

	THE MORTIMER COMMUNITY BENEFIT SOCIETY LIMITED
	SHARE WITHDRAWAL POLICY (to be reviewed and updated annually)

The Model Rules for the ownership of the Mortimer Community Benefit Society Limited (the Rules)¹ govern how the MCBS is owned, organised and governed. The Rules set out the full process and procedure for the withdrawal of shares.

General Policy Statement

As set out in the Rules share capital may be withdrawn without penalty at the discretion of the Management Committee (the “Committee”). The Rules also allow the Committee to specify a maximum total withdrawal for each financial year or to suspend withdrawals.

This policy sets out the MCBS’s position on share withdrawal, reflecting the Rules and advice from the Financial Conduct Authority (“FCA”). It covers the procedure and the general principles of how withdrawal requests will be handled by the Committee.

Financial Conduct Authority

The FCA sets out a number of tests of whether MCBS is meeting its conditions for registration, which include that it should only allow the withdrawal of shares if:

- It has trading surpluses that match or exceed the value of shares involved; and
- The Committee believe the MCBS 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 MCBS’s situation at the date of the transaction.

Share Withdrawal Procedure

Members may request to withdraw all or some of their shares by giving three months’ notice of withdrawal to the Secretary of the MCBS Management Committee.

- Shares cannot be withdrawn until at least three years have elapsed from the date the shares were issued.
- Any withdrawal is only at the absolute discretion of the Committee.

¹ Model Rules dated 8 November 2023.

It should be noted that shares are not transferable, except on death² or bankruptcy.

Withdrawals must be funded from surpluses generated by the business, from reserves or from new share capital raised from members. Accordingly the Committee may decline requests for withdrawals depending on the long-term interests of the Society, its need to maintain prudent reserves, to manage its debt and the MCBS's commitment to community benefit.

If a number of shareholders want to withdraw their money in a particular year, then funds may not be available to allow every request to be satisfied immediately. In those circumstances, the repayments will be made in the order in which notice to withdraw was received.

A Member shall not be permitted to withdraw shares which would then leave them with less than the minimum required by the Rules.

The Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares.

Suspension of the Right to Withdraw

The Committee may suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period.

The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Committee.

During any period when the right of withdrawal has been suspended, the shares of a deceased Member may, if the Committee agrees, be withdrawn by their Executor (personal representative) on giving such notice as the Committee requires.

Withdrawal in the event of Shareholder death

The deceased's Executor should notify the Secretary so that the shareholder records can be updated.

To deal with the Shares the following options are possible:

1. The Executor may request for any shares to be transferred to another family member. The full name and contact details of the beneficiary will be required, so that a new share certificate can be issued.
2. The Executor may arrange for the shares to be gifted to the Mortimer Community Benefit Society Limited.

² See section on Share Withdrawal in the event of death.

3. The Executor may request payment to the value of the deceased's shareholding. This option is dependent on the state of the Society's finances at the time.

In all cases a copy of the death certificate is to be provided.

3 February 2025