



MEMBER SHARE ISSUANCE AND REDEMPTION POLICY

OIKOCREDIT, EDCS U.A.

Intended date of effectiveness: 1 March 2023

1. Background

- 1.1. Pursuant to article 11(B) of the Articles of Association ("**AoA**") of OIKOCREDIT, Ecumenical Development Cooperative Society U.A. ("**Society**"), the Society may issue shares ("**Shares**") to its members as they are defined in article 5 of the AoA ("**Members**"). The Shares are governed by the AoA and by this policy, which is defined in the AoA as the SIRP.
- 1.2. The Society may also issue Participations (as defined in the AoA) to Members and other investors. The Society aims to ultimately replace all Shares by Participations. The Participations are governed by the AoA and the Participation Terms (as defined in the AoA).
- 1.3. Unless otherwise stated, a term defined in the AoA or the Participation Terms which is used but not expressly defined in this policy has the same meaning in this policy.
- 1.4. Members may request the Society to issue one or more Shares to them ("**Issue Requests**"). While Shares are in principle continuously offered to Members, the managing board of the Society ("**Managing Board**") may decide to stop issuing Shares, and thus not always honour Issue Requests.
- 1.5. Pursuant to article 15.4 of the AoA, Shares may be redeemed (i) if the Member has ceased to be a Member of the Society, no later than five (5) years after termination of the membership, and (ii) no later than five (5) years after a redemption request by a Member whose membership is not terminated, without prejudice to what has been provided in article 12 of the AoA. A request by a Member to redeem Shares is hereinafter referred to as a "**Redemption Request**".
- 1.6. The power of the Managing Board to issue or not to issue Shares and to honour or not to honour Redemption Requests is hereafter referred to as its "**Discretion**".
- 1.7. The exercise by the Managing Board of its Discretion is intended to protect the Society from an uncontrolled outflow of liquidity due to Redemption Requests. The Managing Board has a duty to ensure that the Society is able to meet its legal obligations to suppliers, personnel, project partners, and that all members are treated in accordance with the rights deriving from the Shares.

2. Purpose

- 2.1. This policy particularly aims to set out the manner in which the Managing Board intends to exercise its Discretion. Its purpose is to establish a controlled process for issuance and redemption. Through such a process, it aims to enable the continuous accommodation of Redemption Requests in the future, to the extent possible, and compliance with applicable laws and regulations in the countries where investors are residing.
- 2.2. Recognising that Redemption Requests are the easiest way for Members to liquidate their investment in Shares, this Policy also seeks to provide clarity to Members on the procedure of Redemption Requests in order to achieve a clear, fair and equal treatment of Redemption Requests.

- 2.3. In order for all Members in equal circumstances to be treated equally, redemption and issuance of Shares shall, to the extent possible, take place at the same moment in time, 12 times per calendar year, as set out in more detail below.

3. Scope

- 3.1. This policy only deals with Issue Requests and Redemption Requests by Members. Members are churches and church-related organisations, Support Associations within the meaning of the AoA (“**SAs**”) and other entities such as Oikocredit International Share Foundation and Oikocredit Nederland Fonds (“**Entities**”).
- 3.2. This policy does not deal with requests to issue and redeem the investment products of SAs and other entities by their own investors (“**Investors**”). The Investors’ requests are governed by the rules of the respective entities.
- 3.3. Within the boundaries of the AoA, the Managing Board decides whether the Society will issue and/or redeem Shares, and, if applicable, when such issuance and redemption will take place.
- 3.4. The Society shall publish and keep available the current policy at the Society’s intranet website (*Oikoweb*) and on the publicly accessible international website (*oikocredit.coop*).

4. General monthly process for the redemption and issuance

- 4.1. All Redemption Requests made in the same calendar month (“**Redemption Monthly Batch**”) shall be treated as having been made on the last day of that month (“**Batch Month**”). Similarly, all Issue Requests made in the same calendar month shall be treated as having been made on the last day of that month (“**Issue Monthly Batch**”). Thus, for example, a redemption request made on 18 June in any given year is treated in the same way as a request made on 30 June of the same year.
- 4.2. All requests comprising a Redemption Monthly Batch or an Issue Monthly Batch, respectively, shall be treated equally, i.e. irrespective of the sequence of filing, the amount or the reason for the request.
- 4.3. The processing of Issue Requests and Redemption Requests by the Society, including but not limited to the calculation of the NAV and the issue price and the redemption price for Shares, shall occur in accordance with the AoA and furthermore in the same manner as set out in the Participation Terms with regard to Issuance Requests and Redemption Requests relating to Participations.
- 4.4. To accommodate the practical needs of SAs and Entities to put together their complete and aggregate batch of Issue Requests and aggregate batch of Redemption Requests on a monthly basis, and to provide for situations that may entail system failure, the Society’s deadline for receipt of these batches is the third Working Day¹ of the month following the Batch Month. This means that the aggregate batch of Issue Requests and aggregate batch of Redemption Requests on a monthly basis gathered, for example, during the calendar month of June must be received by the Society no later than the third Working Day of July.
- 4.5. In exercising its Discretion and taking its decision as to whether and how Redemption Requests and Issue Requests in a Batch Month are honoured, the Managing Board shall take into

¹ “Working Day” is Monday through Friday, excluding public holidays on which the Society’s offices in Amersfoort, the Netherlands, are closed. The list of such public holidays shall be made publicly available five weeks before the start of the calendar year in which they occur.

account the most recent MLSR and the recommendation of the Monthly Issuance & Redemption Meeting, in each case as further set out in the Participation Terms.

- 4.6. The Society may at its sole discretion decide to have the balance sheet go through a process of independent assurance, including having it audited, in order to determine the NAV.
- 4.7. Ultimately on the fifth (5th) Business Day of the month following the Batch Month, the Managing Board shall, taking into account the MLSR and the recommendation of the Monthly Issuance & Redemption Meeting, decide whether or not to honour Issue Requests and Redemption Requests made during the Batch Month. The Society shall inform the Members that filed a Redemption Request or an Issuance Request of the Managing Board's decision.
- 4.8. In the event that a material change occurs between the decision of the Managing Board and the moment of communication of the decision on the fifth (5th) Business Day of the month following the Batch Month, the Managing Board shall reassess its decision. For the purpose of the re-assessment of its decision, the Managing Board shall take into account the material change and consider whether it would be prudent to honour Redemption Requests and Issue Requests in the Batch Month concerned.
- 4.9. On the fifteenth (15th) calendar day of the month following the Batch Month, or the first Business Day following that date, the Issue Monthly Batch or the Redemption Monthly Batch can be corrected, however only (i) as a result of a withdrawal of an issue request made by an Investor under the 14-day cooling off period²; or (ii) as a result of mistakes in the Issue Monthly Batch or the Redemption Monthly Batch due to administrative or technical failure by SAs or Entities.

5. Relevant considerations to inform the Managing Board's decision-making

- 5.1. In its recommendation to the Managing Board, the Monthly Issuance & Redemption Meeting shall in any event always take into account the liquidity and the solvency of the Society. In addition, it may also take into account other factors that it may deem relevant.
- 5.2. Liquidity refers to the ease with which the Society can meet its financial obligations and facilitate Redemption Requests with the liquid assets available at any given point in time. To assess whether liquidity levels are sufficient, all facts and circumstances must be taken into account, including an assessment of liquidity needs and uses within a one-year horizon.
- 5.3. Solvency refers to the Society's ability to absorb unexpected losses and still be able to meet its financial obligations. Solvency is essential to staying in business as it demonstrates the Society's ability to continue operations and withstand financial shocks into the foreseeable future. The key indicators for solvency are the NAV and the NAV compared to the Society's total assets (unweighted capital ratio). The Society may develop other methods to assess solvency over time..

² The 14-day cooling off period refers to EU regulation under which a consumer has the right to cancel and return its purchase made online within 14 days, for any reason and without a justification. Since this regulation might be applicable on the issuance of financial products in some SA or Entity jurisdictions, Oikocredit will apply this rule on all issuance requests.

6. Consequences of the Managing Board's decision to not honour request

- 6.1. In the event the Managing Board decides that it shall not honour Issue Requests, the Society shall not accept funds from Members toward Issue Requests subject to the negative decision. The Society shall refund to Members amounts received from them toward Issue Requests that will not be honoured. No interest shall be paid on the refunded subscription amounts.
- 6.2. In the event that the Managing Board decides that it shall not honour Redemption Requests, the Society shall continue to register Redemption Requests each month in order to honour them at a later stage in compliance with the requirements of the AoA.
- 6.3. In the event the Society does not resume honouring Redemption Requests and Issue Requests within 3 months of the Managing Board's decision to cease honouring such requests, the Managing Board shall prepare a plan (a "Specific Measures Plan"), in which it shall consider all available measures that can bring about a result which is in the Society's best interest.

7. Effective Date

This policy applies as of 1 March, 2023.

8. Amendment of the Share Issuance and Redemption Policy

- 8.1. This policy shall be adopted and amended pursuant to a resolution of the Managing Board, subject to the approval of the Supervisory Board.
- 8.2. The Society shall publish the amended policy on its websites, which are accessible via www.oikocredit.coop.

9. Choice of Law and Disputes

- 9.1. This policy and the documents to be entered into pursuant to it, shall be exclusively governed by and construed in accordance with the laws of the Netherlands. Any matter, claim or dispute arising out of or in connection with this policy, whether contractual or non-contractual, is to be governed by and determined in accordance with Dutch law.
- 9.2. Any dispute arising out of or in connection with this policy, whether contractual or non-contractual, shall be exclusively submitted to the jurisdiction of the competent court in Amsterdam.

Annex: Illustration of the Process

	WD	Normal	Stress	Extreme stress
1 July 2020		Redemption and Issuance Monthly Batches		
...				
31 July				
1 August (Saturday)				
2 August (Sunday)				
3 August	+1			
4 August	+2			
5 August	+3	Deadline for submission of the complete and gross Redemption and Issuance Monthly Batches		
6 August	+4	MLSR available to MB and in-house experts who participate in the Monthly Issuance & Redemption Meeting		
7 August	+5	MB decision. If a material event occurs between the decision and its communication, the MB reviews its decision in view of the material event occurring: it reconfirms a normal scenario or goes to a stressed scenario		
		the MB issues its decision to redeem/issue shares for the monthly batches	the MB issues its decision to suspend redemptions and issuance, with effect from the next month (honouring the requests of the preceding month)	the MB issues its decision to suspend redemptions and issuance, with effect from the last month and going forward
8 August (Saturday)				
9 August (Sunday)				
10 August	+6	Payment of redemption amounts to each Member (unless positive net inflow allows book settlement), and issuance of Shares to Members	Payment of redemption amounts to each Member (unless positive net inflow allows book settlement), and issuance of Shares to Members	
11 August	+7			
12 August	+8			
...				
15 August	+15 calendar days	Decision on correcting a batch (due to changes as a result of the 14 day cooling off period or due to administrative or technical mistakes)		
8 November (Saturday)				
9 November	+6			If the MB does not decide to reopen for issuance and redemption, the MB will prepare a Special Measures Plan.