Sheffield Community Media Limited
Share Withdrawal Policy

1. Purpose

The Society issues withdrawable shares in accordance with its registered Rules and the terms of the relevant share offer.

Withdrawal of shares is at the discretion of the Board and is subject to the Society's Rules, its financial position and any restrictions or conditions applicable to withdrawals.

This policy sets out the principles and procedures the Society will apply when considering and administering requests from members to withdraw their withdrawable share capital.

This policy does not create a right to withdrawal beyond that provided for in the Society's Rules. In the event of any conflict between this policy and the Society's Rules, the Rules shall prevail.

2. Eligibility

A member may apply to withdraw some or all of their shares, subject to:

- the Society's Rules;
- any minimum shareholding requirement;
- the applicable notice period;
- the Society having sufficient funds available to make the withdrawal without prejudicing its ability to meet its existing and foreseeable obligations;
- any suspension, limit or other restriction on withdrawals imposed in accordance with the Rules; and
- any other conditions applying to the relevant share issue.

The Board may decline or defer a withdrawal request where it considers that approving the withdrawal would be contrary to the Society's Rules or would adversely affect the Society's financial position or ability to continue to operate.

3. Making a Withdrawal Request

A member wishing to withdraw shares should submit a written request to the Society.

The request should include:

- the member's full name;
- the number and/or nominal value of shares the member wishes to withdraw;
- the date of the request; and
- the bank account details to which the withdrawal payment should be made.

The Society may request additional information or evidence reasonably required to verify the member's identity, shareholding or bank account details before making payment.

The Society will acknowledge receipt of a withdrawal request and, where appropriate, confirm the date on which the applicable notice period begins.

4. Notice Period

The Society normally requires three months' written notice of a proposed withdrawal, unless the Society's Rules or the terms of the relevant share offer provide otherwise.

The Board may, where permitted by the Rules, waive or reduce the notice period in individual cases where it considers this appropriate and where doing so is consistent with the Society's financial position and the fair treatment of members.

Waiving or reducing the notice period for one member does not create an entitlement for another member to receive the same treatment.

5. Order of Withdrawals

Where there is more than one outstanding withdrawal request, requests will normally be considered and processed in the order in which they were received, subject to the Society's Rules and any applicable withdrawal limits or suspension.

The Board may depart from this order only where permitted by the Rules and where it considers there are good reasons for doing so.

6. Board Discretion and Financial Assessment

Approval of a withdrawal is at the discretion of the Board and is not an unconditional right to immediate repayment.

Before approving a withdrawal, the Board will consider the Society's financial position and may take into account:

- available cash and cash reserves;
- projected cash flow;
- current and prospective liabilities;
- committed and anticipated expenditure;
- the Society's reserves and financial commitments;
- the Society's ability to meet its debts and other obligations as they fall due;
- the Society's ability to continue operating and fulfil its community benefit purpose;
- the effect of the withdrawal on the Society's financial resilience;
- the level and timing of other outstanding withdrawal requests; and
- any other factors the Board considers relevant to the prudent management of the Society.

The Board may defer or refuse a withdrawal where, having considered these matters, it considers that making the payment would place the Society's financial position or continuing operation at undue risk.

The Board will exercise its discretion in accordance with the Society's Rules and will seek to apply this policy consistently and fairly between members.

7. Suspension of Withdrawals

The Board may suspend withdrawals, wholly or partly, where it considers this necessary to protect the Society's financial position, liquidity or continuing operation, subject to the Society's Rules.

A suspension may apply to new withdrawal requests and, where permitted by the Rules, to withdrawal requests already received but not yet paid.

The Board will keep any suspension under regular review and will consider whether withdrawals can safely resume in light of the Society's financial position and anticipated cash requirements.

Where appropriate, the Society will communicate the suspension and any subsequent changes to affected members.

8. Annual Withdrawal Limit

The Board may establish an annual limit on the amount of share capital that may be withdrawn during a financial year, where permitted by the Society's Rules.

In determining an appropriate limit, the Board will consider:

- anticipated income and expenditure;
- cash flow requirements;
- existing and anticipated liabilities;
- committed expenditure;
- reserves;
- the level of outstanding withdrawal requests; and
- the Society's ability to continue to meet its community benefit objectives.

Any annual withdrawal limit will be reviewed at least annually and may be varied by the Board where circumstances require.

9. Minimum Shareholding

A member may not withdraw shares if doing so would leave their shareholding below the minimum shareholding specified in the Society's Rules or the relevant share offer, unless the member is withdrawing their entire shareholding and terminating their membership, where permitted.

Where a member wishes to withdraw their entire shareholding, the Society will treat the request in accordance with the Rules governing termination of membership and withdrawal of shares.

10. Payment of Withdrawn Shares

Once a withdrawal has been approved by the Board and any applicable notice period or other conditions have been satisfied, the Society will arrange payment of the nominal value of the shares being withdrawn, subject to the Society's Rules.

Payment will normally be made by bank transfer to the account specified by the member, following any verification procedures required by the Society.

Withdrawable shares are withdrawn at their nominal value. The Society will not pay an amount representing an increase in the value of the Society's assets or any capital appreciation in the shares, unless expressly provided for under the Society's Rules and the terms of the relevant share offer.

The Society may defer payment where this is permitted by the Rules or where payment would be inconsistent with an applicable suspension or withdrawal limit.

11. Interest

Any interest payable in respect of shares being withdrawn will be dealt with in accordance with the Society's Rules and the terms of the relevant share offer.

Unless expressly provided otherwise, withdrawal of shares does not create any entitlement to additional interest or compensation as a result of the timing of the withdrawal.

12. Records and Administration

The Society will maintain appropriate records of:

- withdrawal requests received;
- the date each request was received;
- decisions made by the Board;
- withdrawals approved, deferred or refused;
- any applicable suspension or withdrawal limits; and
- payments made to members.

The Board will ensure that withdrawal decisions are properly recorded and that the Society maintains appropriate records for accounting, regulatory and governance purposes.

13. Review of Policy

The Board will review this policy at least annually and whenever there is a material change to:

- the Society's financial position;
- its share capital;
- its share offer;
- its registered Rules; or
- the legal or regulatory framework applicable to withdrawable shares.

The Board may amend this policy from time to time, provided that any amendment remains consistent with the Society's registered Rules and applicable law.

14. Governing Document

This policy is intended to support the proper and consistent administration of the Society's withdrawable share capital.

It does not amend, replace or override the Society's registered Rules or the terms of any share offer. Where there is any inconsistency between this policy and the Society's Rules, the Society's Rules shall prevail.