Trawden Arms Community Pub Group Limited (TFCPG)

Share Withdrawal Policy

1. Introduction and Purpose

This policy sets out the rules and procedures governing the withdrawal and transfer of community shares held by members of the Trawden Forest Community Pub Group Limited (hereafter "the Society").

As a registered Community Benefit Society (CBS), our primary objective is to benefit the community, and our shares are designated as patient, non-profit-making capital. This policy ensures we adhere to the Asset Lock principles outlined in our Rules, protecting the long-term financial stability of the Society and the community asset.

2. Governing Principles

2.1. Shares are Non-Profit Bearing (Par Value)

In accordance with the Society's Rules:

- Shares cannot be sold, transferred, or withdrawn for more than their original nominal value (par value). The value of each share remains **£50**
- The Society will not pay interest on share capital unless it has resolved to do so in accordance with its Rules and has sufficient distributable reserves.

2.2. Shares as Patient Capital

Community shares are intended as long-term investment capital. They are not a short-term savings product and should not be viewed as an easily realisable asset.

3. Eligibility for Share Withdrawal (Divestment)

A member may apply to withdraw their share capital, but only under the following strict conditions:

3.1. Minimum Holding Period

Shares cannot be withdrawn for a minimum period of 3 years from the date of issue (i.e., the date the member's subscription was accepted).

3.2. Withdrawal Conditions

After the minimum holding period (3.1) has expired, a member may apply for withdrawal, provided one of the following conditions is met:

1. **Voluntary Withdrawal:** The member wishes to resign from the Society.
2. **Death of a Member:** Shares held by a deceased member's estate will be subject to withdrawal upon application by the legal personal representatives.
3. **Incapacity or Hardship:** In cases of severe personal hardship, incapacitating illness, or a move from the community area (defined as moving outside a 30 mile radius), the Board may waive the minimum holding period at its absolute discretion.

3.3. Maximum Withdrawal Limit

The Board reserves the right to set an annual maximum limit on the total value of shares that can be withdrawn across the entire membership to safeguard the Society's cash reserves.

4. Divestment Process

4.1. Application

All requests for share withdrawal must be made in writing or via the designated online form to the Secretary of the Society (email: trawdenarmsmorethanapub@gmail.com), detailing:

- The member's full name and address.
- The number of shares to be withdrawn.
- The reason for withdrawal (if applicable).
- The desired timeframe.

4.2. Registration on Exit List

The request will be added to the "Exit List" in a first in / first out order.

4.3. Board Review and Approval

1. The Management Committee will review the application at its next scheduled meeting.
2. The Management Committee will assess the application against the Eligibility Criteria (Section 3) and the Society's current and projected financial position (Section 5).
3. Further more, with divestment, the resulting total aggregated investment amount in the PubCo must be no less than the **Collar** (currently set at £445k) and no more than the **Cap** (currently set at £505k).
4. If the application is approved, the withdrawal will be made at par value (original subscription price).

4.4. Payment Timing

- The Society aims to process approved withdrawals within **90 days** of Board approval.
- However, payment is entirely contingent upon the Society having sufficient cash reserves available without jeopardising its operations, financial stability, or community purpose.
- If funds are insufficient, the application will be kept on the Exit List, and withdrawals will be processed in the order they were received, subject to available cash.

5. Board Discretion and Suspension of Divestment

5.1. Right to Refuse or Delay

The Management Committee has the absolute right to refuse or delay any application for withdrawal of share capital if, in its reasonable opinion, making the payment would:
a) Cause the Society to become insolvent or threaten its ability to continue trading.
b) Adversely affect the Society's short-term working capital or long-term investment plans as detailed in the Reserves Policy
c) Cause the aggregate value of outstanding share capital to fall below the minimum level necessary for the Society to function effectively.

5.2. Formal Suspension

If the Management Committee determines that the financial circumstances of the Society necessitate a temporary halt to all withdrawals, it may declare a formal **Suspension of Divestment**.

- A notice of this suspension will be communicated promptly to all members, detailing the reasons and the Board's expectations on when withdrawals may resume.
- During a Suspension of Divestment, all outstanding and new withdrawal applications will be paused.

6. Compliance

This policy is subject to the Rules of the Society and applicable UK law concerning Community Benefit Societies. Any decision made under this policy by the Management Committee is final. This Policy will be reviewed annually.

Approved: November 2025