

INVESTOR TERMS AND CONDITIONS

This document sets out the terms and conditions on which we, London House Exchange (which is the trading name of London House Exchange Limited ("**London House Exchange**")), enable you to invest via our website (www.londonhouseexchange.com) (the "**Website**"). Please read these Investor Terms and Conditions carefully before using the Website. By using the Website, you agree to be bound by these Investor Terms and Conditions, our [Privacy Policy](#) and the MTF Rulebook.

London House Exchange is authorised and regulated by the Financial Conduct Authority (the "**FCA**") of 12 Endeavour Square, London E20 1JN (FCA registration number 613499) and as such we are subject to the FCA rules in our dealings with you. London House Exchange is wholly owned by LHE Holdings Limited (No. 125065), a limited company registered in Jersey with registered office at 44 Esplanade, St Helier, Jersey JE4 9WA.

References to *we/our/us* are to London House Exchange or any group company of London House Exchange specifically incorporated by London House Exchange for the purposes of holding your investments. References to *you/your* are references to the user of the Website for the purpose of investing via the Website (the "**Investor**").

Effective Date: 17 January 2023

1. BACKGROUND

- 1.1 London House Exchange, through the Website, is providing information on property backed investment opportunities. The Website hosts investments by way of acquiring a share in a property ("**Property Equity Investments**") and property backed debt investments ("**Property Debt Investments**"). Property Equity Investments and Property Debt Investments, together "**London House Exchange Investments**" and each a "**London House Exchange Investment**".
- 1.2 London House Exchange operates a secondary market which is authorised and regulated by the FCA as a 'multilateral trading facility' (the "**Exchange**"). Certain London House Exchange Investments may be bought and sold by Investors on the Exchange pursuant to the rules of the Exchange.
- 1.3 London House Exchange Investments are hosted on the Website as either 'new listing' fundraisings marking the first time an investment opportunity is made available to Investors ("**New Listing**") or secondary market investment opportunities via trading on the Exchange.
- 1.4 In respect of both Property Equity Investments and Property Debt Investments, we will conduct a 'new listing' fundraising round (the "**Investment Round**") through the Website pursuant to which we are looking to raise a pre-agreed minimum amount for each Property Equity Investment or Property Debt Investment (as the case may be) (the "**Total Investment Required**") from various Investors.
- 1.5 London House Exchange prepares an investment case for each London House Exchange Investment ("**Investment Case**"). It is important that you read and understand the Investment Case before making an investment.
- 1.6 If the Total Investment Required in relation to a specific London House Exchange Investment is not achieved, all committed funds are returned to you without deduction of any fees or expenses.
- 1.7 The Website hosts Property Equity Investments in a range of asset classes, including but not limited to, residential, commercial and purpose built student accommodation (PBSA) properties.
- 1.8 London House Exchange will operate the Website and, in accordance with these Investor Terms and Conditions, allow you to access the Website and use the functions available on the Website. Where you make a London House Exchange Investment through the Website, London House Exchange will also co-ordinate the payment and collection of sums due from Investors through the Website, or otherwise, in order to achieve the Total Investment Required (subject to such amount being reduced under paragraph 7.5).
- 1.9 If there are any deviations from these Investor Terms and Conditions, they will be made clear either via specific terms and conditions or in the Investment Case, and such specific terms and conditions or the Investment Case shall take precedence.

2. PROPERTY EQUITY INVESTMENTS

Nominee structure

- 2.1 By investing in our property equity investments, you are acquiring a beneficial interest in shares ("**Shares**") in a UK limited company known as a special purpose vehicle established for the sole purpose of acquiring and owning an individual property [(or, in limited circumstances, multiple properties)] (the "**SPV**"). Each SPV will be 100% legally owned by the Property Partner Nominee Limited ("**Nominee**"). You will hold the beneficial interest in the Shares contractually entitling you to the economic benefits that flow from them.
- 2.2 You agree to invest money in exchange for a beneficial interest in a percentage of the Shares issued by the SPV, conditional on the Total Investment Required being achieved.
- 2.3 If the Total Investment Required is achieved and the Investment Round completes (subject to such amount being reduced under paragraph 7.5) you agree that the relevant Shares will be held on your behalf by the Nominee as bare trustee and in accordance with these Investor Terms and Conditions.

Split of legal and beneficial ownership and appointment of Nominee

- 2.4 The Nominee is an English private limited company wholly owned and controlled by London House Exchange, which has been set up by London House Exchange for the purposes of holding investments on behalf of Investors.
- 2.5 By entering into this agreement you hereby agree that the Nominee shall hold legal title to the Shares on your behalf on the terms and subject to the conditions set out in this agreement.
- 2.6 Once the Total Investment Required is achieved, the Nominee shall use the (now committed) funds provided by Investors to subscribe for the Shares, which shall be owned legally by the Nominee and owned beneficially by the relevant Investors (as set out above).
- 2.7 You agree that the Shares will be held in the name of the Nominee and that London House Exchange (acting through the Nominee) will make all appointments and decisions on your behalf in relation to the Shares, except if expressed otherwise in these Investor Terms and Conditions. You will not be entitled to exercise any rights as a shareholder of the SPV (as a matter of company law) and agree that you will not assert any such right.
- 2.8 You acknowledge and irrevocably agree that you shall not be entitled to direct the Nominee in relation to the Shares that you have acquired in the SPV, including directing the Nominee to transfer or otherwise dispose of the shares in the SPV. This does not affect your right to transfer your beneficial interest in Shares in accordance with Clause 15 below.
- 2.9 You and the Nominee both agree that the relationship between you both shall be that of beneficiary and trustee only, that neither party has an intention to create a partnership between them and that this agreement should not be construed as such.
- 2.10 These terms are key to making sure the split of legal and beneficial ownership works for all Investors. The nominee structure allows Investors to derive economic benefits from their investment without becoming involved in any of the associated administration or paperwork. If you breach or attempt to terminate this agreement in any way, as well as any other remedies that may be available, London House Exchange and the SPV reserves the right to reclassify the underlying shares represented by your Shares as deferred shares. In this situation, you will lose all dividend rights.
- 2.11 By investing in a Property Equity Investment through the Website, you further agree that you will do anything required to ensure that the provisions of the SPV's shareholders' agreement and articles of association (accessible via 'Investment Documents' on your London House Exchange account (as identified by your unique reference number or such other method as instructed on our Website) (the "**Account**") dashboard) are observed.

Property acquisition

- 2.12 The Total Investment Required will, together with funds secured by way of mortgage (if any), be the sale price of the property as agreed between us and the seller of the property (the "**Seller**"), in conjunction with a valuer of our choosing, together with all costs and fees which will arise in the acquisition of the property as well as any forecast expenses as set out via the Website.

- 2.13 London House Exchange will arrange for the completion of a survey and valuation undertaken by a Chartered Surveyor that will form the basis for the purchase price of the property.
- 2.14 London House Exchange will be involved in the pre-sale negotiation and listing of the property on the Website, and shall engage third party solicitors / conveyancers to facilitate property acquisitions.
- 2.15 As part of the property acquisition process, you acknowledge and agree that, from time to time, London House Exchange may transfer to its solicitors or other necessary parties funds committed by you to a specific Property Equity Investment in advance of completion to facilitate the acquisition of the property to which an Investment Round relates.

Property management

- 2.16 London House Exchange will be involved in the management of the Property Equity Investment made by all applicable Investors in the SPV post-acquisition of the property, which will include managing the decision making processes set out in the Shareholders' Agreement (accessible via 'Investment Documents' on your Account dashboard).
- 2.17 London House Exchange will enter into a Management Services Agreement with each SPV, whereby it will perform all necessary tasks in relation to the administration of the SPV and the management of the property. A copy of the Management Services Agreement is accessible via 'Investment Documents' on your Account dashboard. The Management Services Agreement and the investment case for individual investments includes details of fees charged by London House Exchange.

Making a Property Equity Investment

- 2.18 By selecting a property to invest in through the Website, you automatically agree to invest in Shares in the relevant SPV that will acquire the property. We will combine your transaction to purchase Shares with other Investors that have also purchased Shares in the relevant SPV.
- 2.19 Your percentage of the shares in the SPV will be calculated in relation to the value of the property and all other acquisition costs and fees (including but not limited to any funds secured by way of mortgage) which will arise in the acquisition of the property. For example, if the Total Investment Required is £500,000 and you have invested £5,000 (plus transaction costs), you will acquire 1% of the shares in the relevant SPV.

3. PROPERTY DEBT INVESTMENTS

- 3.1 From time to time, London House Exchange may make available through the Website Property Debt Investments.
- 3.2 The Property Debt Investments may be originated and managed by London House Exchange or a third party selected by London House Exchange ("**3rd Party Debt Providers**").
- 3.3 In respect of any Property Debt Investments originated by 3rd Party Debt Providers ("**Third Party Debt Investments**"), you hereby acknowledge and authorise London House Exchange, and appoint London House Exchange on your behalf to engage with any 3rd Party Debt Providers (and any other related parties) in relation to the administration of your Property Debt Investment and to make decisions relating to your Property Debt Investment in common with all other Investors in a particular Property Debt Investment.
- 3.4 London House Exchange will provide you with periodic information in respect of a Property Debt Investment, including but limited to the progress of related property developments.
- 3.5 You will be required to read and accept specific Property Debt Investment terms and conditions prior to investing in a Property Debt Investment.

4. THIRD PARTY INVESTMENT OFFERINGS

- 4.1 From time to time London House Exchange may make available through the Website property investment opportunities which are sourced and managed by third parties ("**Third Party Offerings**").
- 4.2 Third Party Offerings may have investment terms, fees and exit mechanics that differ to London House Exchange Investments. Any such differences will be presented to you through the Website in

the investment case for a Third Party Offering, and you may be required to read and accept specific terms and conditions prior to investing in a Third Party Offering.

5. LONDON HOUSE EXCHANGE'S INNOVATIVE FINANCE ISA

- 5.1 London House Exchange offers an Innovative Finance Individual Savings Account (ISA) ("**London House Exchange ISA**"). London House Exchange's ISA can be used to invest in Property Debt Investments.
- 5.2 Your London House Exchange ISA will be managed by London House Exchange. London House Exchange has been approved by Her Majesty's Revenue and Customs (HMRC) under the ISA Regulations as an ISA manager. From time to time, we may engage third parties to assist us with the administration of the London House Exchange ISA.
- 5.3 In order to invest using a London House Exchange ISA, you are required to open a London House Exchange ISA via the Website. Funds attributable to your London House Exchange ISA will be held in a specific London House Exchange ISA account (separate from your "general" Account) ("**ISA Account**").
- 5.4 When you make an investment in a Property Debt Investment using the London House Exchange ISA, you are agreeing to the terms applicable to the specific Property Debt Investment and the London House Exchange ISA terms and conditions.
- 5.5 The London House Exchange ISA terms and conditions can be found [here](#).

6. INVESTOR ELIGIBILITY

Opening a London House Exchange Account

- 6.1 In order to invest in a London House Exchange Investment, you must set up an Account via the Website.
- 6.2 As an Investor, you may invest via the Website in accordance with these Investor Terms and Conditions.
- 6.3 Once you are registered to open an account via the Website we will carry out identity and fraud checks on you using third party service providers. Such checks may be undertaken on you as an individual, a member or director of your business or company, on your company or business and/or other directors or members of your business or company.
- 6.4 The declaration you made, via our Website, stating that you are either a "high net worth individual", "sophisticated investor" or a "restricted investor" (as each term is defined in the FCA rules and set out on our Website) and such other representations as you may make in connection with a given requirement in a jurisdiction is true and accurate.

Investor Representations

- 6.5 In consideration of our accepting your application to open an account with London House Exchange via the Website, you represent to us (and acknowledge that we rely on these representations) as set out below. We may rescind our agreements with you, close your account and (subject to completion of 'know-your-customer' and anti-money laundering processes) return any funds you have deposited with us to you if your representations are false or misleading.
- 6.6 In making an investment in a London House Exchange Investment you agree that you have done so solely based on information contained on the Website, including the Investment Case, together with any independent knowledge that you may have and professional advice that you may have received. Nothing London House Exchange or any group company of London House Exchange does, nor anything that is on the Website, is to be construed as advice or a recommendation by us in relation to a London House Exchange Investment. You have complete control and discretion on whether or not you invest through the Website. In addition, all customers must classify as sophisticated, high net worth or restricted investors (or such other classification as relates to your jurisdiction) and, until you have done so, nothing on our site is intended as an offer capable of acceptance.
- 6.7 You represent that:

- 6.7.1 You are legally entitled to invest your investment amount;
- 6.7.2 If you are a natural person, you are at least 18 years old, of sound mind and capable of taking responsibility for your own actions such that you can enter into a legally binding agreement with us.
- 6.7.3 You agree to provide accurate registration information, including without limitation your correct date of birth and your country of residence and you agree to inform us of any changes in such details.
- 6.7.4 You are the person whose details are provided in connection with your registration or, in the case of legal entities, you are a duly authorised representative of the relevant legal entity.
- 6.7.5 You are acting as a principal and not as an agent on behalf of a third party.
- 6.7.6 You will not deposit funds with us that are the proceeds of crime or attempt to launder money via our Website. To assist us in complying with our regulatory obligations to combat crime and money laundering, you agree to provide us with such information and documentation as we may request to verify your identity, address and source of funds. You understand that, until completion of 'know-your-client' and anti-money laundering processes, you will not be able to deposit and/or withdraw funds from your account.
- 6.7.7 You are not an undischarged bankrupt, in a voluntary arrangement with your creditors nor subject to other legally imposed circumstances that limit your ability to invest.
- 6.7.8 You are not located in a jurisdiction in which it is illegal for you to make use of our Website.
- 6.7.9 It is your responsibility to keep your contact details up-to-date on your account. Failure to do so may result in you failing to receive important account related notifications and information from London House Exchange, including changes we make to our terms and conditions.

Account security and activity

- 6.8. You are solely responsible for the security and confidentiality of your account. In particular, you agree to keep your username and password strictly confidential and you are responsible for any misuse of your password. Provided that we have been correctly supplied with the account information requested, we are entitled to assume that activity on your account is your activity. You should change your password on a regular basis and never disclose it to any third party. You undertake to protect your username and password in the same way that you would in respect of your bank cards and any failure to do so shall be at your sole risk and expense. If another person accesses your account other than as a result of our gross negligence, you are solely responsible for all their actions whether or not their access was authorised by you and you hereby indemnify us and hold us harmless against all costs, claims, expenses and damages howsoever arising in connection with the use of or access to your account by any third party;
- 6.9. You will not attempt to sell or otherwise transfer the benefit of your account to any third party and nor will you acquire or attempt to acquire an account which has been opened in the name of a third party;
- 6.10. You will not engage in behaviours that place unnecessary strain on our Website (such as for example by high frequency trading) nor seek to unfairly influence trading activity in a manner that, in our sole discretion, is detrimental to us or other Investors. We reserve the right to IP block, throttle data requests and/or suspend accounts that breach this clause; and
- 6.11. You will use and regularly update security software so as to better guard against hacking, viruses and computer misuse.

7. MAKING A LONDON HOUSE EXCHANGE INVESTMENT

- 7.1. London House Exchange has the discretion to reduce the Total Investment Required at any time if it reasonably considers this is in the interest of Investors (in the event, for example, that a reduced sale price is negotiated with the Seller).
- 7.2. Completion of a London House Exchange Investment will be conditional on the following:

- 7.2.1. At least the Total Investment Required being raised during the Investment Round (subject to such amount being reduced under paragraph 7.5);
- 7.2.2. In respect of a Property Equity Investment, the Nominee being appointed to hold your Shares on your behalf, which will become effective after you agree to these Investor Terms and Conditions;
- 7.2.3. In respect of a Property Equity Investment, the Seller completing the sale of their property to the SPV;
- 7.2.4. In respect of a Property Debt Investment, the underlying loan being completed; and
- 7.2.5. London House Exchange having the discretion to not complete the acquisition of the property or the loan (as the case may be) for any reason whatsoever.
- 7.3. London House Exchange reserves the right not to list a London House Exchange Investment on the Website, to decline investment requests and/or bid requests via its Website at its sole discretion.
- 7.4. No single Investor will be entitled to secure more than 19.99% of a given London House Exchange Investment opportunity.

Scaleback

- 7.5. We reserve the right to operate an overfunding policy in relation to a New Listing London House Exchange Investment on the Website, which we refer to as “scaling back”. This is where Investor commitments exceed the Total Investment Required and in such an instance your commitment may be reduced on a pro-rata basis. For example, if you have invested £5,000 where the Total Investment Required is £500,000 but total Investor commitments amount to £625,000 then your final investment will equal £4,000 (i.e. reduced by 20%); the remaining £1,000 will remain part of your available funds in your Account which you can use for other investments or withdraw

Pre-order process

- 7.6. From time to time, at our discretion, we may offer the opportunity to invest by means of a pre-order process that helps to ensure that our Investors have adequate time to make an investment decision without missing out (“**Pre-order**”). When we do so, the instructions on the Website will outline the specific terms in respect of the Pre-order and the following conditions shall apply as standard:
 - 7.6.1 In consideration of providing you with the opportunity to place a pre-order you will, irrevocably and unconditionally agree in relation to your Account:
 - 7.6.1.1 to do all such things as may be required to facilitate an investment by you of the sum indicated by you into the London House Exchange Investment linked to a Pre-order investment opportunity or opportunities listed on the Website which must be chosen by you (the “**Pre-order Investment**”). This shall include allocation of the full amount of all funds required (including coverage of fees and costs) from your Account towards the Pre-order Investment for which it shall be your sole responsibility to have in place in advance of making your pre-order;
 - 7.6.1.2 that the Pre-order Investment shall be made by way of either (i) the allotment and issue to the Nominee to hold on your behalf shares in the share capital of the relevant SPV(s) or (ii) the allotment and issue to you of bonds in relation to a Property Debt Investment;
 - 7.6.1.3 that you shall hold London House Exchange harmless from any and all liability, costs, fees, expenses and losses which may arise to you as a consequence of placing a Pre-order Investment.
 - 7.6.2 In consideration for the undertakings you give in paragraph 7.6.1, London House Exchange agrees to the Pre-order Investment terms set out herein and:
 - 7.6.2.1 agrees to use its reasonable endeavours to arrange the Pre-order Investment(s) selected by you for pre-order; but

- 7.6.2.2 gives no warranty and makes no representations to you in respect of the Pre-order Investment(s).
- 7.6.3 You further irrevocably and unconditionally agree, understand and accept that the Pre-order Investment may (as a consequence of high Investor demand) be subject to scaling such that the total quantum of a London House Exchange Investment made available for Pre-order may be reduced. The amount and rate of such scaling shall be determined at the sole discretion of London House Exchange. In the event London House Exchange determines that the Pre-order Investment is to be scaled back you shall be liable only for the amount of such scaled back Pre-order Investment (with the balance remaining as available funds in your account).
- 7.7 Pre-orders shall be capable of being agreed by a method explained on our Website.

Your Money held by London House Exchange

- 7.8 We shall hold any money we receive from you in accordance with the FCA's rules, which require that we hold client money (a term used interchangeably with client monies) in a client bank account segregated from our own funds.
- 7.9 We shall exercise due skill, care and diligence in the selection, appointment and periodic review of any credit institution or bank (other than a central bank) where the client money is deposited and for the arrangements for holding the client money, but we shall not be responsible for any acts, omissions or default of any such credit institution or bank.
- 7.10 You acknowledge and accept that your money may be pooled with money belonging to other clients, which means that you will not have a claim against a specific sum in a specific account, but against the client money pool in general. Any money held in a client money account that has not been invested will not attract any interest.
- 7.11 London House Exchange does not accept cheques or cash deposits.

8. PERIODIC STATEMENTS AND VALUATIONS

- 8.1 You will be provided with information on your London House Exchange Investments, including monthly dividends, an estimated valuation of your Property Equity Investment and periodic tax statements. However, we provide no warranty or assurances as to the accuracy of this information other than required under the FCA rules and you are responsible for your determining your own tax position.
- 8.2 As mentioned in paragraph 8.1 above, you will be provided with an estimated valuation of your Property Equity Investment in the SPV, which will consist of the latest valuation of the property plus unamortised purchase costs less deferred tax and any other liabilities in the SPV (on a per share basis).
- 8.3 The basis for the latest valuation of the property is currently as follows:
- 8.3.1 For New Listings this will be the proposed purchase price, which in turn is supported by an independent chartered surveyor's physical inspection and valuation;
- 8.3.2 Thereafter, the property valuation is updated in line with an independent RICS accredited surveyors' assessment on at least an annual basis for all Property Equity Investments trading on the Exchange; and
- 8.3.3 Every five years, a Chartered Surveyor's physical inspection and valuation is performed to provide a further update to the valuation and forms the basis for the five yearly exit protections.

9. RETURN ON YOUR INVESTMENT

- 9.1 Once you have made a Property Equity Investment and purchased Shares, any distribution declared at the sole discretion of the directors of the SPV and which you receive from the SPV will be paid to you and placed in your Account, the balance of which will be visible to you on the Website, via your Account dashboard as 'Available Funds'.

- 9.2 Any dividends you receive will be rounded down to the nearest penny.
- 9.3 Once you have made a Property Debt Investment and been issued your bonds, unless otherwise specified in the terms and conditions applicable to a specific Property Debt Investment, your return on investment, capital plus accrued interest, will be paid to you and placed in your Account following the end of the term of the bond instrument pursuant to which the your bonds have been issued to you.
- 9.4 Subject to completion of 'know-your-customer' and anti-money laundering processes (including bank account verification), you may then choose to withdraw money at any time, or re-invest in other London House Exchange Investments in a similar manner as set out in these Investor Terms & Conditions.
- 9.5 You may have to pay other taxes or costs, which are not imposed by us. You are responsible for paying your tax and should seek your own independent tax advice.

10. CAPITAL AT RISK

- 10.1 We wish to draw your attention to the risks relating to investing in London House Exchange Investments, which can be found on our Website.
- 10.2 Please note that the risks of investing in Property Equity Investments are different to the risks of investing in Property Debt Investments. Please ensure that you have read and understood the risks applicable to a London House Exchange Investment before making your investment.
- 10.3 The value of your London House Exchange Investment can go down as well as up. Past performance is not a reliable indicator of future performance. Forecasts or projections of future performance, if stated, are not a reliable indicator of future performance; these are not guarantees and are subject to change. Monies returned may be lower than expected. Gross rent, dividends, and capital growth may be lower than estimated.
- 10.4 London House Exchange does not provide tax or investment advice and any information provided is for informational purposes and is provided to help you make your own informed decisions. Such information does not constitute a recommendation to invest in a particular London House Exchange Investment. Your tax position will depend on your own particular circumstances and we make no representation and provide no warranty or assurances as to the tax treatment of your investment or any associated return. You are responsible for paying your tax and Investors are advised to obtain appropriate tax or investment advice.
- 10.5 The Financial Services Compensation Scheme ("**FSCS**") protects the cash held in your Account, however, your London House Exchange Investments are not protected by the FSCS in the event that you do not receive back the amount that you have invested.

11. LONDON HOUSE EXCHANGE'S EXCHANGE

- 11.1 The Exchange is a regulated MTF (Multilateral Trading Facility) authorised by the FCA. Our MTF Rulebook governs how Investors may use the Exchange and came into effect on 3 January 2018. It sets out Investors' rights and obligations, as well as London House Exchange's rights and obligations. Users of the Exchange are bound by the MTF Rulebook, and by using the Exchange users are confirming that they have read and accept the terms and conditions contained in the MTF Rulebook. You can find the [MTF Rulebook](#) here.
- 11.2 Not all New Listings are tradeable on the Exchange. Please refer to the Investment Case for confirmation of whether a New Listing will be tradeable on the Exchange.
- 11.3 London House Exchange, acting at its sole discretion, reserves the right to suspend any London House Exchange Investment from trading on the Exchange. London House Exchange may suspend trading for any number of reasons, including but not limited to, investigating property management issues or when announcing price sensitive information.
- 11.4 London House Exchange offers incentives for Investors who trade large volumes on the Exchange via bidding. Details of any incentives along with any additional terms will be shared on London House Exchange's Knowledge Base accessible via the Website and will be reviewed quarterly. Eligibility for incentive payments is subject to an Investor adhering to the terms and conditions of the MTF Rulebook. Systematic trading that seeks to earn an incentive payment as its primary purpose, rather than pursue a bona fide investment or trading strategy, is ineligible. London House Exchange, in its

sole discretion, reserves the right to withhold incentive payments if it deems it necessary to investigate any Investor behaviour that may contravene the above.

- 11.5 By offering you beneficial interest in Shares for sale on the Exchange:
- (a) you warrant for the benefit of the transferee(s) that that you have not transferred, sold, charged, encumbered or otherwise disposed of or dealt with your Shares (or agreed to do any of those things) prior to the date of the transfer; and
 - (b) you agree to take any action that may be required to make sure that the Shares are transferred to the transferee(s).

Close Periods

- 11.6 The Exchange closes for certain periods. This allows for the orderly release of price sensitive information, ensuring that Investors have an appropriate amount of time to review such information and act accordingly. Close periods also allow London House Exchange to undertake more complex technical improvements to the Exchange.
- 11.7 Close periods will occur once every quarter and last 3 working days. London House Exchange will communicate close period dates in advance on an annual basis.
- 11.8 During close periods, Investors will not be able to buy or sell Shares, place bids orders or sell offers on the Exchange. All existing orders will be maintained for when the market reopens. Investors will, however, be able to cancel existing bids and sell offers if you choose.

12. PREMIUM CLIENT SERVICES

- 12.1 London House Exchange offers bespoke services to its premium clients. A “**Premium Client**” is anyone who has net deposits of £25,000 or greater on the Website. Eligibility to participate as a Premium Client is at the full discretion of London House Exchange.
- 12.2 Premium Clients may, amongst other services and benefits, be given “Early Access” to London House Exchange Investments for a period of time prior to such London House Exchange Investments launching on the Website.
- 12.3 More information about our Premium Client services can be found on the Website.

13. CORNERSTONE INVESTMENTS

- 13.1 From time to time, London House Exchange may (at our discretion) offer Investors making a minimum investment contribution of £50,000 (“**Cornerstone Investment**”) specific promotional terms, including but not limited to reduced transaction fees or increased interest rates, in recognition of their allowing us to bring larger scale investments to the Website for all Investors to invest in.
- 13.2 For any London House Exchange Investment to which Cornerstone Investment terms are offered, specific terms and conditions shall apply.

14. CANCELLATION RIGHTS

- 14.1 You may exercise your right to withdraw from a London House Exchange Investment in its New Listing phase in the 14-day period which follows your decision to invest by calling us on 020 3696 5600 during office hours.
- 14.2 If you exercise your cancellation rights in accordance with paragraph 14.1 above, you will be entitled to withdraw your investment amount from your Account subject to completion of ‘know-your-customer’ and anti-money laundering processes.
- 14.3 If you exercise your cancellation rights in accordance with paragraph 14.1 above, you will not be entitled to any promotional benefits that may have normally applied to the London House Exchange Investment you are withdrawing from, nor will you be entitled to any dividends, interest or other benefit.

- 14.4 You do not have a right to cancel in circumstances where you acquire or dispose of your interest in a London House Exchange Investment via the Exchange because you will be doing so from or to another Investor who has offered their Shares or interest in a London House Exchange Investment on the Exchange that is outside our control.

15. TRANSFER PROVISIONS

- 15.1 You will be entitled to transfer your interest in a London House Exchange Investment in the following ways only:
- 15.1.1. to your estate, upon your death;
 - 15.1.2. at our sole discretion, subject to completion of 'know-your-customer' and anti-money laundering processes, to your spouse or other family member in line with such requirements as we may require from time to time;
 - 15.1.3. by sale on the Exchange, details of which can be found on the Website;
 - 15.1.4. in accordance with any applicable terms and conditions specific to a particular London House Exchange Investment which may be communicated to you from time to time; or
 - 15.1.5. upon the insolvency of a corporate Investor (where you are investing on behalf of a corporate), whereupon we have the discretion to exercise a buy back of the insolvent company's shares if we so wish.

16. EXIT MECHANICS

- 16.1. Unless otherwise communicated to you in an Investment Case, you can exit your London House Exchange Investment via the Exchange.
- 16.2. You may exit your London House Exchange Investment in accordance with the transfer provisions set out in paragraph 15 above.

Asset Sales

- 16.3. From time to time, London House Exchange may propose to Investors an opportunity to realise a Property Equity Investment in the manner set out below ("**Asset Sale**"). London House Exchange will suspend trading in the proposed Property Equity Investment and Investors will be invited to vote to either realise or continue to hold the Property Equity Investment. Following the conclusion of the voting process, London House Exchange will either recommence trading in respect of that Property Equity Investment or commence the sale process as reflected below.
- 16.4. The detail in relation to an Asset Sale process, including the mechanics of shareholder voting, will be communicated to related Investors by London House Exchange at the time an Asset Sale proposal is made.
- 16.5 It is anticipated that Property Equity Investments will be realised through the following process:
- 1. The underlying property is sold and the sales proceeds are realised by the SPV;
 - 2. Any outstanding creditor balances and other liabilities of the SPV are paid and settled, as required;
 - 3. The SPV's accounts are finalised and agreed by the directors;
 - 4. Prior to any distribution of any net proceeds, the SPV will enter into a Members Voluntary Liquidation ("**MVL**") in accordance with The Insolvency Act 1986; and
 - 5. Following the SPV entering MVL, any net proceeds (subject to any outstanding liabilities) are returned to Investors (through the Nominee, which will account for the relevant portion to Investors in proportion to the percentage of Shares held by them). Such net proceeds may be returned in tranches as determined by the liquidator or directors (as required), so as to ensure all liabilities of the SPV can be settled.

17. TERMINATION AND VARIATION

- 17.1 There is no minimum duration of this agreement and termination of this agreement will only occur:
- 17.1.1 if you cease to hold and beneficial interest in Shares and withdraw your money from your

- Account and close your Account with us in which case we reserve the right to retain certain data to comply with our regulatory obligations; or
- 17.1.2 at such other time as we decide.
- 17.2 We may update these Investor Terms and Conditions from time to time to reflect any changes in law or the operation of the Website or for any other reason (acting reasonably), including but not limited to, changes to our product offering or fees.
- 17.3 If we update these Investor Terms and Conditions, we will inform you as soon as practical whether by email or an alternative method such as uploading to the Website. We will endeavour to provide you with reasonable advance notice of any changes in order to give you the opportunity to review such changes. Please note, however, that certain changes, including changes addressing new product offerings or changes made for legal or regulatory reasons may be effective immediately.
- 17.4 By continuing to use the Website and/or our services, you will be deemed to have agreed to the updated Investor Terms and Conditions.
- 17.5 If there is a conflict between any versions of the Investor Terms and Conditions to which you have agreed, or deemed to have agreed to, the most recent version shall take precedence unless it is expressly stated otherwise.

18. LONDON HOUSE EXCHANGE'S FEES

- 18.1 Details of the anticipated costs and fees included on the purchase of a Property Equity Investment will be listed in the Investment Case. If there is any discrepancy between the fees set out in these Investor Terms and Conditions and the fees set out in the Investment Case, the Investment Case takes precedence.
- 18.2 If there is any discrepancy between the fees set out in these Investor Terms and Conditions and the fees set out in a Property Debt Investment Case, the Investment Case shall take precedence.
- 18.3 We may waive or reduce our fees and/or offer cash-back for whatever reason, as long as we are permitted by FCA rules (which include treating customers fairly).
- 18.4 Transaction fees on all markets shall be rounded up to the nearest penny and the minimum fee per transaction shall be £0.01p.

New Listing Fees

- 18.5. London House Exchange will charge Investors a 2% transaction fee on investments in New Listings ("**New Listing Fee**"). The 2% transaction fee is calculated as 2% on the value of the investment amount made by an Investor into the London House Exchange Investment.

Exchange Fees

- 18.6. London House Exchange will charge Investors a maximum 2% transaction fee on Exchange investments ("**Trading Fee**"). The 2% transaction fee is calculated as 2% on the value of the investment amount made by an Investor into the London House Exchange Investment via the Exchange.
- 18.7. Any Exchange investments made by or on behalf of Investors using London House Exchange's Discretionary Managed Programme or Investment Plans services will incur the Exchange Fee.
- 18.8 Investors who acquire a beneficial interest in Shares will be liable for any stamp duty or stamp duty reserve tax that arises in connection with such acquisition (including in respect of any transfer or agreement to transfer the beneficial interest in shares). Stamp duty reserve tax based on the consideration paid for an acquisition via the Exchange will be collected by London House Exchange from the purchasing Investor of the beneficial interest in shares by and accounted to HMRC by London House Exchange (and such Investors who are purchasers of Shares will indemnify London House Exchange on an after-tax basis in respect of, and agree to pay London House Exchange an amount equal to, stamp duty reserve tax arising in connection with their acquisitions of beneficial interests in shares to the extent it has not been so collected by London House Exchange). These sums will be deducted by London House Exchange from the Investor's account balance.

Assets Under Management Fee

- 18.9 London House Exchange charges each SPV an assets under management fee of 1.2% per annum based on the latest value of an SPV's Shares determined by an independent Chartered Surveyor (the "**AUM Fee**") in respect of all Property Equity Investments held by an Investor ("**Equity Investment Portfolio**").
- 18.10 The AUM Fee is 0.7% per annum of an Investor's Equity Investment Portfolio.
- 18.11 The value of an Investor's Equity Investment Portfolio is calculated based on the latest Share valuation determined by an independent chartered surveyor, but excluding all Property Debt Investments and any Third Party Offerings (unless communicated otherwise by London House Exchange).
- 18.12 The AUM Fee shall be drawn from each SPV on a monthly basis before dividends are payable to Investors.
- 18.13 The AUM Fee is subject to VAT which will be charged to each SPV in addition.
- 18.14 Investors with Equity Investment Portfolios valued at £325,000 or above on 5 August 2019 will have their AUM Fee capped at £200 per month. This cap is only applicable to the value of their Equity Investment Portfolio as at 5 August 2019. For the avoidance of doubt, any subsequent Property Equity Investments acquired by an Investor subject to this cap on or following 5 August 2019 will be subject to the standard AUM fee.

Promotions

- 18.15 From time to time, London House Exchange may offer Investors promotional fees, including but not limited to a reduction on New Listing Fees or Exchange Fees. Such promotions will be communicated to you either via email and/or the Website with promotional terms and conditions. If there is any discrepancy between the fees set out in these Investor Terms and Conditions and the fees set out in the terms and conditions of an applicable promotion, the promotion terms and conditions shall take precedence.

Bespoke Investment Offerings

- 18.16 From time to time, London House Exchange may offer Investors bespoke investments via its Website, including but not limited to 3rd Party Offerings ("**Bespoke Investment Offerings**"). In the event that Bespoke Investment Offerings have fees and/or charges that are different to the fees set out in these Investor Terms and Conditions, London House Exchange shall communicate such fees and/or charges to you via specific terms and conditions and/or the relevant Investment Case.
- 18.17 If there is any discrepancy between the fees set out in these Investor Terms and Conditions and the fees set out in the terms and conditions of a Bespoke Investment Offering, the specific terms and conditions and/or the relevant Investment Case shall take precedence.

19. LIMITATION OF LIABILITY

- 19.1 You acknowledge and accept that the Website operates as a platform intended to facilitate the investment in London House Exchange Investments and it does not make recommendations. We therefore make no warranties nor assume any liability in respect of the performance of any of the London House Exchange Investments available through the Website.
- 19.2 You acknowledge that we will not be liable to you for any loss, costs or expenses, financial or otherwise, that you suffer as a result of using the Website, except as expressly set out in these Investor Terms and Conditions.
- 19.3 We will take reasonable care in the assessment and appointment of custodians, introducers, counterparties, agents and other third parties. We accept responsibility for any loss, damages or costs incurred by you only where these arise from our negligence, wilful default or fraud in the assessment or appointment of such persons. We will not be responsible in any other circumstance for the actions of any such third parties.
- 19.4 Our liability to you pursuant to this paragraph 19 shall not exceed the amount you paid for your

- London House Exchange Investment to which such loss, costs or expenses relate.
- 19.5 This paragraph 19 does not affect our liability for death or personal injury arising from our negligence, nor our liability for fraud, neither of which can be excluded or limited under English law, or any liability we have to you arising under applicable FCA rules and regulations.
- 19.6 All tax matters relating to your own tax position are your own responsibility and we have no responsibility towards you with regard to your personal tax position. London House Exchange excludes liability for any tax payable by Investors to the fullest extent permitted by law.
- 19.7 You will be liable to us for any cost, expense, loss or any damage incurred by us (including but not limited to professional advisors' fees) arising from your breach of these Investor Terms and Conditions, and/or your negligence, wilful default or fraud.

20. REGULATORY PROVISIONS

Client categorisation

- 20.1 London House Exchange has categorised you as a retail client under the FCA rules. You may request re-categorisation as a professional client under FCA rules, but any such re-categorisation will be conditional upon you meeting various tests required by the FCA. If you are re-categorised as a professional client, it would also mean that there would be limitations to the level of client protections with which you would be provided than if you remained as a retail client. We will provide you with more information relating to being reclassified as a professional client upon request.

Best Execution

- 20.2 London House Exchange shall provide best execution in accordance with the FCA rules. A best execution policy has been implemented in order to ensure that London House Exchange takes all reasonable steps to obtain best execution i.e. the best possible result for you when arranging deals in investments, taking into account the FCA's execution factors of price, costs, speed, likelihood of execution and settlement, size, nature of the order and any other consideration relevant to the execution of an order. London House Exchange may revise its best execution policy from time to time. The best execution policy is available on request.
- 20.3 Transactions in London House Exchange Investments take place through the Website.
- 20.4 Investments made via the Exchange result in the execution of trades via a multilateral trading facility (MTF).

Conflicts of Interest

- 20.5 We are required to have arrangements in place to manage conflicts of interest between our Investors and us and between our different Investors. We have put in place a Conflicts of Interest Policy which identifies those situations giving rise to actual or potential conflicts of interest and which provides details of how such conflicts are managed.
- 20.6 Where the arrangements under our Conflicts of Interest Policy are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of our Investors will be prevented, we will disclose sufficient details of the actual or potential conflict to you in order to enable you to take an informed decision as to whether to continue to deal with us notwithstanding the existence of such conflict. We will provide you with a summary of our Conflicts of Interest Policy upon request.

21. COMPLAINTS PROCEDURE AND COMPENSATION

- 21.1 Should you have any complaints regarding our service you should put your concerns in writing to us, setting out the details of your complaint, to the registered office of London House Exchange or via email at support@propertypartner.co.
- 21.2 Our senior management will consider and investigate each complaint carefully and promptly. We will

aim to provide you with a final response or a written response explaining why we are not in a position to make a final response, within 14 days of receipt of your complaint, but no later than 8 weeks. If you are not happy with the outcome of your complaint you may refer it to the UK Financial Ombudsman Service (FOS) within six months of receipt of our final response letter to you. You can contact the FOS at Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London, E14 9SR, by calling them on 0800 023 4567 or via <https://www.financial-ombudsman.org.uk/>.

- 21.3 London House Exchange is covered by the Financial Services Compensation Scheme ("FSCS"), which will protect sums held in your Account i.e. sums not yet invested in a London House Exchange Investment. The FSCS can pay compensation if London House Exchange or any third party bank cannot meet an obligation owed to an "eligible claimant". The current compensation limit as at April 2019 is £85,000 in respect of default by a bank and £85,000 in respect of default by London House Exchange. Once money is invested in a London House Exchange Investment, it is not protected. Further information about the FSCS (including the amounts covered and eligibility to claim) is available at www.fscs.org.uk or call 0800 678 1100.

22. GENERAL TERMS

- 22.1 If we fail to insist on your strict performance of these Investor Terms and Conditions or if we fail to exercise any of our rights or remedies to which we are entitled under these Investor Terms and Conditions, or any other document referred to herein, this will not amount to a waiver of such rights or remedies nor will it relieve you of your obligations under these terms and conditions.
- 22.2 No full or partial waiver of any such right or remedy shall restrict us from exercising that right or remedy, or any other right or remedy, in the future.
- 22.3 If any of these Investor Terms and Conditions or any provisions of any other document featured as part of your relationship with us are determined by a competent authority to be invalid, unlawful or unenforceable, to any extent, then such term or condition will be severed from the remaining Investor Terms and Conditions which will continue to be valid, as far as permitted by English law.
- 22.4 Nothing in these Investor Terms and Conditions is intended to or will be used to establish any partnership or joint venture between the parties, nor authorise any party to make any commitments for or on behalf of any other party.
- 22.5 You should take your own tax advice. No warranty or representation is made in relation to your tax position, which will apply to you following the making of any London House Exchange Investment.
- 22.6 Any notice or other communication given to either party in connection with this contract shall be in writing and delivered by hand or sent by pre-paid first class post (or an equivalent next day delivery service) at its registered address (if a company) or its principal place of business or residential address (if an individual), or sent by email to the email address notified to the other party in accordance with this contract. Our e-mail address for the service of notices is notices@londonhouseexchange.com. Any notice or other communication will be deemed to have been received if delivered by hand, on signature of delivery receipt or at the time the notice is left at the proper address, or if sent by email, at 9:00 am on the next working day after it is sent or if sent by post (or other delivery service) on the second working day after posting.
- 22.7 All correspondence and communication between you and us will be in the English language.
- 22.8 Any dispute or claim arising out of or in connection with the Website, its subject matter or formation will be governed by English law and such disputes or claims will be subject to the exclusive jurisdiction of the Courts of England & Wales.
- 22.9 These Investor Terms and Conditions and any document expressly referred to in them constitute the whole agreement between us and supersedes all previous discussions, correspondence, negotiations or agreement relating to this subject matter.