

## INVESTOR TERMS AND CONDITIONS

This document sets out the terms and conditions on which we, Property Partner (which is the trading name of London House Exchange Limited ("Property Partner")), enable you to invest in a property via our website ([www.propertypartner.co](http://www.propertypartner.co)) (the "Website"). Please read these terms and conditions carefully before using the Website. By using the Website, you agree to be bound by these terms and conditions and our [Privacy Policy](https://www.propertypartner.co/privacy): <https://www.propertypartner.co/privacy>.

Property Partner is authorised and regulated by the Financial Conduct Authority (the "FCA") of 25 The North Colonnade, Canary Wharf, London E14 5HS (FCA registration number 613499) and as such we are subject to the FCA rules in our dealings with you.

References to we/our/us are to Property Partner or Property Partner Nominee Limited (the "Nominee"), which shall include any other nominee appointed by Property Partner for the purposes of holding Shares (as defined in paragraph 1.1 below). References to you/your are references to the user of the Website for the purpose of investing in property (the "Investor").

### 1. BACKGROUND

- 1.1 Property Partner, through the Website, is providing information on properties which you have decided to invest in by 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 (the "SPV"). Each SPV will be 100% legally owned by the Nominee. You will hold the beneficial interest in the Shares contractually entitling you to the economic benefits that flow from them.
- 1.2 We will conduct a fundraising round (the "Investment Round") through the Website pursuant to which we are looking to raise a pre-agreed minimum amount for each property from various investors (the "Total Investment Required") in exchange for shares in each SPV. 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.
- 1.3 You agree to invest money in exchange for a percentage of the Shares issued by the SPV, conditional on the Total Investment Required being achieved.
- 1.4 If the Total Investment Required is achieved and the Investment Round completes (subject to such amount being reduced under paragraph 3.5) you agree for your Shares to be held on your behalf by the Nominee. If the Total Investment Required is not achieved all committed funds are returned to you without deduction of any fees or expenses.

### 2. SPLIT OF LEGAL AND BENEFICIAL TITLE

- 2.1 On a successful purchase of any of the Shares in the SPV, the Nominee will become the legal owner of those Shares and simultaneously assign the beneficial ownership of the

Shares to you. This is to facilitate the electronic transfer of shares and to make the process of administering the investment and the SPV easier for everyone.

- 2.2 By purchasing the Shares in the SPV, you agree that the Shares will be held in the name of the Nominee and that Property Partner (acting through the Nominee) will make all appointments and decisions on your behalf in relation to the Shares, except if expressed otherwise in this agreement.
- 2.3 These terms are key to making sure the split of legal and beneficial title 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 attempt to terminate this agreement in any way, the SPV reserves the right to treat your Shares in the SPV as deferred shares. In this situation you will lose all Dividend rights.

### **3. THE INVESTMENT & PREORDER TERMS**

- 3.1 You agree to invest money in exchange for Shares in the SPV relevant to the property you are interested in on the terms and subject to the conditions set out in this agreement.
- 3.2 In making the investment you agree that you have done so solely based on information contained on the Website, together with any independent knowledge that you may have and professional advice that you may have received. Nothing Property Partner or the Nominee does, nor anything that is on the Website, is to be construed as advice or a recommendation by us in relation to an 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.
- 3.3 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. While it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any investor whose order is to be aggregated, the effect of aggregation may work to an investor's disadvantage in relation to a particular order.
- 3.4 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.
- 3.5 We reserve the right to operate an overfunding policy of a New Listing of a property, 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, in the scenario outlined in paragraph 3.4 above, if 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 which you can use for other investments or withdraw.
- 3.6 Property Partner 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).
- 3.7 Completion of an investment will be conditional on the following:
- 3.7.1 At least the Total Investment Required being raised during the Investment Round (subject to such amount being reduced under paragraph 3.5);
  - 3.7.2 The Nominee being appointed to hold your Shares on your behalf, which will become effective after you agree to these terms and conditions;
  - 3.7.3 The Seller completing the sale of their property to the SPV; and
  - 3.7.4 Property Partner having the discretion to not complete the acquisition of the property for any reason whatsoever.
- 3.8 Property Partner reserves the right not to list an investment for sale, to decline investment requests and/or bid requests via its Website at its sole discretion.
- 3.9 For capital raises of £750,000 or more, we may (at our discretion) invite cornerstone investors making contributions above £75,000 ("Cornerstone Investment") to commit to future investments in advance. Where we do so we reserve the right not to scale back such investors' allocation, in recognition of their advance commitment de-risking acquisition opportunities and allowing us to bring larger scale investments to the Website for all investors to enjoy. As a category, we will not allow more than 50% of a given investment opportunity to be taken up by Cornerstone Investment in this manner.
- 3.10 No single investor will be entitled to secure more than 19.99% (199,900 shares) of a given investment opportunity.
- 3.11 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. When we do so, the on site instructions will outline the specifics that need to be communicated by customers and the following conditions shall apply as standard:
- 3.11.1 In consideration for providing you with the opportunity to place a pre-order you will, irrevocably and unconditionally agree in relation to your Property Partner account (as identified by your unique reference number or such other method as instructed on our Website) (the "Account"):
    - a. to do all such things as may be required to facilitate an investment by you of the sum indicated by you into the investment linked to the pre-order investment opportunity or opportunities listed on the Property Partner Website which must be chosen by you and/or selected on the basis that you wish to auto-invest (the "Investment"). This shall include allocation of the full amount of all funds required (including coverage of fees and costs) from your Account towards the Investment for which it shall be your sole responsibility to have in place in advance of your pre-order;
    - b. that the Investment shall be made by way of the allotment and issue to you of a beneficial interest in shares in the share capital of the relevant SPV(s);

- c. that you shall hold Property Partner harmless from any and all liability, costs, fees, expenses and losses which may arise to you as a consequence of placing a pre-order.
- 3.11.2 In consideration for the undertakings you give in Clause 3.11.1, Property Partner agrees to the pre-order terms set out herein and:
- a. agrees to use its reasonable endeavours to arrange the Investment(s) selected by you for pre-order; but
  - b. gives no warranty and makes no representations to you in respect of the Investment(s).
- 3.11.3 You further irrevocably and unconditionally agree, understand and accept that the Investment may (as a consequence of a high demand for shares in the capital of the relevant SPV) be subject to scaling such that the total quantum of the Investment may be reduced. The amount and rate of such scaling shall be determined at the sole discretion of Property Partner. In the event Property Partner determines that the Investment is to be scaled back you shall be liable only for the amount of such scaled back Investment (with the balance remaining as available funds in your account).
- 3.11.4 Pre-orders shall be capable of being agreed by the method explained on our Website or by means of Auto-invest.

#### 4. AUTO-INVEST

- 4.1 From time to time, at our discretion, we may offer the opportunity to invest by means of a pre-order process that is automated ("Auto-invest"). Auto-invest will enable you to specify criteria for investment that we will then arrange as a pre-order in line with clause 3.11 above. This is how Auto-invest works:
- 4.1.1 You specify the amount that you would like us to commit to Auto-invest as a lump sum and/or for regular payment into your Auto-invest account each month ("Auto-invest Allocation").
- 4.1.2 Auto-invest deploys your most recently contributed Auto-invest funds into the next 5 New Listing properties regardless of when they occur. Whenever there is a "funding event" into Auto-invest, Auto-invest will divide those funds in your Auto-invest account by 5 and allocate them to the next 5 New Listings. Each funding event is treated independently from other funding events. The following actions constitute funding events:
- a. Lump sum payment
  - b. Automatic account balance update
  - c. Dividend payment

Example: If you were to make an initial deposit of £10,000 into your Auto-invest account it will deploy £2,000 into the next 5 New Listings until your Auto-invest balance is zero and you hold 5 x £2,000 in five New Listing investments. However, if after say 2 investments of £2,000 (totaling £4,000 invested), you then deposited

another £1,000 for Auto-invest purposes (as a one off payment or a regular monthly contribution) that would trigger a “funding event”. Auto-invest would then allocate that £1,000 equally across the upcoming 5 New listings, however 3 of payments (£200 each) would overlap 3 of the upcoming funding event investments from the previous funding event. This means that 3 upcoming investments would equal £2,200 (£2,000+£200) each and the remaining 2 investments would be £200 each.

4.1.3 Unless you have opted out of reinvesting your Dividends, we will add your Dividends to your Auto-invest Allocation. Reinvestment of Dividends works as follows:

Payment of a Dividend is also treated as a funding event, so when you receive a Dividend payment that amount will be invested equally across the upcoming 5 New Listings. A portion of that Dividend payment may overlap previous and upcoming funding event investment schedules due to the timing of a funding event. Possible scenarios are as follows:

- (1) if there is a lump sum funding event and at a future date a Dividend payment is made after part of that lump sum has already been invested, the Dividend payment will be treated as a new funding event and will be invested across the 5 upcoming New Listings equally.
- (2) if there is a lump sum payment and at a future date a Dividend payment is made, however none of the funds from the initial lump sum payment have been invested, the Dividend payment schedule will follow the initial funding event investment schedule.

Example: If you chose to Auto-invest £10,000 resulting in an initial  $(10,000/5) = £2000$  investment with four further same sized investments to come and, at that point, you received £200 in dividend payments, then Auto-invest will keep investing £2,000 in addition to the allocated dividend payment amount (one fifth of £200) for the remainder of the four upcoming investments, equaling £2,040 per investment. The final investment would be £40, due to the initial lump sum being fully utilised and only one remaining dividend payment being allocated.

4.1.4 We reserve the right, acting fairly, to iterate and improve Auto-invest in ways that may result in variation to these terms from time to time. Where we do so we will update these terms and the examples outlined here. However, we will always arrange deals in accordance with the Auto-invest Allocation you specify and apply it using an algorithm that ensures an objective spread of investments not related to the nature of the properties we place on our platform (i.e. there will be no discretionary element to how we arrange deals in investments for you).

4.2 The following additional terms shall apply to Auto-invest:

- 4.2.1 We will have no discretion in relation to your investment criteria other than as set out in clause 3.8. We will simply arrange deals in investments in line with the Auto-invest Allocation with the algorithms on our site spreading investments in relation to New Listings as outlined in clause 4.1;
  - 4.2.2 Pre-orders made using the Auto-invest feature will be deemed effective immediately upon meeting your criteria. For example, you will be deemed to have committed the relevant portion of your Auto-invest Allocation (or such lesser sum as your available funds permit) towards each New Listing immediately upon listing;
  - 4.2.3 Auto-invest will not be subject to scaling (see clauses 3.5 and 3.11.3) unless there is oversubscription via Auto-invest alone;
  - 4.2.4 You may turn Auto-invest on or off and/or update your investment criteria in respect of your available funds at any time by contacting us. However, in line with clause 4.2.2, we apply your Auto-invest criteria to pre-orders at the time of a New Listing so turning Auto-invest on or off and/or changing criteria will only have an impact on New Listings that have yet to be made available on the Website. Example (1) if a New Listing becomes available for pre-order at a time when your Auto-invest setting is ON then we will arrange the investment of the relevant portion of your Auto-invest Allocation in that New Listing as a pre-order and, if you subsequently turn Auto-invest OFF, we will not arrange further investments from that point onwards. Example (2) if a New Listing becomes available for pre-order at a time when your Auto-invest setting is OFF and you subsequently turn Auto-invest ON we will only arrange investments in subsequent properties that are listed on the Website;
  - 4.2.5 Auto-invest will only use money that you specify as towards your Auto-invest Allocation and money that arrives in your account by way of Dividends (unless you have deselected the option to re-invest Dividends).
  - 4.2.6 You retain the rights set out in clause 9 in relation to any primary market investments made by Auto-invest with the relevant time period running from when the pre-order is deemed made as set out in clause 4.2.2 (i.e. immediately upon meeting your criteria).
- 4.3 If you invest via Auto-invest, then these payment terms apply and you agree to them:
- 4.3.1 Charges. If there is a charge associated with a payment, you agree to pay that charge.
  - 4.3.2 Your Billing Account: You will be asked to provide a payment method at the time you set up Auto-invest. You can access and change your billing information and payment method on the Website.
  - 4.3.3 Billing: By providing us with a payment method, you (i) represent that you are authorized to use the payment method that you provided and that any payment information you provide is true and accurate; (ii) authorize us to charge you for the amount you specify.
  - 4.3.4 Recurring Payments: When you invest via Auto-invest, you acknowledge and agree that you are authorizing recurring payments, and payments shall be made to us by the method you have chosen at monthly intervals, until Auto-invest is terminated by

you or by us. By authorizing recurring payments, you are authorizing us to process such payments as either electronic debits or fund transfers, or as electronic drafts from your designated account (in the case of automated clearing house or similar payments), or as charges to your designated account (in the case of credit card or similar payments).

4.3.5 Interest: The Company may elect to pay you interest on undeployed funds within the Auto-invest account, from the moment funds arrive in the account, up until they are invested in a property. Interest will be paid on or about the 10th of each month, for the previous calendar month. Where the Company does so it will be stated in the investment case or other communication/content accompanying an investment opportunity.

## **5. RETURN ON YOUR INVESTMENT**

- 5.1 Once you have made an investment and purchased Shares, any distribution you receive from the SPV will be paid to you and placed in your Property Partner account, the balance of which will be visible to you on the Website as available funds. Subject to completion of know your customer and anti-money laundering processes, you may then choose to withdraw this money at any time, or re-invest in other properties in a similar manner as set out in this agreement.
- 5.2 We wish to draw your attention to the risks relating to investing in Shares, which can be found on our Website. Please note that the distribution of Dividends depends on many factors (such as whether there is a tenant for the property), the value of Shares may go down as well as up and the past performance of any investment is not an indicator of future performance nor is a forecast a reliable indicator of future performance.
- 5.3 You may have to pay other taxes or costs, which are not imposed by us. You should seek your own independent tax advice, where necessary.

## **6. APPOINTMENT OF THE NOMINEE**

- 6.1 The Nominee is a UK limited company wholly owned and controlled by Property Partner, which has been set up by Property Partner for the purposes of holding investments on behalf of its customers. Shares purchased by you through Property Partner will be held by the Nominee.
- 6.2 By entering into this agreement you hereby agree that the Nominee shall hold legal title to your Shares in the SPV, in each case on the terms and subject to the conditions set out in this agreement.
- 6.3 You and the Nominee both agree that the relationship between you both shall be that of principal and nominee only, that neither party has an intention to create a partnership between them and that this agreement should not be construed as such.
- 6.4 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 those shares, other than as is set out in the shareholders agreement and articles of association in relation to the SPV.

## **7. YOUR MONEY HELD BY PROPERTY PARTNER**

- 7.1 The Website allows you to deposit money into an account, which can then be used by you to purchase Shares via the Website. Until such time as you invest the money you deposit with us to purchase Shares or commit to purchase Shares, it will remain your money and (subject to completion of know your customer and anti-money laundering processes) can be withdrawn by you at any time.
- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 At our discretion, we may offer interest or a promotional benefit to you. Where we do so it will be made clear on the Website and may be payable as follows:
- 7.5.1 When you purchase shares on a New Listing, you may receive an amount equivalent to the indicated Dividend Yield on the amounts invested in shares in the property, pro-rata according to the number of days between the date the instruction to invest was made and the end of the funding period. Payment will be made directly into your Property Partner account when the property moves to the secondary Resale market.
- 7.5.2 During the period between the property moving to the Resale market and Property Partner securing tenants, you may accrue an amount equivalent to the respective Dividend Yield on the amount invested in shares in the property (again, on a pro-rata basis). This amount will be paid directly into your Property Partner account, for the month the benefit accrued, on the 5<sup>th</sup> of the following month (or the next business day if the 5<sup>th</sup> of the month falls on the weekend or a bank holiday). Note, that if you sell your shares during this period, you will lose any entitlement to this benefit.
- 7.6 You acknowledge that we will cease to treat as client money any unclaimed balances on inactive user accounts after a period of six years of inactivity provided we have otherwise taken reasonable steps to trace you and return any balance to you. We will nevertheless make good any subsequent valid claim against such balances.
- 7.7 You acknowledge and accept that you are responsible for transactions associated with your account. If there is cause for us to correct errors or abuse in relation to customer accounts (including unwinding transactions) in line with our obligation to treat customers fairly we shall be entitled to do so.



## **8. MAKING THE INVESTMENT PAYMENT**

- 8.1 In order to commit to making an investment in a property via our Website, you will first have to deposit funds into the segregated client money account of Property Partner (as outlined in further detail in paragraph 7 above) at least equal to the amount required to make the investment (“Investment Amount”) via the Website.
- 8.2 Once you have indicated, via the Website, that you wish to proceed with the investment in a property and purchase Shares you will not be entitled to withdraw your committed funds that will be used to purchase the Shares from the client money account unless you have validly exercised the withdrawal rights set out in clause 9, or the Total Investment Required is not achieved and the Investment Round does not complete. In these scenarios, your Property Partner account balance would be restored and you could either withdraw these funds (subject to completion of know your customer and anti-money laundering processes) or invest in another property.
- 8.3 The aggregate Investment Amounts will be used to fund the acquisition of the property (indirectly through the acquisition of Shares in the SPV), plus any forecast expenses as set out on the Website, and would therefore be removed from the client money account on completion of such acquisition.

## **9. WITHDRAWAL RIGHTS**

- 9.1 You may exercise your right to withdraw from an investment in our primary market offerings in the 14-day period which follows your decision to invest by calling us on 020 3696 5600.
- 9.2 If you exercise your withdrawal rights in accordance with paragraph 9.1 above, you will be entitled to withdraw the Investment Amount from the client money account subject to completion of know your customer and anti-money laundering processes.
- 9.3 If you exercise your withdrawal rights in accordance with paragraph 9.1 above, you will not be entitled to any promotional benefits that may have normally applied to the investment you are withdrawing from, nor will you be entitled to any dividends, interest or other benefit. For the avoidance of doubt, if you withdraw, you shall only be entitled to the return of the sum you invested.
- 9.4 You do not have a right to cancel in circumstances where you acquire or dispose of a beneficial interest in shares via our secondary market because you will be doing so from or to another investor who has offered their shares for sale or a bid on our site; consequently, price will depend on fluctuations in our secondary market that are outside our control and potentially within the cancellation period set out in clause 9.1 above.

## **10. ROLE OF PROPERTY PARTNER**

- 10.1 Property Partner will operate the Website and, in accordance with these terms and conditions, allow you to access the Website and use the functions available on the Website. Where you purchase Shares through the Website, Property Partner 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 3.6).

- 10.2 Property Partner 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.
- 10.3 Property Partner will be involved in the pre-sale negotiation and listing of the property on the Website and management of the investment made by all the different shareholders in the SPV post-sale, which will include managing the decision making process set out in the shareholder agreement.
- 10.4 Property Partner will enter into a management agreement with the SPV, whereby it will perform all necessary tasks in relation to the administration of the SPV and the management of the property.

## **11. PERIODIC STATEMENTS AND VALUATIONS**

- 11.1 You will be provided with information on your monthly Dividends, an estimated valuation of your 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.
- 11.2 As mentioned in 11.1 above, you will be provided with an estimated valuation of your 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).
- 11.3 The basis for the latest valuation of the property is currently as follows:
  - 11.3.1 For New Listings this will be the proposed purchase price, which in turn is supported by the Chartered Surveyor's physical inspection and valuation;
  - 11.3.2 Thereafter, the property valuation is updated in line with our RICS accredited surveyors' assessment on a quarterly basis for all fully funded properties that are available on the Resale market. These will be updated on or about the 5<sup>th</sup> of January, April, July and October; and
  - 11.3.3 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 (i) the five yearly exit protections, and (ii) the subsequent quarterly indexation as applicable.

## **12. YOUR AGREEMENT WITH PROPERTY PARTNER IN RELATION TO INVESTING THROUGH THE WEBSITE**

- 12.1 In consideration of our accepting your application to open an account, 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. You represent that:
  - 12.1.1 You are legally entitled to invest the Investment Amount;
  - 12.1.2 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;

- 12.1.3 You agree to provide accurate registration information, including without limitation your correct date of birth and your country of residence. You agree to inform us of any changes in such details;
- 12.1.4 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;
- 12.1.5 You are acting as a principal and not as an agent on behalf of a third party;
- 12.1.6 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 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 withdraw funds from your account;
- 12.1.7 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;
- 12.1.8 You are not located in a jurisdiction in which it is illegal for you to make use of our Website;
- 12.1.9 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 Property Partner, including changes we make to our terms and conditions.
- 12.1.10 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 bankcards 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;
- 12.1.11 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;
- 12.1.12 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 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;

- 12.1.13 You will use and regularly update security software so as to better guard against hacking, viruses and computer misuse; and
  - 12.1.14 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.
- 12.2 By investing through the Website, you further agree that your investment will be legally held by the Nominee and that you will do anything required to ensure that the provisions of the shareholders' agreement and articles of association are observed.

### **13. TRANSFER PROVISIONS**

- 13.1 You will be entitled to transfer your interest in an SPV in the following ways only:
- 13.1.1 To your estate, upon your death;
  - 13.1.1 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;
  - 13.1.3 By sale on the secondary market, details of which can be found on the Website; or
  - 13.1.4 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.

### **14. TERMINATION AND VARIATION**

- 14.1 There is no minimum duration of this agreement and termination of this agreement will only occur:
- 14.1.1 In the event that the we become insolvent;
  - 14.1.2 At such other time as we decide; or
  - 14.1.3 If you withdraw your money from the client money account and close your account with us in which case we reserve the right to retain certain data to comply with our regulatory obligations.
- 14.2 We may update these investor terms and conditions from time to time to reflect any changes in law or for any other reason. If we update these terms and conditions, we will inform you as soon as practical whether by email or an alternative method such as uploading to the Website, and (by your continued use of the Website) you will be deemed to have agreed to the updated terms and conditions. You will still be bound by the previous investor terms and conditions that you have, or deemed to have, agreed to. 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.

### **15. PROPERTY PARTNER'S FEES**

- 15.1 Property Partner will charge a 2% transaction fee for arranging the issue and/or placement of securities at completion of the property acquisition to be undertaken by

each SPV; such fee to be calculated on the Total Investment Required and to be invoiced to the SPV at that time. For example, the fee due to Property Partner on a property with a purchase price (including acquisition and related costs) of £500,000 will be £10,000.

- 15.2 We may waive or reduce our fee and/or offer cash-back for whatever reason, as long as permitted by the FCA rules (which include treating customers fairly).
- 15.3 Transaction fees on all markets shall be rounded up to the nearest pence and the minimum fee per transaction shall be £0.01 p.

## **16. LIMITATION OF LIABILITY**

- 16.1 You acknowledge and accept that the Website operates as a platform intended to facilitate the investment in Shares and it does not make recommendations. We therefore make no warranties nor assume any liability in respect of the performance of any of the investments available through the Website.
- 16.2 You acknowledge that we will not be liable to you for any loss, financial or otherwise, that you suffer as a result of using the Website, except as expressly set out in this agreement.
- 16.3 This clause 16 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 as a Client arising under the Regulatory System (as defined in the FCA rules).

## **17. REGULATORY PROVISIONS**

- 17.1 Property Partner 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.
- 17.2 Property Partner shall provide best execution in accordance with the FCA rules. A best execution policy has been implemented in order to ensure that Property Partner 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. Property Partner may revise its best execution policy from time to time. The best execution policy is available on request.
- 17.3 Transactions in Shares will take place through the Website and, therefore, for regulatory purposes we must obtain your consent to effecting transactions outside a Regulated Market or Multilateral Trading Facility (as such terms are defined in the FCA rules). In this respect, by entering into these terms and conditions you consent to us effecting transactions outside a Regulated Market or Multilateral Trading Facility.

17.4 We are required to have arrangements in place to manage conflicts of interest between our clients and us and between our different clients. 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. 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 the client 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.

## **18. COMPLAINTS PROCEDURE AND COMPENSATION**

18.1 Should you have any complaints regarding our service you should put your concerns in writing to our chief executive, setting out the details of your complaint, to the registered office of the Property Partner.

18.2 Our senior management will consider and investigate each complaint carefully and aim to respond within 14 days of receipt of your written complaint with our final response. If you are not happy with the outcome of your complaint you may refer it to the UK Financial Ombudsman Service whose phone number is 0300 123 9123 or 0800 029 4567.

18.3 Property Partner is covered by the Financial Services Compensation Scheme ("FSCS"), which will protect sums held in our client account on behalf of customers i.e. sums not yet invested in an SPV. The FSCS can pay compensation if Property Partner or any third party bank cannot meet an obligation owed to an Eligible Claimant. The current compensation limit as at January 2017 is eighty five thousand pounds Sterling (£85,000) in respect of default by a bank and fifty thousand pounds Sterling (£50,000) in respect of default by an investment business. Once money is invested in a SPV it is not protected. Further information about the FSCS (including the amounts covered and eligibility to claim) is available at [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

18.4 You can also now make a complaint through the European Commission's Online Dispute Resolution Platform (the "ODR Platform"), which can be accessed at <http://ec.europa.eu/consumers/odr/>. The ODR Platform can be used for resolving your dispute. Through this platform, you can submit a complaint by filling in an electronic form.

## **19. GENERAL TERMS**

19.1 If we fail to insist on your strict performance of these terms and conditions or if we fail to exercise any of our rights or remedies to which we are entitled under these 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.

19.2 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.

- 19.3 If any of these 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 terms and conditions which will continue to be valid, as far as permitted by English law.
- 19.4 Nothing in this agreement 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.
- 19.5 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 investment.
- 19.6 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 e-mail to the e-mail address notified to the other party in accordance with this contract. Our e-mail address for the service of notices is [notices@propertypartner.co](mailto:notices@propertypartner.co). 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 e-mail, 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.
- 19.7 All correspondence and communication between you and us will be in the English language.
- 19.8 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 non-exclusive jurisdiction of the Courts of England & Wales.
- 19.9 These 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.