

Co-operative Assistance Network Limited

Interest on Member Shares Policy

Principle

The purpose of investment of member shares in CAN is to provide medium-to-long term finance to enable CAN to make investments necessary to pursue its mission:

“To support the development of co-operatives and other social enterprises”

Interest on member share investment

Rate of interest paid on member shares held shall be decided annually in advance by directors as part of setting the annual budgets. For ease of accounting and planning, interest rates, in general, shall be set as quarterly interest rates (e.g. 1% per quarter rather than 4% plus a bit per annum).

Whenever you make the purchase, it will be deemed to be the start of the next quarter. CAN quarters are different to most people's. They start on the 1st of June, September, December and March.

Interest shall be paid quarterly in arrears and shall be added to the existing share account balance.

To buy member shares, contact: Finance Dept. through CAN's registered office address.

Conditions and procedures of member shares are outlined in the CAN IPS Rules. For convenience, the current rules relating to share capital are shown after this policy.

Responsible Department: Finance

Implementation Date: 15 October 2010

Review period: 5 years

Next review due: 31 March 2022

Agreed at Directors Meeting of [unknown]
Passed at Members Meeting of 15 October 2010

SHARE CAPITAL

48. (a) The shares of the Co-operative shall be of the nominal value of £1.00. The minimum shareholding required of a member shall be defined as such number of fully paid shares as the Committee may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.

(b) A member may subscribe for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any member who does not achieve the minimum shareholding within 12 months after her/his first payment shall cease to be a member and shall have returned to her/him the value of the shares paid for to date, and the relevant shares shall be cancelled.

(c) Shares shall be withdrawable only in accordance with the provisions of these rules. Shares shall not be transferable except on death or bankruptcy.

(d) Application for shares shall be made to the Committee of the Co-operative who shall allot to members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any member shall not exceed the maximum shareholding permitted by law.

(e) Shares shall be paid for in full on allotment.

WITHDRAWAL OF SHARE CAPITAL

49. Shares may be withdrawn by members upon giving three months' notice to the Co-operative provided that:

(a) all withdrawals shall be paid in the order in which the notices were received by the Co-operative;

(b) except where a member intends to terminate her/his membership of the Co-operative, a member shall not be entitled to withdraw shares so as to leave her/him with less than the minimum shareholding;

(c) the Committee 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 Committee may 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 Committee suspend the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Committee;

(e) during any period when the right of withdrawal has been suspended under rule (d) of this rule, the shares of deceased members may, if the Committee agree, be withdrawn by their

personal representatives upon giving such notice as the Committee 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 their value in accordance with the provisions of these rules;

(g) interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.

Any share withdrawn in accordance with the above rule shall be cancelled. Members may withdraw from the Co-operative by withdrawing all their shares in the Co-operative in accordance with this rule or, if the right to withdraw has been suspended as provided for in that rule, by surrendering all their shares to the Co-operative. Upon such surrender the Committee may in their discretion pay to the withdrawing member the amount paid up or credited in the shares surrendered. The Co-operative may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares in the Co-operative.

REDUCTION IN SHARE VALUES

50. If the auditors (or any independent qualified accountants appointed for the purpose by the Committee) certify at any time that the aggregate of the Co-operative's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Committee may determine that the amount of this excess, or part of it, shall be apportioned among the members in proportion to (but not beyond) the amount of the nominal value of the shares paid up and held by each member. This apportionment shall be based on the value of the shares paid up and held by each member at the close of business on the date of such determination. The value of shares held by each member shall be reduced accordingly for the purposes of withdrawal of shares, notwithstanding that the value of shares held by any member may thereby be reduced below the minimum shareholding.