



Deferred Shares Issue Document

Deferred Shares in Rainbow Saver Anglia Credit Union Limited are issued subject to the following conditions and in compliance with the provisions for issuing deferred shares according to the Credit Unions Act 1979 as amended by the Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011:

1. Deferred Shares can only be purchased by members of the credit union. Individual or corporate membership is available¹.
2. This is an investment in “deferred shares” for the purposes of the Credit Unions Act 1979 as amended by section 17 of The Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011. These deferred shares are not protected liabilities for the purpose of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000.
3. As a provider of capital to the credit union, an investor in deferred shares should be prepared to suffer losses on its investment if, in particular, the credit union and/or the financial sector generally approaches or enters into a period of financial stress. In particular, investors should note that the credit union has neither an obligation nor any right to redeem the deferred shares and the deferred shareholders do not have any right to require the credit union to do so.
4. The nominal value of a deferred share is £1.00. Deferred shares can be purchased in units of one hundred shares subject to a minimum purchase of one hundred shares. A share certificate will be issued.
5. Members can hold both ordinary shares (deposits) and deferred shares.
6. Deferred shares are transferable only between members of the credit union in units of one hundred deferred shares and subject to a minimum transfer of one hundred deferred shares. The credit union has in place a procedure for documenting and recording transfers of ownership, and a replacement share certificate will be issued².
7. Deferred shares will attract a dividend in accordance with the distribution policy of the Board of Directors as approved by members at the Annual General Meeting³. Dividend will accrue between 1st October and 30th September each year and be paid at the same time as the member’s ordinary share dividend after the AGM each year⁴.
8. Deferred shares carry the right to vote. Members holding deferred shares have one vote regardless of the size of their holding. Members holding both deferred shares and ordinary shares have one vote. The principle of one member one vote applies.



9. Deferred shares are not withdrawable and are repayable only with the consent of the regulator or, if the credit union is wound up or dissolved, when all other creditors have been paid, including non-deferred shareholders.
10. On any modification of the definition of “deferred shares” in the Building Societies Act 1986 or an instrument made under that Act, the Treasury may, by Order, modify the meaning of “deferred shares” in this section so as to assimilate it to the modified definition.
11. The credit union cannot offer investment advice. To decide whether to invest you should seek advice from an appropriately qualified financial advisor.

Notes:

¹ Individual and Corporate membership application forms are available for applicants for deferred shares who are not already members of Rainbow Saver Anglia Credit Union Ltd. There is a statutory limit on the number of corporate members of the credit union.

² The credit union will assist by establishing and maintaining a matched bargain market

³ The distribution policy will be decided by the Board of Directors and recommended to the members at each AGM

⁴ The deferred share dividend will be calculated based on the average time shares have been held during the relevant financial year



Deferred Shares Order Form

Please note that the applicant must be either an individual or corporate member of Rainbow Saver Anglia Credit Union Limited ("The credit union"). To join, please attach with this order an application for membership. A minimum of £5 to open the share account must be included in addition to the payment for deferred shares.

Applicant details

a) Individual Applicant Name: _____
Member Number: _____

OR

b) Corporate Member Applicant:

Name of organisation: _____

Member Number: _____

Details of order:

I/we, the undersigned, agree to purchase _____ (number) of deferred shares of £1.00 in Rainbow Saver Anglia Credit Union Limited.

Method of payment for deferred shares

Please select **one** of the following methods of payment.

- 1) I/we attach our cheque value £ _____ in settlement
- 2) I/we have transferred the sum of £ _____ via BACS to the account of Rainbow Saver Anglia Credit Union Limited, Co-operative Bank, sort code 08-92-50 , account no. 50119750 in settlement
- 3) *(individual members only)* I / we request that the sum of £ _____ be transferred from my /our share account
- 4) *(corporate members only)* We request that the sum of £ _____ be converted into deferred shares from the amount held on the balance sheet of the credit union as a liability to the above named corporate body

I / we confirm that I / we have read, understand and accept the terms of the Deferred Shares Issue Document provided with this Deferred Shares Order Form.

Signed: _____ Membership No _____

On behalf of: _____ (Corporate members only)