



## TERMS & CONDITIONS FOR EMERGE's COMMUNITY SHARE OFFER #2

Shares are to be issued by EMERGE Recycling (the Society), Maynard House, New Smithfield Market, M11 2WJ, a registered Community Benefit Society FCA number 8239.

- The application should be read in conjunction with the appended EMERGE Recycling Terms & Conditions for withdrawable shares. By completing the application, the applicant agrees to comply with The Rules of the Society (Available on our website or email [finance@emergemanchester.co.uk](mailto:finance@emergemanchester.co.uk)).
- The Membership is open to any person over 16 years of age, or any organisation, who meet the membership requirements of the Rules.
- Each share costs £1. The minimum investment is £200 (i.e. 200 x £1 shares) and the maximum investment in this offer cannot exceed £40,000.
- An application may also be made to buy shares as a gift for someone else. Members can be individuals aged 16 or over, or organisational representatives. The gift recipient must also formally consent to becoming a member before the shares can be issued. We have no provision for joint membership.
- Shares can also be purchased for under 16s, held in trust by someone over 16, and transferred to them after their 16th birthday, as soon as they have formally consented to becoming a member. In the meantime, any person holding shares in the name of the under-16 year old will have any shares they have invested counted towards their total shareholding, which must be 10% of the total shares issues by the society or less (which we expect to be in the region of £40,000 maximum per individual).
- Multiple subscriptions will be admitted providing that they do not result in a member holding more than the maximum shares allowance of £40,000.
- Each shareholding member has one vote, regardless of the size of his or her shareholding.
- We really want to achieve a minimum target of at least £100,000 in new shares and we have already had commitments to invest £30,000. However, any amount of investment received, up to the maximum of £200,000 will be accepted and we will apply these efficiently, on the purposes set out in this document. We have intended uses of the funds up to £200,000, and anything above will be applied to support our cash flow.
- An applicant who receives Shares agrees to be bound by The Rules.

## **EMERGE Recycling's Detailed Terms & Conditions for withdrawable shares**

The terms for the shares, which the board has approved, are as follows:

### **Terms & Conditions**

In these Terms and Conditions, 'the society' refers to EMERGE Recycling Limited, a Community Benefit Society registered with the Financial Conduct Authority' with registered number 8239.

By buying shares you become a member of EMERGE Recycling and as such you will have member's voting rights at the general meetings of the society. This will enable you help determine who the officers of the society should be. All members have one vote, regardless of the number of shares they hold. The principle is sacrosanct – everyone has an equal say. The members collectively own and control EMERGE Recycling and have the right to elect the Board, to stand for election as Directors, and to receive the annual accounts.

The words 'community shares' do not have any legal meaning and the rights of investors buying community shares in EMERGE Recycling are those set out in this part of the offer document and by the Rules of the Society. The community shares on offer are withdrawable shares issued by the Board of Directors as permitted by the Rules of the Society.

The underlying cash value of the investment in withdrawable shares can, subject to certain conditions, be returned to the investor.

These shares are not transferable, which means they cannot be sold or otherwise transferred to a third party except in the event of your death or bankruptcy. Shares may be bought on behalf for others, using the application form provided, but the member for whom the shares are purchased cannot become a member until they personally consent to the terms and conditions of membership.

Applications are open to any individual over the age of 16 or organisation. Applicants may purchase shares for an individual under the age of 16 and hold these shares in trust, in their own name, until the intended recipient's 16th birthday. In this instance, the shares are held in the name of the buyer until the beneficiary is 16 years old and count to the buyer's own shareholding. In order to become a member, after their 16th birthday, the intended recipient must personally consent to the terms and conditions of membership.

### **1. Type of Shares Issued:**

**1.1.** The value of each share issued is £1. Note: Rule 21 says that the Board shall set the minimum number of £1 shares per member. The Board has set the minimum number of shares at 200.

**1.2.** The shares are not transferable, except in case of death or bankruptcy.

**1.3.** Any individual, group, incorporated body or firm owning the minimum number of shares required for Membership is a Member of the Society. Each Member has one vote at General Meetings of the Society.

### **2. Maximum and Minimum Investments**

**2.1.** The minimum investment is £200 and the maximum is £40,000 (or 10% of the amount of shares issued, by the end of this share offer). In other words, the minimum number of shares is 200 and the maximum is 40,000 per individual/organisational investor for this offer.

**3. Interest Payments:** The Society aims to pay interest up to 5% per annum on the shares, based on the performance in the financial year ending the 30th September 2027, subject to the following conditions:

**3.1.** Any payment of interest is dependent on the financial performance of EMERGE Recycling and is at the discretion of The Board of Directors having regard to the long term interests of EMERGE Recycling, the need to maintain prudent reserves, the Society's primary commitment to community benefit, and the interests of the Society.

**3.2.** The Board of Directors reserves the right to vary the interest paid on members' shares. However, the level of return is designed to be the minimum sufficient to attract the investment in the first place, and thereafter retain it.

**3.3.** After the close of the Society's financial year (30th September), The Board of Directors will allocate a fund for the payment of share interest. The funds allocated for interest payments will, as stated above, be dependent on the financial performance in the previous year.

**3.4.** The Society does not expect to be able to pay interest until the financial year ending 30th September 2027, at the following AGM in March 2028, based on the results of the year 2026-27.

**3.5.** Members can elect to receive 0 or 5% interest on their shares. They have the option to change their preferred interest rate for the preceding year on or before April 1st. If a member does not indicate, a choice a rate of 0% will be assumed.

**3.6.** Share interest will be paid in cash to the nominated bank account a member has notified the society should be used for this purpose. It is the responsibility of the member to inform EMERGE Recycling of any changes to address or bank details.

#### **4. Withdrawal of Shares:**

The shares from this share offer may be withdrawn subject to the following conditions:

**4.1** No shares may be withdrawn until 30th September 2030 at the earliest.

**4.2.** After that date and after the close of every financial year thereafter, and providing that the directors have not suspended withdrawal of share capital, the Board of Directors will determine whether any funds can be allocated to enable capital to be withdrawn, and if so, how much. This will be done after the allocation of funds for interest payments.

Should there be a fund available to support withdrawals; members may apply to withdraw funds giving three months' notice to the Society. Withdrawals shall be paid in the order in which applications are received by the Society until the maximum total withdrawal allocated for the year has been reached, at which point no further withdrawal payments shall be made.

**4.3.** All withdrawals must be funded from either trading surpluses (an attention is drawn to comments in this share offer document on p50), the issue of new shares, or reductions in the capital requirements of the Society. They are at the discretion of The Board of Directors having regard to the long-term interests of EMERGE Recycling, the need to maintain prudent reserves, and the Society's primary commitment to community benefit.

**4.4.** In exceptional circumstances, the Board of Directors may, at its discretion, waive the notice required for a withdrawal.

**4.5.** Interest will not be payable on any shares withdrawn before the end of the financial year.

**4.6.** The Board may, at their sole discretion, suspend the right to withdraw wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all withdrawals that have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, the Board may extend such period from time to time.

#### **5. Reduction in Share Value:**

If the Society's Auditors (or any independent qualified accountants appointed for this purpose by the Board) certify at any time that the aggregate of the Society's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Board 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, provided that the value of shares held by any Member shall not be reduced below the minimum shareholding as specified in these Rules.

#### **6. Dissolution:**

If, on the winding up or dissolution of the Society, any of its assets remain to be disposed of after its liabilities are satisfied and shares repaid, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of profits and assets as is imposed on this Society by virtue of the Rules, as may be decided by the members at the time of or prior to the dissolution. The Rules of EMERGE Recycling lay out the rights of Members and the Society in full. Our Rules can be provided by email, please request a copy from [finance@emergemanchester.co.uk](mailto:finance@emergemanchester.co.uk)

Please note: In a winding up scenario, no shares may be repaid until all creditors have been repaid, and then on a pro-rata basis if there are insufficient funds to pay shareholders the value of their shareholding in full.

#### **7. Regulation of this share offer:**

This Share Offer is exempt from the Financial Services and Markets Act 2000, or subsidiary regulations. This means you have no right of complaint to an ombudsman. The Society is registered with, but not authorised by the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

#### **8. Taxation of your interest:**

Any Investors outside the UK will be paid interest net of tax, which will be paid to UK tax authorities on their behalf by the society.

Interest payable on shares is voted on at the Annual General Meeting, following a recommendation by the Board of Directors. Interest is paid gross and is taxable. It is your responsibility to declare these earnings to HMRC.

## **9. Allocation of shares:**

The Board reserves the right not to issue shares, or to allocate fewer shares than applied for. They do not have to give any reason for this decision. The Board will return your money to you within 28 days of their decision if they decide not to issue shares to you. If they decide to issue fewer shares than you applied for, they will return the balance to you within 28 days of that decision.

## **10. Data protection:**

'By applying for shares in EMERGE Recycling; you agree that as you will become a member of the society, the data provided by you will be stored on in the society's register of members. This data will be used for EMERGE Recycling's purposes only. The data will not be disclosed to any third party other than required by any statutory duty. Included in statutory duties is the right of all members to view the details held by the society regarding other members, apart from the details of how much an individual has invested in the society, which remains private between the society and the member. All data will be stored in compliance with current data protection legislation. Your rights over this data can be found in our privacy notice here: [www.emergerecycling.co.uk/privacynotice](http://www.emergerecycling.co.uk/privacynotice)

## **11. Money laundering:**

It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, EMERGE Recycling may, at its absolute discretion, require verification of the identity of any person seeking to invest.