



Heart of Hastings CLT Limited (“HOH” “the Society” “We” “Us” “Our”)

Investment Offer

Key Terms

1. The minimum investment is £5,000. The maximum limit on investment per individual investor (“you” “they” “lender”) shall be £100,000.
2. 90% of the amount you invest will be in unsecured loan stock of the Society, and 10% in the Withdrawable Share capital of the Society. (see “Share Capital”)
3. Applications will be deemed to be accepted on written confirmation from the society, and the investment date started from the date that the investment funds are cleared into our bank account
4. The full term of the investment shall be 10 years. Investors will be given the option, after 3 years, to withdraw their investment or select a further fixed term, to a maximum of 10 years in total
5. For the first 3 years of the investment simple interest of 3% will be payable
6. Thereafter 4% will be payable for a further commitment of 5 years
7. A commitment of 7 years will pay 4% for the first 5 years and 4.5% for the final 2 year’s
8. After the first three years, interest may be paid annually or compounded. Investors are required to give one months’ notice of their decision on how to take interest, which may be changed throughout the investment period by providing 1 months’ notice before interest is payable
9. Investors who are not otherwise members of the Society shall become so by their share capital and will be able to exercise the rights of members as laid out in the society’s rules (see appendix, Governing rules 13–16)

Share Capital

1. Share capital can be withdrawn, by written application to the Board, and at their discretion, subject to the Society’s Governing Rules (Section 28a–g)

Loan Stock

Interest

2. The loan stock will pay 3% interest per annum, on 1 October each year and thereafter for the second and third years of the investment. If 1st October is a bank holiday or weekend interest payments will be made within 10 working days of that date.
3. Interest will be pro-rated for investors whose application is accepted after the initial issue date of 1st October 2020, and their interest period will be deemed to have started from the date their investment date
4. Heart of Hastings is required to pay all interest to individuals net of tax, currently set at a rate of 20%. With each interest payment made to you we will send you a notice of deduction of income tax to allow you to reclaim this amount from HMRC should you be entitled to do so
5. We will send you an Annual Interest Statement, in which relevant interest payments are compounded.
6. An investor may opt out of interest payments for any given year of the investment by providing written notice to the Society of their intent.
7. Where an investor has opted out of interest, that request will be applied to interest payments from that date forward, unless a further written request is received by the Society to opt back in.
8. Requests must be made no less than 10 working days before the date of interest payment is due.
9. Investors shall be given an option after the third anniversary of their investment to choose whether future interest shall be paid annually or compounded.
10. From the third anniversary of the initial investment offer the Society will set interest rates for the remainder of the term. Every effort will be made to publish these rates 3 months before the third anniversary, but, where there is a delay, the Society shall exercise its discretion in shortening the notice period to avoid any disadvantage to investors this may otherwise give rise to.

Withdrawal of Loan Stock

11. From the third anniversary of the date of investment, the investor may withdraw all or part of their Loan Stock by giving 6 months' notice to the Society. The minimum sum that an investor will be allowed to withdraw is £1000.
12. An early withdrawal will sustain 6 months' loss of interest.
13. Repayment requests will be processed within 28 days of receipt of the written request.
14. No more than 1 withdrawal request may be made in one financial year (1 October–30

September).

15. Where withdrawal means that the investor has received more interest in any given year than they were entitled to, repayment will be made net of any interest payment adjustment, a similar adjustment will be made in respect of any underpayment.
16. Heart of Hastings CLT may consider more flexible arrangements, at our discretion, subject to a written agreement signed by both parties. We may levy an administration fee on such discretionary arrangements.

General Terms

17. The Society shall repay the loan stock immediately and in full, if it is (a) in breach of these conditions or (b) is overdue of any loan stock interest payment by 21 days or more; or (c) its members pass a resolution for winding up, or goes into liquidation, or has an administrative receiver appointed over any of its assets, or has an administrative order made against it.
18. In the event of insolvency, the loan stock will be repaid alongside the withdrawable share capital after the Society's other creditors have been satisfied.
19. Loan stock is not secured against the Society's assets.
20. Where only part of the amount outstanding under a loan stock certificate is being repaid, the Society shall issue to the investor a new loan stock certificate in respect of the amount remaining
21. Loan stock may be transferred by the investor to another nominated person, with the consent of the Board of Directors of the Society. A request in writing for such a transfer must be submitted to the Secretary of the Board.
22. Loan stock and interest repayments will be funded by the revenues of the Society.
23. Any return of funds is contingent on successful operations.

Anti-Money Laundering Procedures

24. You will be required to provide proof of identity to complete your application, we will contact you to agree suitable documents.

Changing the Terms of this Agreement

25. Any requests to alter or amend this agreement must be made in writing to the Society. Requests will be acknowledged and a timescale for response given on a case-by-case basis. In general, it may take up to 2 months to allow for the Board to convene to consider requests. Requests will not be said to have been accepted without written acknowledgment from the Society.
26. The Society may, from time to time, review the terms of the agreement to account for

changes in financial guidance or other relevant regulation, or to reflect any changes to the circumstances of the Society.

27. You will be sent written notice of any changes.
28. Where a change is deemed to be substantial you will have the right to request an end to the agreement. In the case of any dispute about what may be deemed substantial you agree to the use of the Financial Services Ombudsman scheme or other appropriate independent mediation service to come to an agreement with us.

Concerns about your Investment

29. Heart of Hastings are committed to fairness and transparency. Should you have any concern, complaint, or feedback about your investment we ask that you contact us in the first instance, we will do our best to resolve the issue with you.
30. We will acknowledge your concern within 5 working days and contact you to agree an action plan to resolve the issue. We will provide you with the latest copy of our Complaints Policy, which you are requested, but not obliged to use.
31. If we are unable to resolve the issue to your satisfaction you are entitled to approach the Financial Ombudsman for assistance.

Keeping in Touch

32. The investor shall be responsible for furnishing the Society with an up to date postal address, email address and contact telephone number in order that the Society can send such communications as necessary and appropriate relating to your investment and to you membership of Heart of Hastings. The Society will have been considered to have given adequate notice by writing to or emailing you, notwithstanding any failure on your part to provide updated contact details as may be necessary from time to time.
33. The investor shall be responsible for furnishing up to date bank details to the society to enable interest payments by BACS transfer. The Society will have no liability for missing or lost funds should the investor fail to do so.