

Electric Blue Limited (“Electric Blue”)

Bond offer

Terms and Conditions of Offer

1. Definitions

- 1.1 Save where the context otherwise requires, words and expressions used in the Offer Document issued alongside these Terms and Conditions have the same meaning when used in these Terms and Conditions.

2. Eligibility

- 2.1 The Offer is drawn up for and is expected to be accepted by UK residents and is subject to English law and the jurisdiction of the English courts. Non-UK residents must take responsibility for any law or regulation, which may have a bearing in their own country, on any aspect of an application in response to the Offer.
- 2.2 Applicants must be 18 years or older in order to apply. Organisations may also apply for the Bonds through an authorised representative.
- 2.3 The minimum investment per Applicant is £500 or £250 if the Applicant possesses a Cambridge postcode.
- 2.4 If you wish to apply for Bonds on behalf of a child or grandchild who is under 18, please apply for the Bonds in your own name, and inform Electric Blue of your intention to hold the Bonds on behalf of your nominated person by emailing help@ethex.org.uk. Please see the Offer Document for further information.

3. Offer Document and Bond Instrument

- 3.1 Before making a decision to invest Applicants should read the whole of the Offer Document, **including the risks set out on pages 40-42** and the Bond Instrument under which the Bonds will be issued, as well as these Terms and Conditions. Applicants should be aware that their capital is at risk and they may wish to take appropriate independent financial, tax and other advice before deciding to apply.
- 3.2 The Offer Document and these Terms and Conditions have been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Bates Wells & Braithwaite London LLP, a firm of solicitors authorised and regulated by the Financial Conduct Authority (registered FCA number 466148).
- 3.3 The Offer should only be considered by Applicants on the basis of these Terms and Conditions and the Offer Document and Bond Instrument. Any previous versions of the Offer Document, Bond Instrument and these Terms and Conditions should be disregarded.

4. Offer timetable

4.1 The Offer is due to close on 18 January 2019. The Offer will be closed early in the event that Applications amounting to the Maximum Sum (£500,000) are received. At the discretion of the Directors, the Offer Period may be extended.

4.2 Applicants may stay informed of the progress of the Offer through the information available at ethex.org.uk.

5. **Application procedure**

5.1 An Application for the Bonds may only be made by completing an online form on ethex.org.uk or by completing a hard copy form provided by Ethex (an “**Application Form**”). By completing an Application Form, an Applicant offers to apply, on these Terms and Conditions, for the number of Bonds specified, or such lesser number as may be accepted by the Directors. Photocopied, scanned or faxed copies of the Application Form will not be accepted. Incomplete or inaccurate Application Forms may be accepted as if complete and accurate.

5.2 Once an Application has been made it cannot be withdrawn by the Applicant.

6. **Procedures on receipt of Applications**

6.1 Acceptance of Applications is at all times subject to the discretion of the Directors.

6.2 Applications will be considered by the Directors on a first come, first served basis. If Applications are received in excess of the Maximum Sum, priority will be given to applicants who possess a Cambridge postcode and the Directors reserve the right to scale down and/or refuse some Applications in order to give effect that priority.

6.3 No interest is payable on submitted Application Funds which become returnable.

6.4 Electric Blue and Ethex reserve the right not to enter into correspondence with Applicants pending the issue of Bond Certificates or the return of Application Funds.

6.5 Ethex reserves the right to present all cheques for payment on receipt, or for online transfers, apply a credit to the account from which your application payment was made and to retain surplus Application Funds pending clearance of successful Applicants' payments. If you post a cheque, you are recommended to use first class post and to allow at least two working days for delivery.

6.6 Remittances of Application Funds must be capable of being honoured on first presentation. If such remittance is not so honoured, an Applicant will not be entitled to receive a Certificate in respect of the Bonds applied for or to enjoy or receive any rights or distributions in respect of any Bonds unless and until he or she makes payment in cleared funds for such Bonds and such payment is accepted by Electric Blue (which acceptance shall be in its absolute discretion and shall be on the basis that he or she indemnifies Electric Blue against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the remittance to be honoured on first presentation). Prior to acceptance by Electric Blue of such late payment in respect of such Bonds, Electric Blue (without prejudice to any other rights) may avoid any agreement to allocate such Bonds to him or her and may allocate such Bonds to some other person, in which case he or she will not be entitled to any refund or payment in respect of such Bonds (other than the refund to him or her at his or her risk of any proceeds of the cheque accompanying this application, without interest).

7. **Pricing, trading and dealing arrangements**

Bonds will not be traded on a recognised stock exchange but Bondholders may arrange to transfer bonds to others, including through the platform offered by Ethex. The offer is the only market offering in respect of the Bonds.

8. **Confirmations by applicants**

Each Applicant, on submitting an Application Form and agreeing to transfer their payment to Ethex, confirms that he or she:

- 8.1 has read and understood the Offer Document, **in particular the risk factors on pages 40-42**, the Bond Instrument and these Terms and Conditions;
- 8.2 is not relying on any information or representation in relation to the Offer, the Bonds or Electric Blue which is not included in the Offer Document and Bond Instrument or these Terms and Conditions, and accordingly agrees that no person responsible solely or jointly for the Offer Document or the Terms and Conditions or involved in the preparation thereof shall have any liability for any such other information or representation;
- 8.3 any person completing an Application Form on behalf of an organisation undertakes they are authorised to do so;
- 8.4 acknowledges that neither Electric Blue, Ethex or Bates Wells & Braithwaite London LLP is able to comment on the merits of the Bonds or provide any financial, investment or taxation advice and all such queries should be directed to an independent financial adviser authorised under the Financial Services and Markets Act 2000;
- 8.5 shall provide all additional information and documentation requested by Electric Blue or Ethex in connection with their application, including in connection with taxation, anti-money-laundering or other regulations;
- 8.6 authorises Electric Blue, Ethex, or their agents to do all things necessary to effect registration into the Applicant's name(s) of any Bonds for which his or her Application is accepted and authorises any representative or agent of Electric Blue or Ethex to execute and/or complete any document of title required, including a Certificate;
- 8.7 agrees that neither Electric Blue nor Ethex shall be liable to any person in the event of an insolvency of any bank with which any funds held by Ethex have been deposited nor in the event of any restriction on the ability of Ethex or Electric Blue to withdraw funds from such banks for reasons beyond their control;
- 8.8 agrees that applications will be subject to the UK's verification of identity requirements which are contained in the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time, such requirements being further described in the Appendix to these Terms and Conditions;
- 8.9 consents to the name(s), address(es) and other personal information supplied by them to be retained by Electric Blue for the purposes of the bond register;
- 8.10 consents to the name(s), address(es) and other personal information supplied by them to be verified by Ethex against appropriate third party databases at any time. In performing these

checks, personal information provided may be disclosed to a registered Credit Reference Agency which may keep a record of that information. Credit ratings will be unaffected. Ethex will treat such information securely and strictly in accordance with the Data Protection Act 1998;

- 8.11 agrees promptly, on request, to disclose in writing any information which it may request in connection with his or her Application and authorises Electric Blue to disclose any information relating to his or her application it may consider appropriate;
- 8.12 agrees that any Certificate to which he or she might become entitled and Application Funds to be returned may be retained pending clearance of his or her remittance or pending investigation of any suspected breach of these Terms and Conditions and that such funds will not bear interest.

APPENDIX 1 APPENDIX

To ensure compliance with the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time Ethex or Electric Blue may, at their absolute discretion, require verification of identity from any Applicant.

If within a reasonable period of time following a request for verification of Ethex or Electric Blue have not received evidence satisfactory to them, Electric Blue may, at its absolute discretion, reject any such Application, in which event the remittance submitted in respect of that Application will be returned to the Applicant (without prejudice to the rights of Electric Blue to undertake proceedings to recover any loss suffered by it as a result of failure to produce satisfactory evidence of identity).

Payments must be made by cheque or by bank transfer payment. Payments made by cheque must be in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is a member of either the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for members of any of these companies. Such cheques must bear the appropriate sort code in the top right-hand corner. Cheques, which must be drawn on the personal account of the individual Applicant where they have a sole or joint title to the funds, should be made payable to 'Ethex Investment Club Ltd Client Account' and crossed 'a/c Payee'.

If it appears to Electric Blue or Ethex that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.