

## Withdrawal of Share Capital Policy

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### 1. PURPOSE AND COMPOSITION

As a result of a small number of enquiries from members, the Management Committee decided that there was a need to review its policy relating to the withdrawal of share capital by its members.

### 2. BACKGROUND

The governing rules of the GlenWyvis Community Benefit Society are clear on this subject. Requests for withdrawal of capital may not be made until shares have been held for at least three years. Shareholders are required to give at least three months' notice, and approval of these requests are subject to there being adequate profits or reserves available to meet these requests, or enough incoming new share capital to pay for the withdrawals.

The Management Committee must have regard to the financial position of the company and its solvency in setting any withdrawal policy. In all shares offer documents, it was made clear to investors that the company would have restricted income in its start-up phase. The profit forecasts assumed quicker revenue growth than has been achieved and the company has also reported significant trading losses.

Withdrawals can only be funded from profits, reserves or from the raising of new share capital. They cannot be funded from new borrowings. Over the last three years GlenWyvis has been profitable but not sufficient to accumulate reserves. Therefore, the only source from which share capital withdrawals can be made is from the receipt of fresh, incoming share capital.

The third share offer was launched in April 2024 and has not reached its targets.

Therefore, currently GlenWyvis is not able to accede to requests to withdraw share capital.

### 3. GENERAL PRINCIPLES

Shareholders may transfer their shares to a third party in the event of death or bankruptcy, if they notify the company promptly. If the transfer is for value, GlenWyvis has no say in the value agreed between the parties but requires to be notified to record the transfer on the share register and to amend the correspondence details.

In other circumstances, if shareholders wish to withdraw their shares, they must have held the shares for a minimum of three years, give at least three months' notice and must have the consent of the Management Committee as set out in paragraph 2 above.

### 4. ASSESSMENTS OF OPTIONS

When GlenWyvis has sufficient funds it will set a target sum of, say, £10,000 in any one year from which share withdrawals will be funded. This would have to be met from new share capital subscriptions. Applications to withdraw shares would be dealt with strictly in order of date of presentation.

- nearly 90% of shareholders by number invested £1,000 or less, representing about 40% by value of the total amount subscribed;
- nearly 75% of shareholders by number invested £750 or less, representing about 27% by value of the total amount subscribed.
- just over 60% of shareholders by number invested £500 or less, representing about 18% by value of the total amount subscribed.

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Therefore, to cover as large a number of redemptions as possible, setting an individual ceiling per person would allow ten withdrawals to be satisfied if the ceiling were set at £1,000; or thirteen if it were set at £750; or 20 if it were set at £500. Larger shareholders would be told that GlenWyvis was only able to meet their request up to the ceiling value per individual in any one financial year, at least until such time that it was possible to demonstrate that our share offer is exceeding its target.

#### 5. POLICY ON SHARE CAPITAL WITHDRAWAL

In each financial year the Management Committee will assess its financial position and will set a target sum to be set aside for share capital withdrawal and the individual ceiling per member.

Adopted by resolution of the Management Committee	10 October 2024
Date for next review	At the discretion of the Management Committee.
Responsibility for monitoring and review of policy	Management Committee.