1 The SCLT Board will set an annual target amount for the share movement at the same time it considers: the interest rate payment on shares held; alternative capital finance; capital requirements of the new project pipeline (ideally May time.)
- 3:2 This target amount for share movement will be announced at the AGM along with the agreed interest rate.
- 3:3 The SCLT Board will then notify all members of the share withdrawal amount and ask interested parties to respond to the SCLT Society Secretary by a given deadline, making it clear that this is the annual deadline to apply to withdraw shares.
- 3:4 Following the deadline, the SCLT Board will review all withdrawal requests against the set amount
- 3:5 If the aggregated withdrawal requests are less than the maximum target sum available, the Board will:
- repay the applicant members in full
 - inform all members of the shortfall and the likely impact on future interest rates, if applicable
 - should the whole target amount not be withdrawn the money will remain in SCLT reserves to be used as decided by SCLT Board.
- 3:6 If the aggregated withdrawal requests are more than the maximum target sum available, the SCLT Board will:
- in the first instance, consider the viability of increasing the cash sum available to meet the demand through other sources of finance (e.g. through the open share offer) so that applicant members receive the full amount of their holding
 - decide that a shortfall of cash to meet the demand is unavoidable and repay all the applicant members a percentage of their total holding so that the available cash is apportioned pro rata and/or

consider application in the case of a deceased member or hardship cases to be repaid in full prior. In order to settle the outstanding balance, these applicant members will be given priority should more cash become available through the Open Share Offer or, failing this, in the following year's process

- inform all members of the outcome of this process

3:7 In addition to this annual withdrawal request process, the SCLT Board will give special consideration to requests for repayment in order to settle the estate of a member following their death on receipt of Probate or Letters of Administration and in other cases of hardship throughout the year.

- provided the annual maximum target has not been met, the SCLT Board consider such requests on a first come first served basis. Approval will then be considered on merit and those that are not approved will be given priority in the following year's process
- once the maximum repayment target has been met, the SCLT Board will inform applicant members that they will be given priority should more cash become available through an Open Share Offer or, failing this, in the following year's process

3:8 The SCLT Society Secretary will notify:

- applicant members of the SCLT Board decision and provide share withdrawal forms to be signed and returned.

3:9 The society secretary will check the share withdrawal forms against the SCLT minutes and breakdown and member signature held on file (if any) and email address and postal address held on file and then, once confirmed, will instruct SCLT Treasurer to make the payments. At this stage the share register should be updated.

3:10 Members will be paid interest on shares up to the date the shares are withdrawn.

4: REVIEW

4:1 This policy will be amended as necessary in the light of experience or following feedback in order to improve practice

4:2 Any changes to this policy must be approved by the SCLT Board

Agreed at SCLT Board on