

Share Withdrawal Policy

This policy sets out the principles through which the FCLI agrees and processes share withdrawals.

1. AIMS AND OBJECTIVES

- To safeguard the FCLI's financial assets
- To ensure suitable decisions on financial risk are taken by the management staff and FCLI board.
- To ensure the FCLI has suitable reserves for reinvestment within the society's activities
- To act fairly and transparently with our members
- To ensure members have clarity on options for share withdrawals and expectations are managed.

2. General Strategy

The FCLI is a Community Benefit Society and a charity at law.

Its shares are withdrawable in line with our registered Rules, and can be withdrawn according to the Board policy (see point 4). This policy is reviewed by the FCLI Board every three years or as required.

The Society aims to fulfil its duties to members according to its rules, whilst safeguarding its long-term viability and sustainability.

The FCLI Board will consider the views of the members alongside the Society's financial situation and its duties to the community in their entirety when making decisions on this policy.

3. Society Rules – extracts from our updated Rules in 2025.

Our Legal obligation to you.

23. The Board may determine the minimum shareholding for each offer of shares, provided that at least one share, issued to a Person on admission to membership, shall be non-Withdrawable. The maximum shareholding required of a Member shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares. Shares shall be paid for in full on allotment.

28. Shares may be withdrawn by Members upon giving twelve months' notice in Writing to the Society provided that:

(a) All withdrawals shall be paid in the order in which the notices were received by the Society.

(b) A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding, unless they intend to terminate their membership of the Society.

(c) The Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit.

(d) The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board.

(e) During any period when the right of withdrawal has been suspended under the provision immediately above, the shares of deceased Members may, if the Board agree, be withdrawn by their personal representatives upon giving such notice as the Board may require.

(f) The amount to be paid to a Member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction in their value in accordance with the provisions of these Rules.

29. Any share withdrawn in accordance with these Rules shall be cancelled.

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

31. Following the date these amended Rules are accepted by the Registrar and as a result of the nominal value of a single withdrawable share being increased from £1 to £50:

(a) The Society shall convert any existing shares issued, into denominations of £50, to each Member to ensure that the Members total shareholding nominal value remains the same as it was prior to the amendment but reflects these Rules.

(b) The total share capital held by the Society, and any claim on such capital from creditors, shall be unaffected as a result of the amended Rules.

4. Board Policy.

- Rule 28. Whilst our Rules stipulate 12 months, once all required paperwork has been received by our office (postal or email are accepted), we endeavour to make payments within 4 weeks via internet banking.
- Rule 23 - The minimum shareholding is set by the FCLI Board and may change periodically. Membership is currently a minimum of two shares (£100).
- For requests of share withdrawals over £5,000, they first have to be approved by the FCLI Board. To allow for frequency of Board meetings, we endeavour to make payment for these withdrawals within 4-6 months.

- Each year the Board approves a budget for share withdrawals, this is often balanced against predicted shares income within the period. Should the total withdrawal of shares be greater than our budget, the withdrawal must first be approved by the FCLI Board. To allow for frequency of Board meetings, we endeavour to make repayment for these within 4-6 months.
- In line with Rule 30 and due to costs incurred to the organisation, an administration fee of £10 will be applied to each request for share withdrawal.
- According to Rule 28(d) The Board reserves the right to suspend share withdrawals in line with our Rules above to safeguard the Society. In these instances, we will inform our members through our website and explain the rationale.

Policy Approved:	Policy Review Date:
February 2026	2029