

Curry Mallet and Beercrocombe Community Pub Limited Share withdrawals Policy

Introduction

The share prospectus covered briefly the topic of withdrawals, this policy clarifies our position on this and is more specific.

For the first three years after we begin trading we do not anticipate paying any interest on your shares, nor returning any of your capital. Our focus will be on using all available resources to further the aims of the business and our responsibility to ensure the long-term survival and stability of the project.

Curry Mallet and Beercrocombe Community Pub Limited is a CBS using the Plunkett UK Model Rules Version 6 and a copy of our rules can be found on our website. The rules allow the Management Committee (MC) to decide on withdrawal capital available each year, they can also decide to delay repayments and set the interest rates if appropriate. The level set for withdrawals will be any amount up to a maximum of 10% of the total share capital of the CBS.

Each year these decisions will be communicated to the members, a timeline given for applications and then the committee will put in place a process to match the withdrawal requests against the sum available.

The CBS is registered with the FCA, their guidance states:

- it has trading surpluses that match or exceed the value of shares involved; and
- the directors believe the society can afford to pay its debts, taking into account:
 - all of its liabilities (including whether it will be able to pay its debts at the date of withdrawal and, for a year after that, any contingent or prospective liabilities) and
 - the society's situation at the date of the transaction.

Under the rules shareholders cannot sell their shares but they can apply to the society to withdraw them. When shares are withdrawn the Society would pay their capital value and the shares are cancelled. If the shareholding goes below the minimum shareholding for membership their membership will cease and they will be removed from the members register.

Curry Mallet and Beercrocombe Community Pub Limited intend

- The MC will consider applications from year four and will set a level available for return of members share capital
- From year four we anticipate being able to pay interest on shares
- Members must give three months' notice of wish to withdraw shares
- The MC may waive this notice for members with extenuating circumstances at their discretion

Financial risks

The Management Committee have decided that no investment can be withdrawn for the first three years in order to give the business the opportunity to establish itself and give us the greatest chance of success, however it may be that it will be significantly longer before you receive your investment back.

However all investors/potential investors should be aware that our ability to repay shareholders' funds each year will be dependent on a number of factors:

- The ability to successfully launch future share offers to replace capital
- The profitability of the project
- Any expansion plans
- Any changes in circumstances

If Curry Mallet and Beercrocombe Community Pub Limited made significant losses the Committee may need to write down the value of the shares upon the advice of an auditor or accountant. If you wish to withdraw your shares you will then only receive the written down value of shares.

The withdrawal process

Although shares are withdrawable, this is subject to a three months' notice and is at the discretion of the Management Committee. The Management Committee may inform the members of their intentions at the Annual Members Meeting.

A form will be provided to members stating their options and a deadline will be given to interested parties to respond to the Company secretary with the completed form. Following the deadline the MC will review all requests against the set target. If the requests are less than the maximum target sum set aside then those requests can be repaid in full. Members should be reminded that if they withdraw all their share capital then they are no longer members and will be removed from the membership list and cannot vote or stand as a Committee Member.

If the requests are more than the set target then the committee will consider

- The viability of increasing the sum available (possibly by another share offer)
- Or
- Paying out in order of request received
- Paying out an amount pro rata across the requests
- Paying out in order that shares were purchased

Interest

Interest on shares will only be paid where the society can afford to do so, having taken into account other liabilities and any contribution to the society's reserves. Share interest will not be used as a means of profit or surplus distribution or as a substitute for dividends.

Interest will accrue from year four on all shares at a rate of 3%

Death of a member

Nomination

A nomination form is available for those wishing to nominate a person to receive your shares after death for shares up to the value of £5,000. We will try to respect your wishes however cannot guarantee this. Amounts over £5,000 will be subject to probate and should specially written into the shareholders will.

Shares may qualify for inheritance tax relief however individuals should speak to an independent Tax specialist to find out more.

Surrendered

Shares may be bequeathed back to the society.

Withdrawal

Requests for withdrawal by your representative will be subject to the same conditions as other requests unless there are exceptional circumstances which will be given special consideration.