

Nympsfield Community Pub Limited

Membership Loan Stock Conditions

Approved by the Interim Management Committee (04/02/2025)

Version	Date	Details
1	04/02/25	First version

DEFINITIONS

- Certificate: document that certifies the holder of the Society's loan notes.
- Lender: an organisation or person that lends the Society money.
- Management Committee: the management committee (including the interim management committee) of the Society
- Notes: loan agreement between the Society and a Lender.

1. Repayment

- 1.1. The Notes, and any accrued and unpaid interest, shall be repaid by Nympsfield Community Pub Limited (NCPL or "the Society") on the date set out in the Certificate and, in any event, no later than the date of repayment shown on the Certificate. NCPL shall deduct any tax required by law to be deducted or withheld from such payment.

2. Payment of Interest

- 2.1. Until the Notes are repaid in accordance with these Conditions, and subject to Conditions 2.2, 2.3 and 2.4 interest on the amount outstanding on the Notes shall accrue at the annual equivalent interest rate stated in the Certificate. Interest shall accrue on a daily basis from the first day of the calendar month immediately following the day on which the Notes were issued. The first tranche of Notes will be issued once contracts have been exchanged with the vendor for the purchase of the Rose & Crown Inn, Nympsfield.
- 2.2. Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365-day year, and shall be paid on or before 30 April each year, or at the time of final repayment of the principal sum if earlier.
- 2.3. Interest shall not be paid at the end of the year one or the end of year two and shall instead be capitalised at the end of each year by adding the interest to the principal sum ("rolled up"). Interest shall then accrue on the total amount of the principal and rolled-up interest.
- 2.4. If NCPL fails to pay any amount of interest or principal of any Note within ten business days after when such amount is due, interest at the rate applicable under these Conditions plus 1% per annum shall accrue on the unpaid amount from the due date until the date of payment.

2.5. Interest on any Notes repaid by NCPL in accordance with these Conditions shall cease to accrue as from the date of such repayment.

3. Status

3.1. The Notes when issued shall rank below all other debts of NCPL, but equally without preference among themselves and as an unsecured obligation of NCPL. Note holders shall not be entitled to request from NCPL any security, undertaking or instrument having any similar effect.

3.2. In the event of the dissolution, liquidation, winding up of NCPL or the appointment of administrators, a receiver or manager in relation to NCPL or its assets, or a compromise or arrangement is made with its creditors, or any analogous step is undertaken in any jurisdiction similar to these, should the terms of this Note have been satisfied in full, then the Note holder acknowledges that their loans will be postponed and subordinated in their right of payment to the debts or any other creditor of NCPL and repayment of the Note is prohibited until all other creditors have been irrevocably paid and discharged in full. Once these other creditors have been satisfied in full, Notes will rank senior to the Society issued community share capital. Note holders shall not take any steps to seek repayment of the Note or to enforce this agreement in contravention of this clause.

4. Recognition of Personal Representatives

4.1. In the event of a Lender's death, the executors or administrators of a deceased Lender shall be the only person(s) recognised by NCPL as having any title to such Notes.

5. Transmission of Notes

5.1. Any person who becomes entitled to any Notes as a result of the death or bankruptcy of any Lender, or of any other event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence of their title as the Management Committee shall deem sufficient, be registered as the holder of such Notes. NCPL may retain any payments made on any such Notes which any person under this provision is entitled to, until such person is registered as the holder of such Notes or has duly transferred the Notes.

6. Payment of Interest and Principal

6.1. The payments of principal, interest or other sums payable in respect of the Notes shall be made by electronic transfer on the due date for payment, to the account specified for that purpose by the Lender in writing to NCPL.

6.2. All payments of principal, interest or other monies to be made by NCPL shall be made after any deductions for tax required by law.

7. Notices

7.1. Any notice or other document (including Certificates) shall be given or sent to any Lender by sending it via email or to an electronic address notified by the Lender to NCPL.

7.2. Any notice, communication or document sent to an electronic address shall be deemed to have been delivered on the day on which it was sent.