

## 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 (No. 08820870), a company registered in England & Wales with registered office at 55 Baker Street, London W1U 7EU ("**Property Partner**")), enable you to invest via our website (www.propertypartner.co) (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 and our [Privacy Policy](#).

Property Partner 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. Property Partner 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 Property Partner or any group company of Property Partner specifically incorporated by Property Partner 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: [on or shortly after 20 January 2020].

### 1. BACKGROUND

- 1.1. Property Partner, 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 "**Property Partner Investments**" and each a "**Property Partner Investment**".
- 1.2. Property Partner operates a secondary market which is authorised and regulated by the FCA as a 'multilateral trading facility' (the "**Resale Market**"). Certain Property Partner Investments may be bought and sold by Investors on the Resale Market pursuant to the rules of the Resale Market.
- 1.3. Property Partner 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 Resale Market.
- 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) from various Investors.
- 1.5. Property Partner prepares an investment case for each Property Partner 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 Property Partner 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. Property Partner 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 Property Partner Investment through the Website, Property Partner will also coordinate with a regulated "Custodian" for 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). At

present, the Custodian is Goji Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority under firm reference number 805323. It is a private limited company incorporated in England and registered with the Registrar of Companies for England and Wales under number 10234133 with registered office at 133 Whitechapel High Street, London, England, E1 7QA. The Custodian is a party to these Investor Terms and Conditions for the purposes of providing services to you pursuant to clauses 2 and 7. By accepting these Investor Terms and Conditions, you appoint the Custodian to provide services to you and the Custodian will treat you as its client for the purposes of the FCA's rules.

- 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 (the "**SPV**"). Each SPV will be 100% legally owned by the Property Partner Nominee Limited ("**Nominee**") under the control of our Custodian. 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 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 8.5) you agree for your Shares to be held on your behalf by the Nominee.

### *Split of legal and beneficial title*

- 2.4. On a successful purchase of any of the Shares in the SPV, the Custodian will register legal ownership of the shares in the name of the Nominee 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.
- 2.5. 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 will make all appointments and decisions in relation to the Shares, except if expressed otherwise in these Investor Terms and Conditions and provide instructions on your behalf to the Custodian for the purposes of implementing those appointments and decisions.
- 2.6. 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, these Investor Terms and Conditions will continue to have effect in respect of any investments still held and the SPV reserves the right to treat your Shares in the SPV as deferred shares. In this situation, you will lose all dividend rights.

### *Appointment of the Custodian*

- 2.7. The Nominee is a UK limited company wholly owned and controlled by our Custodian which has been set up for the sole purpose of holding investments on behalf of its customers. Shares purchased by you through Property Partner will be held by the Nominee.
- 2.8. 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.

- 2.9. You acknowledge and irrevocably agree that you shall not be entitled to direct the Custodian 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.
- 2.10. You will observe the provisions of the Shareholders' Agreement and articles of association (accessible via 'Investment Documents' on your Property Partner account (as identified by your unique reference number or such other method as instructed on our Website) (the "**Platform Account**") dashboard) in respect of any investment you hold at all times.

#### ***Property acquisition***

- 2.11. 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.
- 2.12. 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.
- 2.13. Property Partner 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.
- 2.14. As part of the property acquisition process, you acknowledge and agree that, from time to time, Property Partner 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***

- 2.15. Property Partner 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 Platform Account dashboard).
- 2.16. Property Partner 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 Platform Account dashboard.

#### ***Making a Property Equity Investment***

- 2.17. 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.
- 2.18. 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, Property Partner may make available through the Website Property Debt Investments.
- 3.2. The Property Debt Investments may be originated and managed by Property Partner or a third party selected by Property Partner ("**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 Property Partner, and appoint Property Partner 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. Unless otherwise communicated to you, the 3rd Party Debt Provider will issue securities relating to your Third Party Debt Investment directly to you in your name.
- 3.5. Property Partner will provide you with periodic information in respect of a Property Debt Investment, including but limited to the progress of related property developments.
- 3.6. 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 Property Partner 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 Property Partner 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. PROPERTY PARTNER’S INNOVATIVE FINANCE ISA**

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

#### **6. INVESTOR ELIGIBILITY**

##### ***Opening a Property Partner Platform Account***

- 6.1. In order to invest in a Property Partner Investment, you must set up a Platform 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 a Platform 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 a Platform Account with Property Partner 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 Platform 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 Property Partner 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 Property Partner or any group company of Property Partner does, nor anything that is on the Website, is to be construed as advice or a recommendation by us in relation to a Property Partner 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 Platform 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 Platform Account. Failure to do so may result in you failing to receive important Platform Account related notifications and information from Property Partner, including changes we make to our terms and conditions.

### ***Platform Account security and activity***

- 6.8. You are solely responsible for the security and confidentiality of your Platform 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 Platform Account information requested, we are entitled to assume that

activity on your Platform 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 Platform 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 Platform Account by any third party;

- 6.9. You will not attempt to sell or otherwise transfer the benefit of your Platform Account to any third party and nor will you acquire or attempt to acquire a Platform 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 Platform Accounts that breach this paragraph; and
- 6.11. You will use and regularly update security software so as to better guard against hacking, viruses and computer misuse.

## 7. CUSTODIAN SERVICES

- 7.1. Deposit of funds into your Platform Account must be made by electronic transfer from the bank account whose details you provide when you set up a Platform Account (or such replacement account of which you notify us and which is acceptable to us) (your "**Nominated Bank Account**"). Funds will be held in your Platform Account pending investment. Your funds will be held by and administered by the Custodian as a client account.
- 7.2. By accepting these Investor Terms and Conditions, you appoint the Custodian to hold any monies you have deposited into your Platform Account. The Custodian will hold money in connection with arranging any transaction you enter into pursuant to these Investor Terms and Conditions including the clearing of any investments you may make into a Property Partner Investment and arranging for completion of the related Property Partner Investment to take place. Once the Custodian has confirmed that the relevant Property Partner Investment has been issued, it will release the money to the relevant SPV or 3<sup>rd</sup> Party Debt Provider (as applicable).
- 7.3. The Custodian will also receive all money / returns due to you from the relevant SPV or 3<sup>rd</sup> Party Debt Provider (as applicable) under the terms of the related Property Partner Investment and will pay these into your Platform Account. Payments will generally be made after deduction of relevant tax. Regardless of whether we withhold tax, it is your responsibility to account for any taxes that may be payable to the appropriate authorities.
- 7.4. The Custodian will treat you as its client in making these arrangements and will treat money in your Platform Account as "**Client Money**" in accordance with the FCA's client money rules. Client Money will be held in an approved bank account under the FCA's rules. The Custodian will use reasonable skill and care for the selection, use and monitoring of any approved bank with which Client Money is held, but will not be liable for their acts or their insolvency.
- 7.5. All uninvested cash in your Platform Account is held in a Client Money bank account with Starling Bank or such other approved bank that may be notified to you from time to time (the "**Bank**").
- 7.6. The Client Money will be held in a pooled account and will not be separately identifiable from Client Money of other clients of the Custodian or its associates on the Bank's books and records. Accordingly, should the Custodian default on its obligations to its clients, any shortfall in Client Money held by the Bank will be shared pro-rata among all clients whose money is held in the pooled client money account. Your cash held in this pooled client

- money account is covered by the Financial Services Compensation Scheme (“FSCS”), pursuant to paragraph 22.3 (eligibility criteria apply).
- 7.7. If the Bank with which the Custodian holds Client Money fails (including the appointment of a liquidator, receiver, administrator, or trustee in bankruptcy, or any equivalent) this will constitute a secondary pooling event under the FCA Rules. The consequences of the failure of the Bank holding Client Money for the Custodian's clients include that there may be a shortfall in the funds held for you so that you may incur a potential loss, however, such default by the Bank is covered by the FSCS, pursuant to paragraph 22.3 (eligibility criteria apply).
- 7.8. If you wish to withdraw any funds from your Platform Account, you should make a withdrawal request via the Website for funds to be sent to your Nominated Bank Account. If your Nominated Bank Account was not verified by us on set up of your Platform Account, we will need to verify the bank account details before processing your withdrawal. If you wish to request that the funds be returned to an account other than your Nominated Bank Account, you must input the alternative bank account details when you make your withdrawal request. Any alternative bank account must be in your name, be held with a bank or credit institution that is acceptable to us and verified by us prior to processing your withdrawal. We will not, in any event, be obliged to pay money to an account other than your Nominated Bank Account.
- 7.9. We, or any other authorised firm we nominate, acting as your agent, may take over control of holding and administering the Client Money held in your Platform Account at any time provided that we or they have appropriate regulatory permissions to hold Client Money. You hereby authorise the current Custodian to transfer any Client Money it holds for you via your Platform Account to any replacement Custodian in such circumstances without seeking your express instruction to do so.
- 7.10. Where a Client Money balance remains unclaimed and provided the Custodian has taken the following reasonable steps to trace the client and return the balance, the Custodian may cease to treat the money as Client Money and pay the Client Money to a registered charity of the Custodian's choice. The Custodian must, except in the case of aggregate Client Money balances of £25 or less:
- 7.10.1. determine that there has been no movement on the client's balance for a period of at least six years (ignoring any payments or receipts of charges, interest or similar items);
  - 7.10.2. determine, as far as reasonably possible, the correct contact details of the client;
  - 7.10.3. write to the client at the last known address (either by post or email) informing the client of the intention of no longer treating that balance as Client Money and to pay the sums concerned to charity, giving the client 28 days to make a claim;
  - 7.10.4. where the client does not respond after 28 days, attempt to communicate the information in paragraph 7.10.3 above to the client on one further occasion by any means other than that used in paragraph 7.10.3, including by post, email, telephone or media advertisement;
  - 7.10.5. where the client has not responded within a further 28 days following the communication in paragraph 7.10.4, write to the client by post or email at the client's last known address informing the client that as the Custodian has not received a claim for the Client Money, the Custodian will in 28 days' pay that sum to a registered charity and provide an undertaking to pay to the Client an equivalent sum if the client seeks to claim the Client Money in future. This paragraph 7.10.5 does not apply if the Custodian has obtained confirmation that none of the contact details held for the client is accurate or that the communication is unlikely to reach the client;
  - 7.10.6. make and retain records of all balances released from client bank accounts all relevant documentation (including charity receipts) and details of all actual or attempted communications in accordance with this paragraph; and
  - 7.10.7. undertake to make good any valid claim against any released balances.

## 8. MAKING A PROPERTY PARTNER INVESTMENT

- 8.1. 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).
- 8.2. Completion of a Property Partner Investment will be conditional on the following:
  - 8.2.1. At least the Total Investment Required being raised during the Investment Round (subject to such amount being reduced under paragraph 8.5);
  - 8.2.2. 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;
  - 8.2.3. In respect of a Property Equity Investment, the Seller completing the sale of their property to the SPV;
  - 8.2.4. In respect of a Property Debt Investment, the underlying loan being completed; and
  - 8.2.5. Property Partner having the discretion to not complete the acquisition of the property or the loan (as the case may be) for any reason whatsoever.
- 8.3. Property Partner reserves the right not to list a Property Partner Investment on the Website, to decline investment requests and/or bid requests via its Website at its sole discretion.
- 8.4. No single Investor will be entitled to secure more than 19.99% of a given Property Equity Investment opportunity.

### **Scaleback**

- 8.5. We reserve the right to operate an overfunding policy in relation to a New Listing Property Partner 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 Platform Account which you can use for other investments or withdraw.

### **Pre-order process**

- 8.6. 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:
  - 8.6.1. In consideration of providing you with the opportunity to place a pre-order you will, irrevocably and unconditionally agree in relation to your Platform Account:
    - 8.6.1.1. to do all such things as may be required to facilitate an investment by you of the sum indicated by you into the Property Partner 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 Platform Account towards the Pre-order Investment for which it shall be your sole responsibility to have in place in advance of you making your pre-order;
    - 8.6.1.2. that the Pre-order Investment shall be made by way of either (i) the allotment and issue to you of a beneficial interest in 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;
    - 8.6.1.3. 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 Investment.

- 8.6.2. In consideration for the undertakings you give in paragraph 8.6.1, Property Partner agrees to the Pre-order Investment terms set out herein and:
  - 8.6.2.1. agrees to use its reasonable endeavours to arrange the Pre-order Investment(s) selected by you for pre-order; but
  - 8.6.2.2. gives no warranty and makes no representations to you in respect of the Pre-order Investment(s).
- 8.6.3. 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 Property Partner Investment made available for Pre-order 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 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 Platform Account).
- 8.6.4. Pre-orders shall be capable of being agreed by a method explained on our Website.

## 9. PERIODIC STATEMENTS AND VALUATIONS

- 9.1. You will be provided with information on your Property Partner 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.
- 9.2. As mentioned in paragraph 9.1 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).
- 9.3. The basis for the latest valuation of the property is currently as follows:
  - 9.3.1. 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;
  - 9.3.2. 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 Resale Market; and
  - 9.3.3. 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.

## 10. RETURN ON YOUR INVESTMENT

- 10.1. 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 Platform Account, the balance of which will be visible to you on the Website, via your Platform Account dashboard as 'Available Funds'.
- 10.2. Dividends for any given month, in respect of Shares held by you at month end (determined at midnight on the last calendar day), will be paid on the 5th of the following month (or the next working day).
- 10.3. Any dividends you receive will be rounded down to the nearest penny.
- 10.4. 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 Platform Account following the end of the term of the bond instrument pursuant to which your bonds have been issued to you.
- 10.5. 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 Property Partner Investments in a similar manner as set out in these Investor Terms and Conditions.

- 10.6. 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.

## 11. CAPITAL AT RISK

- 11.1. We wish to draw your attention to the risks relating to investing in Property Partner Investments, which can be found on our Website.
- 11.2. 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 Property Partner Investment before making your investment.
- 11.3. The value of your Property Partner 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. Interest and capital returned may be lower than expected. Gross rent, dividends, and capital growth may be lower than estimated.
- 11.4. Property Partner 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 Property Partner Investment. Investors are advised to obtain appropriate tax or investment advice where necessary.
- 11.5. The Financial Services Compensation Scheme ("**FSCS**") protects the cash held in your Platform Account, however, your Property Partner Investments are not protected by the FSCS in the event that you do not receive back the amount that you have invested.

## 12. PROPERTY PARTNER'S RESALE MARKET

- 12.1. The Resale Market is a regulated MTF (Multilateral Trading Facility) authorised by the FCA. Our MTF Rulebook governs how Investors may use the Resale Market and came into effect on 3 January 2018. It sets out Investors' rights and obligations, as well as Property Partner's rights and obligations. Users of the Resale Market are bound by the MTF Rulebook, and by using the Resale Market 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](#).
- 12.2. Not all New Listings are tradeable on the Resale Market. Please refer to the Investment Case for confirmation of whether a New Listing will be tradeable on the Resale Market.
- 12.3. Property Partner, acting at its sole discretion, reserves the right to suspend any Property Partner Investment from trading on the Resale Market. Property Partner may suspend trading for any number of reasons, including but not limited to, investigating property management issues or when announcing price sensitive information.
- 12.4. Property Partner offers incentives for Investors who trade large volumes on the Resale Market via bidding. Details of any incentives along with any additional terms will be shared on Property Partner'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. Property Partner, 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.

*Close Periods*

- 12.5. The Resale Market 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 Property Partner to undertake more complex technical improvements to the Resale Market.
- 12.6. Close periods will occur once every quarter and last 3 working days. Property Partner will communicate close period dates in advance on an annual basis.
- 12.7. During close periods, Investors will not be able to buy or sell shares, place bids orders or sell offers on the Resale Market. 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.

### 13. PREMIUM CLIENT SERVICES

- 13.1. Property Partner 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 Property Partner.
- 13.2. Premium Clients may, amongst other services and benefits, be given “Early Access” to Property Partner Investments for a period of time prior to such Property Partner Investments launching on the Website.
- 13.3. More information about our Premium Client services can be found on the Website.

### 14. CORNERSTONE INVESTMENTS

- 14.1. From time to time, Property Partner 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.
- 14.2. For any Property Partner Investment to which Cornerstone Investment terms are offered, specific terms and conditions shall apply.

### 15. CANCELLATION RIGHTS

- 15.1. You may exercise your right to withdraw from a Property Partner 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.
- 15.2. If you exercise your cancellation rights in accordance with paragraph 15.1 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.
- 15.3. If you exercise your cancellation rights in accordance with paragraph 15.1 above, you will not be entitled to any promotional benefits that may have normally applied to the Property Partner Investment you are withdrawing from, nor will you be entitled to any dividends, interest or other benefit.
- 15.4. You do not have a right to cancel in circumstances where you acquire or dispose of your interest in a Property Partner Investment via the Resale Market because you will be doing so from or to another Investor who has offered their Shares or interest in a Property Partner Investment on the Resale Market that is outside our control.

### 16. TRANSFER PROVISIONS

- 16.1. You will be entitled to transfer your interest in a Property Partner Investment in the following ways only:
  - 16.1.1. to your estate, upon your death;
  - 16.1.2. 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;

- 16.1.3. by sale on the Resale Market, details of which can be found on the Website;
- 16.1.4. in accordance with any applicable terms and conditions specific to a particular Property Partner Investment which may be communicated to you from time to time; or
- 16.1.5. 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.

## 17. EXIT MECHANICS

- 17.1. Unless otherwise communicated to you in an Investment Case, you can exit your Property Partner Investment via the Resale Market.
- 17.2. You may exit your Property Partner Investment in accordance with the transfer provisions set out in paragraph 16 above.

### *Asset Sales*

- 17.3. From time to time, Property Partner may propose to Investors an opportunity to sell a Property Equity Investment and realise a capital return ("**Asset Sale**"). Property Partner will suspend trading in the proposed Property Equity Investment and Investors will be invited to vote to either sell or continue to hold the Property Equity Investment. Following the conclusion of the voting process, Property Partner will either recommence trading in respect of that Property Equity Investment or commence the sale process.
- 17.4. The detail in relation to an Asset Sale process, including the mechanics of shareholder voting, will be communicated to related Investors by Property Partner at the time an Asset Sale proposal is made.

## 18. TERMINATION AND VARIATION

- 18.1. There is no minimum duration of this agreement and termination of this agreement will only occur:
  - 18.1.1. if you withdraw your money from your Platform Account and close your Platform Account with us in which case we reserve the right to retain certain data to comply with our regulatory obligations; or
  - 18.1.2. at such other time as we decide.
- 18.2. 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.
- 18.3. 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.
- 18.4. By continuing to use the Website and/or our services, you will be deemed to have agreed to the updated Investor Terms and Conditions.
- 18.5. 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.
- 18.6. In the event of our insolvency, the Custodian will continue to hold your money and Property Partner Investments pending investment, but will not facilitate any new Property Partner Investments. The Custodian will notify you of changes to reporting requirements in such event.

- 18.7. In the event of the Custodian's insolvency, we will find an alternative services provider to enable the Website and related investment services to continue to function.

## 19. PROPERTY PARTNER'S FEES

- 19.1. 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.
- 19.2. 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 Investment Case, the Investment Case shall take precedence.
- 19.3. 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).
- 19.4. 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*

- 19.5. Property Partner 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 Property Partner Investment.

### *Resale Market Fees*

- 19.6. Property Partner will charge Investors a 2% transaction fee on Resale Market investments ("**Resale Market Fee**"). The 2% transaction fee is calculated as 2% on the value of the investment amount made by an Investor into the Property Partner Investment via the Resale Market.
- 19.7. Any Resale Market investments made by or on behalf of Investors using Property Partner's Discretionary Managed Programme or Investment Plans services will incur the Resale Market Fee.

### *Assets Under Management Fee*

- 19.8. Property Partner 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**").
- 19.9. The AUM Fee is structured as follows:
- 19.9.1. Tier 1: 1.2% per annum of the aggregate Property Equity Investments held by an Investor ("**Equity Investment Portfolio**") **up to a total of £25,000**, based on an SPV's latest share valuation ("**Tier 1 Rate**"); and
- 19.9.2. Tier 2: 0.7% per annum of an Investor's Equity Investment Portfolio **above a total of £25,000**, based on an SPV's latest share valuation ("**Tier 2 Rate**").
- 19.10. 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 Property Partner).
- 19.11. The AUM Fee shall be drawn from each SPV at the Tier 1 Rate at month end before dividends are payable to Investors. Where the Tier 2 Rate is applicable to Investors, such Investors will subsequently receive a cash rebate to reduce the AUM Fee on the proportion of their Equity Investment Portfolio over and above £25,000 to the Tier 2 Rate ("**AUM Rebate**"). The AUM Rebate shall be paid into an Investor's Platform Account by the 11th of the month (or the nearest working day).

- 19.12. The AUM Fee is subject to VAT which, subject to applicable tax rules, will be drawn as a tax deductible expense from each SPV.
- 19.13. 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 Tier 2 Rate.
- 19.14. For the avoidance of doubt, the AUM Fee is not applied to Property Debt Investments.

#### *Account Fee*

- 19.15. Property Partner will charge each Platform Account that holds either Property Partner Investments or cash deposits ("**Active Accounts**") a monthly account fee of £1.00 plus VAT (the "**Account Fee**").
- 19.16. The Account Fee shall be deducted from Active Accounts on the fifth of each month.
- 19.17. For the avoidance of doubt, the Account Fee shall not apply to Platform Accounts that hold no Property Partner Investments or cash deposits.
- 19.18. The Account Fee shall not be charged on Active Accounts holding cash deposits only, until the sooner of the making of an investment into a Property Partner Investment or the expiry of three months from the date an Investor first makes a cash deposit into their Platform Account.
- 19.19. In the event that an Active Account has insufficient funds available to pay the Account Fee, the Account Fee shall accrue on a monthly basis and Property Partner will settle (in whole or in part) such Account Fees once an Investor has available funds in their Active Account.

#### *Promotions*

- 19.20. From time to time, Property Partner may offer Investors promotional fees, including but not limited to a reduction on New Listing Fees or Resale Market 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*

- 19.21. From time to time, Property Partner 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, Property Partner shall communicate such fees and/or charges to you via specific terms and conditions and/or the relevant Investment Case.
- 19.22. 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.

## **20. LIMITATION OF LIABILITY**

- 20.1. You acknowledge and accept that the Website operates as a platform intended to facilitate the investment in Property Partner Investments and it does not make recommendations. We and the Custodian therefore make no warranties nor assume any liability in respect of the performance of any of the Property Partner Investments available through the Website.
- 20.2. You acknowledge that neither we nor the Custodian will be liable to you for any loss, costs or expenses, financial or otherwise, that you suffer as a result of using the Website or the provision of custodian services, except as expressly set out in these Investor Terms and Conditions.

- 20.3. We and the Custodian will take reasonable care in the assessment and appointment of custodians, sub-custodians, banks, 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. Neither we nor the Custodian shall be responsible in any other circumstances for the actions of any such third parties.
- 20.4. Our and the Custodian's liability to you in connection with your use of our respective services pursuant to this paragraph 20 shall not exceed the amount you paid for your Property Partner Investment to which such loss, costs or expenses relate.
- 20.5. This paragraph 19 does not affect our or the Custodian's liability for death or personal injury arising from our or the Custodian's negligence, nor our or the Custodian's liability for fraud, neither of which can be excluded or limited under English law, or any liability we or the Custodian have to you arising under applicable FCA rules and regulations.
- 20.6. 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.
- 20.7. 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.

## 21. REGULATORY PROVISIONS

### *Client categorisation*

- 21.1. Property Partner and the Custodian have 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*

- 21.2. 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.
- 21.3. Transactions in Property Partner Investments take place through the Website.
- 21.4. Investments made via the Resale Market result in the execution of trades via a multilateral trading facility (MTF).

### *Conflicts of Interest*

- 21.5. We and the Custodian are required to have arrangements in place to manage conflicts of interest between our Investors and us and between our different Investors. We have each 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.
- 21.6. 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 each provide you with a summary of our Conflicts of Interest Policy upon request.

## 22. COMPLAINTS PROCEDURE AND COMPENSATION

- 22.1. Should you have any complaints regarding our or the Custodian's service you should put your concerns in writing to us, setting out the details of your complaint, to the registered office of Property Partner or via email at [support@propertypartner.co](mailto:support@propertypartner.co). We will refer complaints relating to the Custodian on your behalf.
- 22.2. Our and the Custodian's senior management will consider and investigate each complaint carefully and promptly. We (or the Custodian, as applicable) will aim to provide you with a final response or a written response explaining why we (or the Custodian, as applicable) 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 (or the Custodian's, as applicable) final response letter to you. You can contact the FOS at Financial Ombudsman Service, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, by calling them on 0800 678 1100 or email via [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) or via the FSCS website (<https://www.fscs.org.uk/>).
- 22.3. Both Property Partner and the Custodian are covered by the Financial Services Compensation Scheme ("FSCS"), which will protect sums held in your Platform Account i.e. sums not yet invested in a Property Partner Investment. The FSCS can pay compensation if Property Partner, the Custodian 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 Property Partner or the Custodian. Once money is invested in a Property Partner 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](http://www.fscs.org.uk) or call 0800 678 1100.
- 22.4. 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.

## 23. GENERAL TERMS

- 23.1. 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.
- 23.2. 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.
- 23.3. 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.
- 23.4. 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.
- 23.5. 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 Property Partner Investment.
- 23.6. 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@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 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.

- 23.7. All correspondence and communication between you and us will be in the English language.
- 23.8. 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.
- 23.9. 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.
- 23.10. We and the Custodian may exercise any of our respective rights or discharge our respective obligations under these Investor Terms and Conditions in our or their own capacity. No other person shall be entitled to exercise rights under these Investor Terms and Conditions under the Contracts (Rights of Third Parties) Act 1999.