



The Black Horse Community Group Limited (the “Society”) Share Withdrawal Policy

1. Introduction

The Society is owned by its community members. The immediate community are the three villages in the parish of Grimston, Saxelbye and Shoby, but the Society also benefits the wider community.

Membership is at the heart of the Society. All members have an equal vote, irrespective of their total shareholding. This ensures the Society is a truly democratically controlled member owned organisation.

2. General Policy Statement

As set out in the Society’s Rules share capital may be withdrawn without penalty at the sole discretion of the Management Committee. The Society has a duty to protect the interests of the Society and its share capital and the Rules allow the Management Committee to specify a maximum total withdrawal for each financial year or to suspend withdrawals.

This policy sets out the Society’s position on share withdrawal reflecting the Rules; the process; and the general principles of how withdrawal requests will be handled by the Committee.

This policy takes account of the Cooperative and Community Benefit Societies Act 2014.

This policy should be considered in conjunction with the Reserves and Distribution Policy.

3. Society Rules

All withdrawals must be funded from trading profits, reserves or new share capital raised from Members, and are at the absolute discretion of the Management Committee having regards to the long-term interests of the Society, the need to maintain prudent reserves, and the Society’s commitment to community benefit. If any withdrawal is to be funded from reserves, the Management Committee must be satisfied that:

- as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
- the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal.

4. Share Valuation

Under the Rules, shares will never be worth more than their nominal £50 face value and, in exceptional circumstances, could be worth less.

5. Cancelling Shares

Many members purchase shares in community organisations for non-financial reasons, with a view to realising a social rather than a financial return. Some members may regard the monies paid to purchase their shares as a donation and in such circumstances the Society provides an option to surrender some or all the share value back to the Society, in which case the shares would be cancelled. To retain membership of the Society a minimum £50 share must be retained.

6. Share Withdrawal Process

In order to make the withdrawal process as fair and transparent as possible the following has been adopted.

- Members may request the withdrawal of all or a number of their shares at any time by completing the Share Withdrawal Form available on the Society’s website or by requesting a copy from the Secretary. Completed forms must be returned to the Secretary

together with the Share Certificate. To retain membership a minimum £50 share must be retained

- Shares may be withdrawn by Members who have held them for a minimum period of three years
- Application for withdrawal must be made with at least three months' notice. The Management Committee can waive this in exceptional circumstances, at their discretion and in the best interests of the Society
- Withdrawal approval by the Management Committee will be informed by the financial return from the previous year, new share purchases, level of reserves, the Society Rules and the total value of withdrawals requested to date
- The Management Committee can set a maximum withdrawal amount each year to ensure that the Society has adequate funds in place. The Management Committee may delay or pay in part if they consider withdrawals would place the Society in financial difficulties
- Share withdrawals will be dealt with on a first come first served basis subject to Member deaths
- If requests cannot be met, or if there is no additional share capital received during the year, requests will be transferred into the following year
- If a withdrawal is not approved or is delayed for any reason, the member will be informed in writing.

7. Shares in the case of death

- The Management Committee may require sight of a death certificate and will require return of the Share Certificate
- On the death of a member, shares may be transferred to one or more persons who are, or are eligible to be, members of the Society at the time of transfer
- On death, the member's shares may be left to the Society
- Any transfer cannot result in any member having more than the Society's maximum shareholding of £20,000
- A member's nomination on death may be varied or revoked by the member submitting a new Nomination on Death form or any similar document in the nature of a revocation or variation that is signed by the member and delivered at or sent to the Society's registered office during the member's lifetime. The Management Committee will carry out a Member's most recent nomination submitted during the member's lifetime subject to the limitations described in this policy
- A member's nomination is not revocable or variable by the member's will (or by any codicil to the will)
- Any nomination is revoked if a member subsequently marries or forms a civil partnership
- If a deceased member's shares are transferred or the value paid by the Society in pursuance of a nomination in ignorance of the marriage or civil partnership, the nominee's receipt is a valid discharge to the Society and the Society is under no liability to any other person claiming the shares or share value
- On receiving satisfactory proof of a member's death the Society will transfer to one or more persons indicated in a nomination the shares they are entitled to or pay them the full value of the shares
- If the deceased member had a shareholding greater than £5,000, the nomination is only valid to the extent of £5,000 but not further or otherwise. Any amount greater than this forms part of the deceased member's estate and shares will be transferred according to letters of administration or probate of any will
- Where there is no nomination and the shareholding does not exceed £5,000 the Management Committee may, without letters of administration or probate of any will having been obtained, distribute those shares among such persons as appear to the Management Committee (on such evidence as it considers satisfactory) to be entitled by law to receive it
- Where there is no nomination and the shareholding exceeds £5,000 the Management Committee will distribute the shareholding according to letters of administration or probate of any will

- A transfer cannot result in a member breaching the Society's maximum shareholding of £20,000 and the Society will pay the member the value of any shares not transferred
- If the wish of the deceased member's representative or executor is for none or only some of the shares to be transferred the Management Committee will deal with such a request separately as a priority ahead of any withdrawal requests.

8. Member Resignation Expulsion or Removal

If a member resigns, is expelled or removed, they will be removed from the Member Register and the shares held by them at that date shall thereupon become a loan repayable to the former Member by the Society. The date of resignation, expulsion or removal will be treated as the date of withdrawal notice and repayment will be treated under the Rules and explanation in this policy.

9. Share Interest

All shares will earn interest, if applicable, up to the point that they are withdrawn and funds returned. Outstanding interest will be paid at the same time as interest payments to continuing members. This will be after the Annual Members Meeting when share interest is agreed.

10. Review

Adopted 27 March 2024. This policy will be reviewed regularly, at least every two years.

This policy was approved by the Management Committee on 18 March 2026