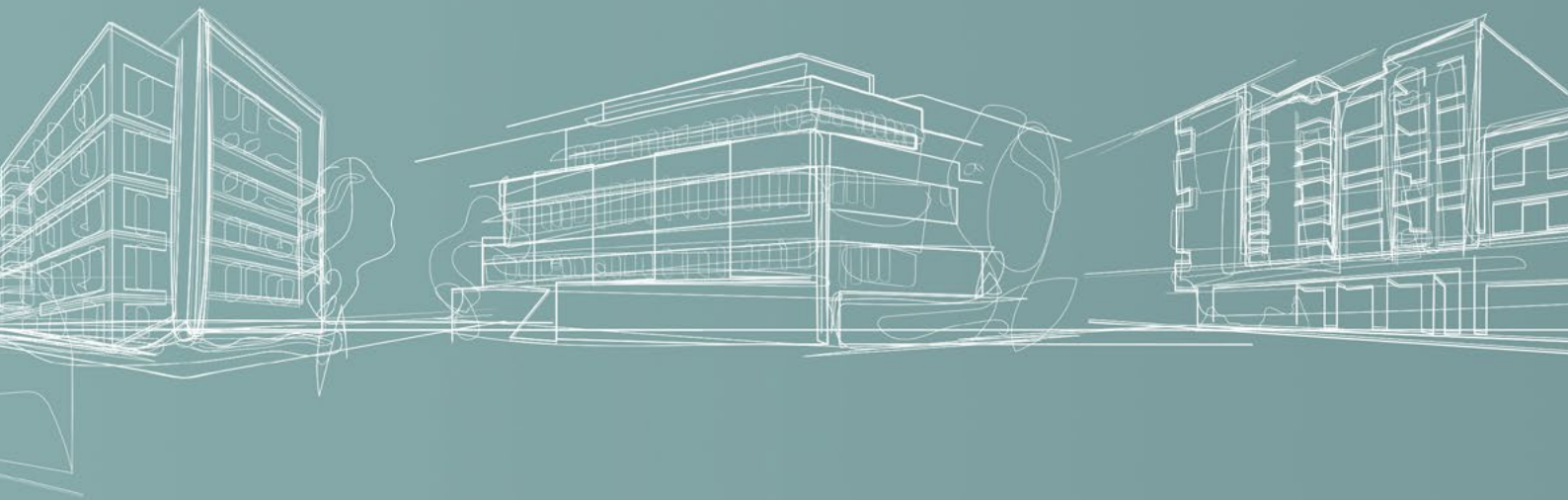




St Mark Homes PLC

St Mark Homes Bonds: **Information Brochure**



Disclaimer

This is important information that you need to read:

- This Document forms the basis on which you may subscribe for St Mark Homes Bonds (“the Bonds”).
- Prospective investors should only subscribe for the Bonds on the basis of the information published in this Document and the Key Commercial Terms (see page 31).

Please pay attention to the “Risk Factors” on pages 27, 28 and 29 of this Document.

- You should carefully consider whether St Mark Homes Bonds are a suitable financial commitment for you to make in the light of your personal circumstances.
- The capital you invest in St Mark Homes Bonds is at risk.
- Investing in a bond of this nature involves a degree of risk. It may not be possible to sell or realise the St Mark Homes Bonds before they mature, or to obtain reliable information about the risks to which they are exposed.
- St Mark Homes Bonds will be a debt of St Mark Homes Plc, secured over all of its assets under a debenture constituting a fixed and floating charge. However, there can be no certainty or guarantee that any realisation of such assets through the enforcement of such security will be sufficient to enable St Mark Homes to repay all or part of the Bonds or St Mark Homes’ liabilities thereunder.
- You should ensure that you have read and understood this Document in its entirety before agreeing to invest in St Mark Homes Bonds.
- If you are in any doubt about the contents of this Document, or whether the Bonds are a suitable financial commitment for you, you should seek your own independent advice from an appropriately qualified adviser who is authorised under the Financial Services and Markets Act 2000 (“FSMA”) and who specialises in advising on Bonds, financial commitments and other such debt instruments.

About this Document

This Document, which is a financial promotion for the purposes of Section 21 of the FSMA, is issued by St Mark Homes Plc, which accepts responsibility for the information it contains.

This Document has been approved as a financial promotion for UK publication by Crowdstacker Limited of 154-160 Fleet Street, London, EC4A 2DQ, which is authorised and regulated by the Financial Conduct Authority. Crowdstacker is registered on the Financial Conduct Authority’s Register with registration number 648742.

This Document does not constitute a prospectus to which the Prospectus Rules of the Financial Conduct Authority apply. Therefore, this Document and the Bonds have not been approved by the Financial Conduct Authority or any other regulatory body, and do not give rise to any rights to claim compensation under the Financial Services Compensation Scheme.

This Document does not constitute an offer to subscribe for bonds or other financial commitment or the solicitation of an offer to subscribe for bonds or other financial commitment in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

All documents, payments or electronic information and communications sent by, to or from you, or on your behalf, will be sent entirely at your own risk.



Definitions

St Mark Homes Bonds

- **Bondholders**
Persons who subscribe for and are issued with bonds by the Issuer under the terms of the Bond Instrument
- **Bond T&Cs**
The terms and conditions applicable to each Bond as set out in this Document, forming part of each Bond Instrument
- **Bond Instrument**
The Bond Instrument consisting of the Bond T&Cs and the Key Commercial Terms by which St Mark Homes is willing to issue Bonds
- **Crowdstacker**
Crowdstacker Limited is authorised and regulated by the Financial Conduct Authority
- **Custodian**
Crowdstacker Limited
- **FCA**
Financial Conduct Authority
- **Information Brochure or Document**
This document
- **Issuer**
St Mark Homes Plc
- **Key Commercial Terms**
The key commercial terms set out in this Document on page 31, including details of the Interest Rate, the Commencement Date and the Repayment Date
- **Security**
Debenture over the assets of St Mark Homes Plc
- **Security Trustee**
Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deed
- **Security Trust Deed**
The deed between the Security Trustee and St Mark Homes, by which the Security Trustee holds the Security on trust for the benefit of Bondholders
- **St Mark Homes or Company**
St Mark Homes Plc
- **St Mark Homes Bonds or Bonds or Bond**
Bonds of St Mark Homes constituted by and issued pursuant to the terms of the Bond Instrument

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The Bond

A word from our CEO



St Mark Homes is a residential and mixed-use property developer established in 1999 and listed on the NEX stock exchange in London. We have completed over 20 projects and delivered more than 500 new homes.

We focus on residential developments primarily in London and the South East and usually invest alongside other established developers typically via 'joint venture' arrangements. Importantly this allows us to spread our investment capital over several projects and diversify our risk and exposure.

Our developments are focused on the mid-range residential market with project sizes typically between 10-50 units with most new homes selling below 1,000 per square foot.

We believe the key to delivering successful projects time and again is reliant on our small, highly skilled, qualified and experienced management team and the partnerships we have with established, trusted developers and third parties that bring development sites, construction and sales expertise to our projects.

We are seeking to raise £3million by issuing Bonds through the Crowdfunder platform. We are offering investors a fixed 6% p.a. gross return over a two and a half year (30 month) term.

The funds raised will be used to finance residential led developments, where many homes will be eligible for sale under the Government 'Help to Buy' scheme designed to improve 'new build' home ownership and therefore provide an important level of financial support to people who may otherwise not be able to get on the housing ladder.

We hope you will join us in the next chapter of our future.

Barry Tansey

Chief Executive,
St Mark Homes

Summary

St Mark Homes Bonds

The St Mark Homes Bonds is an investment opportunity that pays a fixed interest rate of 6% p.a. gross, over a two and a half year term.

Money raised through the Bonds will enable us to take advantage of a number of existing and planned development opportunities, many of which will be eligible for the Government 'Help to Buy' scheme.

Fixed interest rate:
6% p.a. gross

Investment term:
30 months

Minimum investment:
£500

Interest payments:
Quarterly



Summary

The market opportunity

The shortage of affordable housing has been well publicised in the press. For many years, the gap between supply and demand has led the Government to implement a number of initiatives designed to reduce the housing shortage.

**‘Help to Buy’
is a significant
support policy
to the residential market**



The Government Help to Buy Equity Loan scheme is one such initiative and is a significant support policy to the residential market. The Help to Buy Equity Loan scheme, which has currently been extended until 2021, will provide an additional £3.5 billion of investment. This will support up to 74,000 more homebuyers and has given the industry a major boost.

In the future, we anticipate the current policies will be extended or morphed into another form of support to encourage first time buyers and others to get on the housing ladder.

This and other factors have led to the mid-tier residential market remaining vibrant and more active than the prime and super-prime residential markets. It has proven resilient in recent times despite the changing tax environment and ongoing uncertainty over Brexit.

We expect this demand to continue to outstrip the supply of housing stock in London and the South East in the mid-tier residential market and provide a continued attractive market environment for residential-led developers like ourselves.



About us

Who we are & what we do

Our aim is to source and develop sites (in conjunction with our development partners) where we can build from 10 to over 50 units, of various sizes and start to sell the units 'off plan' once construction commences on site.

Our typical project timeline from finding a site to delivery and sale of a finished scheme is between 18 and 30 months.

Finding, appraising and monitoring development opportunities

We place great stock in rigorous due diligence processes, and are disciplined and thorough in appraising projects, choosing only to deploy capital to those projects where the business case is strong and which offer a realistic prospect for a profitable out-turn.

The team commits a great deal of time visiting potential development sites. We seek evidence of sales demand, spending time liaising with valuers and sales agents.

We are also involved throughout the development of the projects and dedicate a significant amount of time to the ongoing monitoring of our projects, and liaising with our joint venture partners and funders.



St Margarets Waterside, Richmond, TW7

The Company has a 50% share in this joint venture mixed use development.

St Margarets is an exclusive collection of one, two and three-bedroom apartments and penthouses set over new office space and basement car park in the stunning riverside location of Richmond.

The scheme is complete as regards construction and at the time of writing only two residential unit remains available for sale.





London Road, Hounslow, TW3

We have a 40% interest in a project at London Road, Hounslow. The site benefits from planning consent for the erection of 34 flats, contained within a part three, part four storey development with associated landscaping, cycle parking and refuse storage following the demolition of existing buildings.

Marketing of the scheme is set to commence in the Autumn of 2017. Construction is now well underway with delivery planned for May 2018.

All units are eligible under the 'Help to Buy' scheme.



Sutton High Street & Prince Regent Sutton, SM1

Phase I of the project is now complete with all 41 residential units sold.

Phase II envisages the extension of the shell and core commercial space on the ground floor of the buildings at 324-340 Sutton High Street (Phase I) as well as the comprehensive redevelopment of the adjacent derelict Prince Regent Site (342-346 Sutton High Street) to form a new mixed use residential led development thereon.

All residential units should be eligible under the 'Help to Buy' scheme.



Gwynne Road, Battersea, SW11

St Mark has a 40% share in this South West London development comprising 33 residential units over ground floor and first floor commercial space at Gwynne Road, London, SW11. Construction is now underway and is scheduled for completion in late 2018. A significant number of pre-sales have been achieved to date.

The site is located on the north side of Gwynne Road, in the London Borough of Wandsworth. It is close to a range of independent and convenience retailers including Tesco and Sainsbury's. The site is well served by public transport and is located close to the River Thames. It is approximately 1km (0.6 miles) north west of Clapham Junction train station, providing regular services to London Victoria and Waterloo.

A significant number of units should be eligible under the 'Help to Buy' scheme.



Meet the team



Bernard Tansey

Executive Chairman
KCSG, KHS, MengSc, BE, Ceng, FIEI,
MICE, FInstD

Bernard's accomplishments as a University Lecturer and a Consulting Engineer in the Public Service, Construction, Property Development and the developing countries are widely recognised.

He's been running successful property development companies, now with his son Barry, since the 1980s. The construction business is in his blood, "my father was a contractor in Sligo, (North-West Ireland), I grew up with it."

As well as his upmarket apartment and housing schemes, Bernard's London-based track record includes renewal schemes in areas of social deprivation such as the Broadwater Farm area.

He was Knighted (KCSG) by St John Paul II in 2002 and further awarded KHS (2015).



Barry Tansey

Chief Executive
BComm, MAcc, FCA

Barry is a Chartered Accountant with over 20 years' experience working in the property development sector. Educated at University College Dublin, he trained and qualified as a Chartered Accountant with Grant Thornton before joining the Mizen Group in 1996, initially serving as CFO, Company Secretary, and more recently as the CEO to St Mark Homes.

Barry has an extensive knowledge of financing, development and strategic development issues. He has been instrumental in formulating and driving business strategy during the Company's significant growth during the period since he took over as CEO.



Sean Ryan

Finance & Commercial Director
BSC, MSC, FCCA

Sean is a Chartered Certified Accountant with over 25 years' experience in the property development, construction and finance industries.

Sean graduated from Queens University, Belfast and trained with Grant Thornton in Belfast before moving to London in the late 1980s. He completed a Masters in Property Development in 1993 and has been working in the construction and property development sector since then.

Sean was a Finance Director of Mizen Design/Build Limited between 1992 and 1998. He left that position to co-found St Mark Homes. His duties include project appraisal, sensitivity testing, risk analysis, quality assurance management and monitoring on schemes in the value range £2m and £40m.



John Connolly

Non-Executive Director
ACIB

John joined the St Mark Homes Board in June 2015 as Non-Executive Director, following his retirement from the RBS group, and is an Associate of the Chartered Institute of Bankers.

He has over 30 years' experience with the Natwest (now RBS) group most recently as a relationship director within the Central London Real Estate division.

His role there included evaluation of developer loan applications (up to £25 million in value) and liaison with the bank's internal credit committee before issuing loans and administering development loan facilities.



Bill Gair

Non-Executive Director

Bill has more than 35 years' experience in property development and strategic planning, is one of our Non-Executive Directors.

Bill has served as Managing Director at Bovis, Barratt & Wates resigning from the main Wates Board to establish Retirement Villages PLC in the 1980s and the Award winning Renaissance Villages Limited in 2006.

Bill is a past Council Member, Director and Chairman of NHBC and currently serves as a Council Member of and was National President of the House Builders Federation 2000-2002.

Bill is also a Freeman of the City of London.

Financials

Your Bonds will be secured over £5.9m net assets, property & undertakings of St Mark Homes Plc.

Consolidated Profit & Loss Accounts

Profit & Loss	6 months to Jun 2017 (unaudited)	Year Ended Dec 2016 (audited)	Year Ended Dec 2015 (audited)
Pre-tax profit	£210,976	£652,384	£548,887
Total comprehensive income	£190,535	£551,881	£438,459

Consolidated Balance Sheet

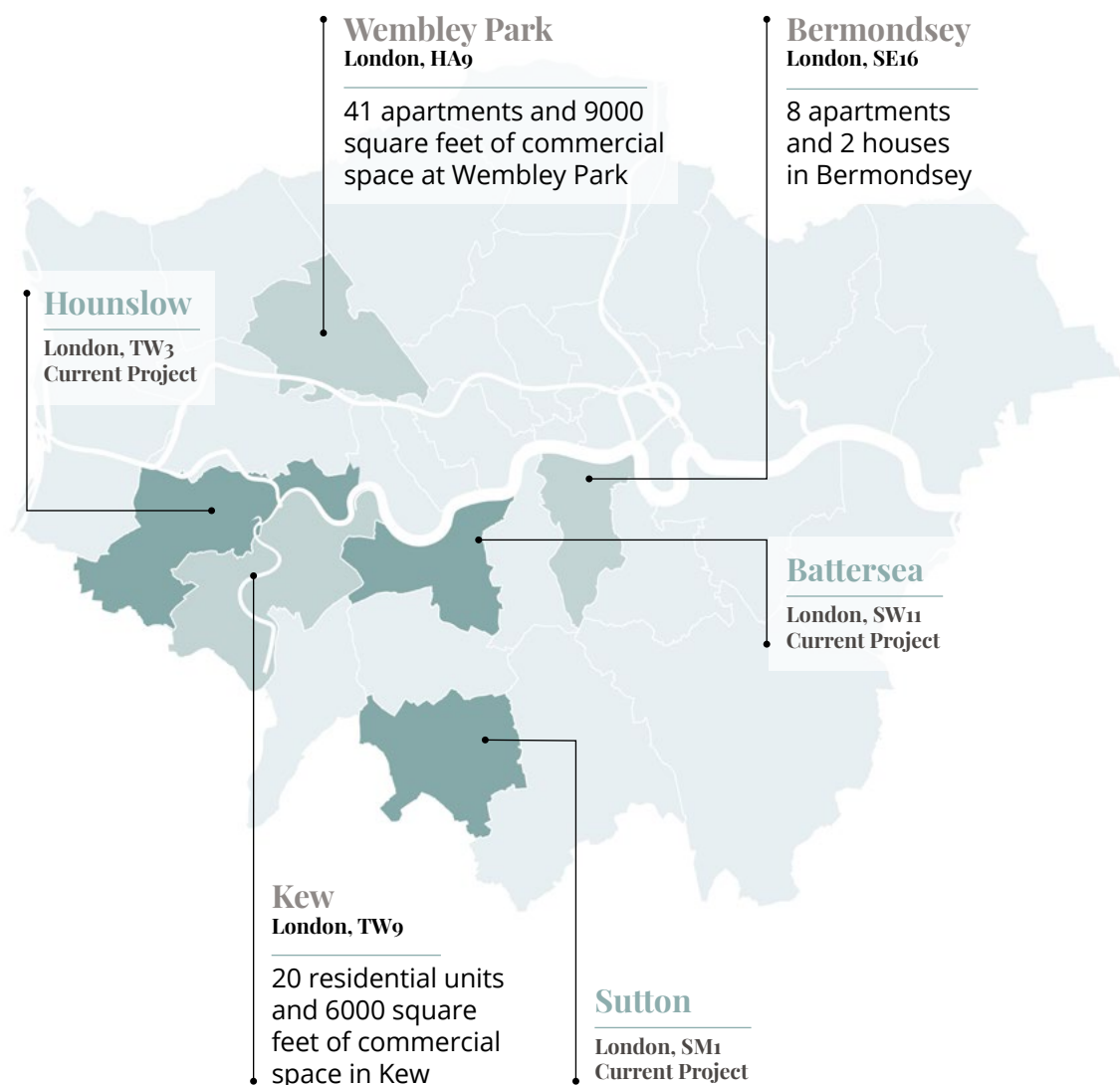
Balance Sheet	as at Jun 2017 (unaudited)	as at Dec 2016 (audited)	as at Dec 2015 (audited)
Gross assets	£6,172,418	£6,169,672	£5,384,164
Liabilities	£186,492	£370,281	£1,437,321
Net assets	£5,989,926	£5,799,391	£3,946,843

Past performance is not a reliable indicator of future results

Pipeline

Potential projects

We have a number of potential projects in the pipeline. Funds raised through this Bond issue will enable us to deploy further capital and take advantage of these or other opportunities.



The Bonds

About the Bonds

What is a bond?

A bond is essentially a 'promise' by one entity (commonly a business or a government) to repay money lent to it within a prescribed time frame and pay interest at either a variable or fixed interest rate. When you purchase a bond, you purchase this 'promise' and become a bondholder.

The structure of St Mark Homes Bonds

Bonds are available from as little as £500. The interest rate is 6% p.a. gross for a term of 30 months. Interest is due to be paid quarterly (every three months). This Bond has been structured with the aim of providing an attractive return on a solid, investment opportunity.

Capital raised through the sale of the Bonds will be allocated across a number of current and planned residential-led property development projects.

Earn a fixed return of 6% p.a. gross over 30 months



What could I be earning over the next 2.5 years?

Investment	£500	£5k	£10k	£50k	£100k
Total interest per annum	£30	£300	£600	£3,000	£6,000
Total interest Quarterly	£7.50	£75	£150	£750	£1,500
Total interest over 30 months	£75	£750	£1,500	£7,500	£15,000



Security

What security do I have?

What is the security?

The Bonds will be secured over the assets, property and undertakings of St Mark Homes Plc via a first ranking debenture given to the Security Trustee on your behalf.

The net assets of the company as of June 2017 were over £5.9 million. Please note the net assets may fluctuate over time.

The balance sheet of the company is comprised predominantly of loans to the Joint Venture Companies (JVCs) that St Mark Homes has interests in. These JVCs are set up solely for the purpose of owning and developing residential and mixed use developments where the JVCs raise secured bank debt of typically 50% to 60% of the property and development value. The proceeds from the Bonds will be used to fund further investment in property developments.

How St Mark Homes Bonds will be repaid?

The Bonds will be repaid through a combination of interest and repayment of capital from loans to the development project JVCs, project management fees and through the residual joint venture profit share from the sale of completed units.

Fixed interest rate:

6% p.a. gross

Investment term:

30 months

Minimum investment:

£500

Interest payments:

Quarterly

Track record

Previous projects

Our track record includes over 20 completed projects and the delivery of more than 500 new homes.



Benwell Road London, N7

34 x Flats and L/W units over 6 storeys high, adjacent to The Arsenal.

Christchurch Road Cheltenham, GL50

12 x 2 Bed Bespoke Flats in the conservation area with surface parking and landscapes.

Hatherley Road Cheltenham, GL51

8 x 2 Bed Bespoke Flats with undercroft car park.

Horseferry Road Limehouse, London

32 x 1 & 2 Bed Flats, 5 storeys high.

Lychgate Manor Roxborough Park, Harrow on the Hill

30 x 2 Bed Luxury apartments (7 x penthouses) with underground parking for 40 cars, within the conservation area.

Pittville Crescent Cheltenham, GL52

11 x 2 & 3 Bed Bespoke Flats & Coach House.

Roxeth Harrow

27 Flats with basement car park – 6 storey block.

Ealing London, W13

Office block conversion to provide 14 homes with commercial space and parking.

Ensign Street Tower Bridge, London E1

25 x 1 & 2 Bed New Build Flats in a building 5 storeys high.

Esprit Apartments London, E1

16 x 1 & 2 Bed Flats and 7200 Square feet of commercial offices over 5 storeys.

Green Dragon Lane Winchmore Hill, N21

21 x 2 & 3 Bed New Build Flats in a 4-storey building.

Northlands, 165 Widmore Road Bromley, Kent

24 x 2 Bed Flats (3 penthouses) over 5 storeys.

Mortlake Richmond, TW9

4 story office block conversion to provide 24 flats and 28 basement car spaces.

Palmerston Road Wimbledon, SW19

24 x 1, 2 & 3 Bed Flats with basement car park (car lift access).

Trinity Road Wimbledon, SW19

Church of England site - 14 x 2 & 3 Bed Flats with surface parking and landscapes

Ruislip HA4

19 x 2 & 3 Bed Flats over a basement car park on a former filling station site.

Waterson Street & Kingsland Road London E2

45 units in two adjacent mixed use developments of 2 Bed Flats, live/work dwellings and office units (11,000 square foot) in two 5 storey buildings in a conservation area.

Case study:

Real life examples

Forsyth House, Richmond, London, TW9



Case study

Forsyth House, Richmond

We entered into a joint venture for the development of 26 residential apartments in Mortlake, Richmond in December 2014.

Construction was completed in March 2016 and all units have been sold. We have recognised profits of £244,365 and project management fees of £141,625.

Forsyth House

TW9

(2015-2016)

Profits

£244,365

(2015-2016)

Project management fees

£141,625

(2015-2016)



Past performance is no guarantee of future results



Crowdstacker

Crowdstacker Limited is authorised and regulated by the FCA

Crowdstacker aims to sift through the many investment opportunities available and bring its customers only high-quality offerings.

It has a carefully designed selection process, which involves due diligence on each potential company wishing to use the platform to raise finance.

The documentation produced for each investment aims to make it easy to understand the benefits and risks of each opportunity.

Crowdstacker's due diligence is a three-stage process, with only the best opportunities making it through to our stage three.

1. Pre-screening

This initial assessment includes:

Verification:

Confirming the identity of the potential company and its directors; checking for County Court Judgements, directors that have been disqualified, and other red flags; performing money-laundering checks in line with guidelines.

Automated credit analysis:

Using a credit-scoring model* to provide an initial assessment of credit worthiness. The model is used by the majority of credit insurers and claims to predict around 70% of the defaults in the next 12 months.

2. In-depth analysis

This is performed by a commercial lawyer and chartered accountants.

Financial health:

An assessment of current and projected financial performance and position. Management and statutory accounts, cash flows, business plans, repayment strategy and existing debt are all considered.

Management team:

Crowdstacker meets senior management teams at their premises and assesses the quality of the team and its operations.

Bond structure and conditions:

A recommendation is made regarding the bond structure, security to be provided and any associated conditions to protect investors.

3. Credit committee

The credit committee is responsible for reviewing all reports and approving each new business proposal.

Once a business and its required investment opportunity (such as a bond or a peer to peer loan) is approved, Crowdstacker works with the business to produce informative documentation that outlines the key benefits and key risks for potential investors.

Crowdstacker Corporate Services Limited acts as Security Trustee. This gives Crowdstacker Corporate Services the authority to act if they become aware of any issues that could put the Bondholders investment at risk.



Client Money

Crowdstacker acts as the Custodian and will hold your funds on your behalf in a segregated client account at Lloyds Bank Plc. It will process your money and service your client account. While your funds are held waiting to be invested or held on account, your funds will be protected by the FSCS up to £50,000.

Once your funds are invested through Crowdstacker, your capital is at risk and the Bond's security package takes over. Crowdstacker then co-ordinates the payment of interest and the return of your capital at the end of the Bond term.

Holding St Mark Homes Bonds in your IFISA, SIPP or SSAS:

St Mark Homes Bonds may be held in:

IFISA
An Innovative Finance Individual Savings Account

SSAS
A Small Self-Administered Scheme

SIPP
A Self-Invested Personal Pension

Tax treatment is dependent on the individual circumstances of each investor & may be subject to change in the future.



The IFISA

Holding Bonds in your ISA

The Crowdstacker IFISA is designed for alternative finance investing, enabling you to earn higher returns on your money, while helping British businesses borrow at reasonable interest rates.

You can invest up to £20,000 this tax year (2017/18) across the three types of ISA: Cash ISA; Stocks & Shares ISA; and the Innovative Finance ISA.

All the interest you receive in your IFISA is completely tax-free, subject to your own personal tax status. Interest payments are paid directly back into your Crowdstacker IFISA account.

You can transfer in part, or all, of your existing ISA pot (any funds from Cash ISA, Stocks & Share ISA, or other IFISA accounts you may have from previous tax years) to a Crowdstacker IFISA.

Transfers from current and previous ISAs will not be deducted from this year's ISA allowance. You can find out more about the Crowdstacker IFISA in our guide, available on request.

Invest up to £20,000 to earn interest tax free*

Crowdstacker is an HMRC approved, ISA Manager, authorised and regulated by the FCA.

*Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.

IFISA INNOVATIVE
FINANCE
ISA

IFISA

key points

1. How do I open a Crowdstacker Innovative Finance ISA?

The process to open a Crowdstacker IFISA is very easy. All you need are your bank account details (for the account you would like to link to your IFISA) and your National Insurance number to hand.

You can apply online at: www.crowdstacker.com or call us on 020 7118 7570 for a paper application form.

2. What are the tax rules on an ISA?

Investors do not have to declare income or gains from an ISA on their tax returns, unless the ISA subscription has been made void. Capital losses in respect of ISA investments are disregarded for the purposes of capital gains tax.

3. What are the ISA limits?

Investors can subscribe in each tax year to one of each of the following: Cash ISA, Stocks and Shares ISA and Innovative Finance ISA. From 6 April 2017, the overall ISA limit of £20,000 can be split between a Cash ISA, a Stocks and Shares ISA, and an Innovative Finance ISA as the investor wishes.

4. Can I transfer from my existing ISAs?

You can transfer the funds from your Cash ISAs, Stocks and Shares ISAs and other IFISAs into your Crowdstacker Innovative Finance ISA. If you apply online for the Innovative Finance ISA you will be able to download transfer forms during the online application process which will allow you to transfer from any existing ISAs to your new Crowdstacker Innovative Finance ISA.

If you would like to apply by post please call us on 020 7118 7570 and we can send you an application pack.

5. Does Crowdstacker charge any fees?

It's completely free to open an Innovative Finance ISA account with Crowdstacker. Crowdstacker does not charge any fees to transfer ISA funds from previous or current tax years into your Innovative Finance ISA.

6. Are there any tax consequences if I withdraw money from the IFISA?

Whilst your funds are within the ISA, or when transferred direct to or from another ISA, your interest earned is tax-free. However, if you withdraw your money you will lose the future tax-free status of that interest.

Frequently asked questions

We are more than happy to answer any questions you may have.

If your question is not covered by the FAQs below, please contact us on info@crowdstacker.com or call us on 020 7118 7570.

What return can I expect?

You will receive 6% gross return per annum on your capital.

How often will interest be paid?

Your interest will be paid quarterly.

How much can I invest?

The minimum amount you can invest is £500 up to a maximum of £500,000.

When does the Bond mature?

The St Mark Homes Bonds are for a 30-month fixed term. On maturity, you are entitled to the return of the original capital in full.

Can I hold the Bonds in my pension?

You can hold St Mark Homes Bonds within a Small Self-Administered Scheme (SSAS) or a Self-Invested Personal Pension (SIPP).

What about ISAs?

You can hold your Bonds in the Crowdstacker Innovative Finance ISA and receive tax-free interest.

What is the fundraising target?

The Bonds have a target of £3m, which may be extended in the future.

How will your investment via the Bonds be used?

Investments will be used to finance residential led property developments in London and the South East.

Who is the Borrower?

St Mark Homes Plc.

Who is Crowdstacker?

Crowdstacker is an alternative finance investment platform, authorised and regulated by the FCA. Crowdstacker matches companies that are seeking to raise finance with investors.

Is Crowdstacker covered by the Financial Services Compensation Scheme?

Your funds will be covered by the FSCS while Crowdstacker holds your money, processes funds, and services your client account. Once your funds are invested in the Bonds, your capital is at risk. The FSCS protection ends and the investment security package takes effect.

What happens if Crowdstacker goes out of business?

In the unlikely event that Crowdstacker goes out of business, your Bonds would be administered by a back-up service provider in the normal way. You would continue to receive interest payments until maturity, when your capital is due to be repaid.

What security do I have if St Mark Homes becomes insolvent?

Please refer to page 18.

Risk factors:

In addition to the information set out in this document, the following specific risk factors should be considered carefully when evaluating whether to invest in Bonds issued by St Mark Homes.

If you are in any doubt about the contents of this document, or the action you should take, you are strongly recommended to consult a professional advisor, specialising in advising on Bonds, financial commitments and other such debt instruments.

The directors of St Mark Homes (the "Directors") believe the following risks to be significant for potential investors.

The risks listed, however, do not necessarily comprise all those associated with St Mark Homes and the St Mark Homes Bonds, and are not intended to be presented in any assumed order or priority. In particular, St Mark Homes performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

Not protected by the Financial Services Compensation Scheme

As with other investments, the Bonds are not protected by the Financial Services Compensation Scheme against loss.

Business risk

No assurances can be given as to the future performance of St Mark Homes and whether St Mark Homes will continue to achieve its business objectives. Prospective Bondholders/investors should be aware when considering the past performance of St Mark Homes that past performance is not a guide to future results.

There can be no guarantee that St Mark Homes will be profitable in the future. Performance depends on many factors including the value of the assets, market conditions, any related costs, the timing and management of the transactions, all of which may change over time.

Mitigation

St Mark Homes has over 18 years' history in residential-led property development and has been involved in over 20 profitable property developments. Since 2013 the firm has demonstrated an ability to grow the company's net assets by 181% and profits before tax by 250%. It therefore has an established business model and track record.

The firm has demonstrated a commitment to building profit, delivering real value for investors. Their highly experienced team has demonstrable competency in the areas of finance, property development, project appraisal and project delivery.

Management risk

Bondholders will not have the opportunity to fully evaluate for themselves relevant economic, financial and other information regarding St Mark Homes, and will be dependent on the judgment and abilities of the management. There is no assurance that the management will not make mistakes, accordingly, no person should invest in the Bonds unless willing to entrust all aspects of conducting the business of St Mark Homes to the management. Bondholders do not have any right to participate in the day-to-day management of St Mark Homes or business decisions.

Mitigation

St Mark Homes has over 18 years' history in residential-led property development and has been involved in over 20 profitable property developments. Since 2013 the management team has demonstrated an ability to grow the company's net assets by 181% and profits before tax by 250%. It therefore has an established business model and track record.

Illiquid asset risk

The Bonds are not traded on any market and as such are an illiquid asset. There is a risk that Bondholders will not be able to dispose of their Bonds to third parties. Therefore, it may not be possible to sell or realise St Mark Homes Bonds until they are repaid by St Mark Homes when the Bonds mature.

Mitigation

Crowdstacker will endeavour to make available a facility on its platform that gives Bondholders the ability to sell their Bonds to other members of the Crowdstacker community. However, there is no certainty or guarantee that Bondholders will find willing buyers for the Bonds at a price that Bondholders will find acceptable, and Bondholders may suffer a loss on disposal of their Bonds.

No certainty that Bondholders will be repaid at maturity

Risk

If St Mark Homes were to become insolvent, there is a risk that (a) the St Mark Homes Bonds will not be repaid in part or in full, and (b) some or all of the interest due on the St Mark Homes Bonds will not be paid in part or in full. There is no certainty or guarantee that any realisation of assets or the Security will be sufficient to enable St Mark Homes or, as the case may be the Security Trustee, to repay the St Mark Homes Bonds or St Mark Homes liabilities thereunder.

Mitigation

St Mark Homes Bonds are a debt of St Mark Homes Plc secured over all of its assets and undertakings which include the underlying loans against property and assets.

Profits on property sales impact the ability of the Company to make interest payments to lenders

Risk

Insufficient profit from property sales may impact the ability of the Company to pay interest to Bondholders, either as a consequence of not selling enough properties, or through profit margins diminishing.

Mitigation

Each property development is scrutinised before the decision is made to proceed. The St Mark Homes team works closely with valuers and sales teams to determine the value of the development after completion and evaluate the demand and sale price for the properties.

Construction delays or cost overruns

Risk

The Company may be exposed to delays beyond its control during the construction period.

Mitigation

While any construction project can be susceptible to delays or cost overruns, St Mark Homes has meaningful experience in managing construction projects and an experienced construction firm will be contracted for each development. Furthermore Barry Tansey, CEO of St Mark Homes, acts as project manager, overseeing all aspects of the construction program on each development alongside an independent monitoring surveyor appointed by the principal lender.

Availability of suitable property developments

Risk

The business of identifying the types of property developments targeted by the Company is competitive and involves a high degree of uncertainty. High levels of competition may result in the Company being unable to source suitable sites. Accordingly, there is no guarantee that the Company will be able to acquire such sites that match its acquisition criteria or fulfil its business objectives. This may lead to insufficient profits being available to pay interest.

Mitigation

The Company has built relationships over a number of years with many property agents and industry professionals to source suitable sites. The Company has successfully undertaken over 20 property developments, and currently has a planned pipeline of sites being evaluated.

Valuation

Risk

Property assets are difficult to value due to the heterogeneity of property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the sale price estimates resulting from the valuation process will reflect the actual sales price, even where such sales occur shortly after a property valuation.

Mitigation

Each property value is calculated using the standard RICS valuation by an independent surveyor. Therefore the risk of valuations that deviate substantially from market price is deemed low. There is also substantial research publicly available on UK residential property transactions, such as the Land Registry, which provide supporting evidence when making decisions on which properties to purchase.

Building defects

Risk

Properties can be subject to building defects, both in design and construction, and to a host of external factors such as dampness, wet rot and subsidence, which may affect the value of the properties and their marketability. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price.

Mitigation

The properties will be built by experienced construction firms, and each milestone payment will only be made once an independent monitoring surveyor has approved the completed work.

Planning issues and property title defects

Risk

There are many risks associated with buying development sites including planning risks, title and boundary issues, problems with rights of way, third party rights, issues with neighbours and the reliability of the information provided by sellers. There is therefore no guarantee that the property is free of such defects and encumbrances.

Mitigation

Each development site is purchased using solicitors highly experienced in property acquisitions and having professional indemnity insurance.

General risks

Macro-economic and political risks and changes in the general economic outlook, both in the UK and globally, may impact the performance of St Mark Homes and the property market. Such changes may include (but are not limited to):

Contractions in the UK economy, or increases in the rate of inflation, resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

Property market fluctuations that will affect market prices for properties;

New or increased government taxes, duties or changes in taxation laws; and

A prolonged and significant downturn in general economic conditions, may have a material adverse impact on St Mark Homes trading and financial performance.

Summary

The above risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in lending to St Mark Homes. Accordingly, and as noted above, additional risks and uncertainties not presently known to the Directors or that the Directors currently deem immaterial, may also have an adverse effect on St Mark Homes' business and prospects.

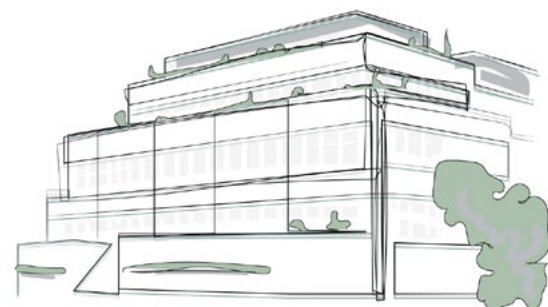
St Mark Homes Bonds may not be a suitable investment for all who review this Document.

Bondholders should take their own tax advice as to the consequences of St Mark Homes Bonds, and receiving interest payments from them.

The value of a bond may go down and you may receive back less than the full amount invested. In extreme circumstances, you may not receive any capital back at all. Losses on your capital may arise due to a combination of factors including an inability of the Company to raise borrowings or an inability to meet debt payments.

Other than the obligations and other covenants of St Mark Homes set out in this Document, no representation or warranty, express or implied, is given to the Bondholders by either St Mark Homes or the Directors and officers of St Mark Homes.

In particular but without limitation, no representation or warranty is given by any such person or entity as to (a) the tax consequences; (b) the regulatory consequences; and (c) the business and investment risks associated with acquiring, holding or disposing of the Bonds.



***This Document will be executed and dated before the Commencement Date**

The Bond

The Bond Instrument

This Bond Instrument is made the [] day of [] 2018*

Between:

1. St Mark Homes Plc

a company incorporated under the laws of England and Wales with registered number 03822978, whose registered office is at 1 Railshead Road, St Margarets, Old Isleworth, Middlesex, TW7 7EP ("the Issuer")

2. Crowdstacker Corporate Services Limited

a company incorporated under the laws of England and Wales with registered number 09471692 whose registered office is at 154 – 160 Fleet Street, London, EC4 2DQ ("the Security Trustee").

1. Definitions & interpretation

1.1. The following words have these meanings in this Deed:

Bond T&Cs:

The bond T&Cs annexed to this Deed;

Effective date:

The date of this Deed;

Key Commercial Terms:

The key commercial terms annexed to this Deed.

2. Coming into effect

2.1. This Deed comes into effect on the Effective Date.

3. Security trustee

3.1. As of the Effective Date the Issuer appoints the Security Trustee as the security trustee under this Deed.

4. Bond Instrument

4.1. The Issuer and the Security Trustee hereby constitute this bond instrument which is on the terms and incorporates the Bond T&Cs and the Key Commercial Terms.

5. Governing law & jurisdiction

5.1. This Deed shall be governed by, and construed in accordance with, the laws of England.

5.2. The Issuer irrevocably agrees for the benefit of the Security Trustee that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of, or in connection with, this Deed and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts.

In witness whereof the parties have each duly executed this as a deed the day and the year first before written

**[Execution Block
St Mark Homes Plc]**

**[Execution Block
Crowdstacker Corporate
Services Limited]**

KCTs

Key Commercial Terms

The Key Commercial Terms section sets out the main financial terms, parties and security that forms part of your Bonds. You need to familiarise yourself with the Key Commercial Terms and the Bond terms and conditions.

6% Fixed rate secured bond

2018 kct no. SM005

Name of issuer

St Mark Homes plc

Address of issuer

1 Railshead Road, St Margarets,
Old Isleworth, Middlesex, TW7 7EP

Commencement date

21st February 2018

Early repayment charge

None

Interest period

Quarterly

Interest rate

6% p.a.

Nominal amount

£1,000,000

Minimum raise

£500,000

Maximum raise

£4,000,000

Target raise

£3,000,000

Repayment date

30 months from the
commencement date

Custodian

Crowdstacker Limited

Permitted security interest

None

Security documents

Debenture over the assets,
property and undertaking of the
Issuer in favour of the Security
Trustee

T&Cs:

The Bond T&Cs

version 1/2017

1. Definitions & interpretation

1.1. The following words have these meanings in the Bond T&Cs unless a contrary intention appears:

Aggregate Nominal Amount
in respect of the Bonds in issue at any time the aggregate principal amount of such Bonds

Board
the board of directors of the Issuer from time to time

Bonds
the bonds of the Issuer constituted by and issued pursuant to the Bond Instrument up to the amount and on the terms defined in the Key Commercial Terms

Bondholder or Bondholders
the person(s) from time to time entered in the Register as the holders of the Bonds

Bond Instrument or Instrument
the deed executed by the Issuer and the Security Trustee incorporating these Bond T&Cs and the Key Commercial Terms and constituting the Bonds

Business Day
a day other than a Saturday or a Sunday on which clearing banks are open for business in London

Certificate
a certificate evidencing title to the Bonds substantially in the form set out in the Key Commercial Terms

Certificate Number
the reference number for a particular bondholder as set out in the Certificate

Client Money Account
the Custodian's segregated client bank account(s) opened with an authorised bank in the name of the Custodian and used for purpose of holding money on behalf of the members of Crowdstacker

Commencement Date
Being the date on which the Bonds are first issued

Comparable Bonds
all bonds which have from time to time been issued by the Issuer through the Crowdstacker Platform and that have the benefit of the Security

Crowdstacker
Crowdstacker Limited (company registration number 09056449) of 154 – 160 Fleet Street, London EC4A 2DQ

Crowdstacker Platform
the Crowdstacker Platform operated by Crowdstacker for the purpose of facilitating the issue of bonds between issuers and bondholders

Custodian
the custodian as defined in the Key Commercial Terms

Default Event
has the meaning given to that term in Clause 8.1 of this Instrument

Early Repayment Charge
the early repayment charge as defined in the Key Commercial Terms

Group Company
a company which is from time to time a parent undertaking or a subsidiary undertaking of the Issuer or a subsidiary undertaking of any such parent undertaking, and the terms "parent undertaking" and "subsidiary undertaking" shall have the meanings as set out in the Companies Act 2006

Indebtedness
any loan, borrowing or other form of indebtedness, whether secured or unsecured, and including without limitation monies borrowed and debit balances at banks or other financial institutions, any amount raised pursuant to any issue of bonds, notes, debentures, loan stock or any similar instrument, any amount raised under any other transaction having the commercial effect of a borrowing and any liability in respect of any guarantee or indemnity for any such amounts, excluding any trade creditors payable within 30 days or less;

Interest Payment Date
Up to 5 Business Days from the end of each Interest Period

Interest Period
The interest period as defined in the Key Commercial Terms

Interest Rate
The interest rate as defined in the Key Commercial Terms

Issuer
The issuer as defined in the Key Commercial Terms

Key Commercial Terms
the key commercial terms as set out in the Information Brochure and/or on the Website giving in particular details of the Issuer, the commencement date, the interest rate and the interest period, the security documents with its own unique KCT Number.

Maximum Raise
the maximum amount of subscription monies which shall not exceed the greater of the Sterling equivalent of €5m or such amount as it stipulated by Crowdstacker's credit committee

Minimum Raise
the minimum target amount of the Bonds that the Issuer is seeking to raise as defined in the Key Commercial Terms

Nominal Amount

the nominal amount of the Bonds as set out in the Key Commercial Terms

Observer

a person appointed under Clause 8.3

Permitted Security Interest

the permitted security interest (if any) as set in the Key Commercial Terms

Register

the register of Bonds maintained by the Issuer as provided for in Clause 15

Repayment Date

To be determined on the closing of each Bond issue or as set out in the Key Commercial Terms

Security

the security created by the Security Documents

Security Documents

the security documents effecting security over the assets of the Issuer or other parties granted to the Security Trustee and as set out in the Key Commercial Terms as security for the Liabilities of the Issuer to the Bondholders

Security Trustee

Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deed

Security Trust Deed

the deed by which the Security Trustee is appointed to hold the Security for the benefit of the Bondholders on the terms set out in that deed

Target Raise

the target amount of subscription monies that the Issuer is seeking to raise as defined in the Key Commercial Terms

Website

the Crowdstacker website at www.crowdstacker.com

1.2. In these Bond T&Cs, unless the contrary intention appears:

1.2.1. the singular includes the plural and vice versa and any gender includes the other gender;

1.2.2. 'person' unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);

1.2.3. a 'natural person' unless the context otherwise requires shall mean a human being, as opposed to a juridical person created by law;

1.2.4. a reference to:

1.2.4.1. a document means that document as amended, replaced or novated;

1.2.4.2. a statute or other law means that statute or other law as amended or replaced, whether before or after the date of this Bond Instrument and includes regulations and other instruments made under it;

1.2.4.3. a clause or schedule is a reference to a clause or a schedule in these Bond T&Cs; and

1.2.4.4. a month means a calendar month;

1.2.5. where the word 'including' or 'includes' is used, it is to be taken to be followed by the words: 'but not limited to' or 'but is not limited to', as the case requires;

1.2.6. where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;

1.2.7. headings are inserted for convenience and do not affect the interpretation of these Bond T&Cs.

2. Amount & status of the Bonds

2.1. The aggregate principal amount of the Bonds is limited to the Maximum Raise.

2.2. The Bonds shall only be capable of being issued in multiples of the Nominal Amount.

2.3. Subject to this Instrument, all of the Bonds as and when issued shall rank pari passu equally and rateably without discrimination or preference.

2.4. The Issuer shall not issue any Bonds while a Default Event has occurred and is outstanding without the prior written permission of the Security Trustee.

2.5. The Issuer shall not issue Bonds with an aggregate principal amount less than the Minimum Raise or in excess of the Maximum Raise.

3. Interest

3.1. Interest shall accrue on the principal amount outstanding from time to time under the Bonds at the Interest Rate on each Interest Payment Date in respect to each Interest Period.

3.2. Interest will be calculated on the basis of a 365 day year (or, in the case of a leap year, a 366 day year) and interest accrues from day to day.

3.3. The Issuer shall pay accrued interest on the Bonds at the Interest Rate on the relevant Interest Payment Date in immediately cleared funds to the Client Money Account on account of the persons who were registered as Bondholders at the close of business on the Interest Payment Date.

3.4. If the Interest Payment Date falls on a day which is not a Business Day, it shall instead be paid on the next Business Date in that calendar month if there is one or the preceding Business Day if there is not.

3.5. The Issuer shall promptly notify the Custodian if it has insufficient funds to make any interest payment on any Interest Payment Date.

3.6. If the Issuer fails to pay any amount of interest or principal on any Bonds when such amount is due, the rate of interest applicable to the principal due in respect of those Bonds and interest due thereon shall be 3% above the relevant Interest Rate for such Bonds from the date of default until the outstanding amount is paid in full (both before and after judgment).

4. Redemption of Bonds

4.1. On the Repayment Date the Issuer shall redeem the Bonds in an amount equal the outstanding Aggregate Nominal Amount of the Bonds.

4.2. All Bonds not previously repaid (in whole or in part) before the Repayment Date will be redeemed by the Issuer on the Repayment Date, at their Nominal Amount, together with interest accrued up to and including the Repayment Date by making payment in immediately cleared funds to the Client Money Account on account of the persons who were registered as Bondholders at the close of business 5 days before the Repayment Date.

4.3. All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made:

4.3.1. by bank transfer;

4.3.2. free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed, unless such withholding or deduction is required by law. In that event, the Issuer shall make such withholding or deduction and shall, where required, account to the relevant tax authority for such withholding or deduction. For the avoidance of doubt, in such circumstances, the Issuer shall not be required to increase or gross-up any payment of principal or interest made hereunder;

4.4. All Bonds redeemed by the Issuer pursuant to the terms of this Instrument will be cancelled and will not be available for reissue.

4.5. In the event that any income or other tax is deducted from a payment, the Issuer will issue by email to the Bondholders as soon as reasonably practicable, following 5th April in each calendar year, a certificate of deduction of tax in respect of the tax deducted or withheld.

4.6. Where any payment to a Bondholder, whether of principal interest or otherwise, is due in accordance with the terms of this Instrument on a day which is not a Business Day, payment shall take place on the preceding Business Day.

5. Pre-payment

5.1. The Issuer may at any time following the Commencement Date by giving the Security Trustee not less than one months' notice, pre-pay the principal amount of the Bonds and all Comparable Bonds together with interest accrued thereon and any Early Repayment Charge without penalty. The Issuer shall not be entitled to pre-pay just the Bonds without pre-paying the Comparable Bonds at the same time without the consent of the Security Trustee.

5.2. Any payment in reduction of the principal amount of the Bonds under the provisions of Clause 5.1 shall be made pro rata to all Bondholders of the Bonds and Comparable Bonds being pre-paid in proportion to the outstanding amount of the Bonds and Comparable Bonds held by each of them.

6. Undertakings

6.1. From and after the date of this Instrument and so long as any amount is payable by the Issuer in respect of the Bonds, the Issuer undertakes to each of the Bondholders that it will perform and observe the obligations imposed by this Instrument and the Security Documents and the Bonds shall be held subject to and with the benefit of the provisions of this Instrument and the Key Commercial Terms, which shall be binding on the Issuer and the Bondholders and all persons claiming through or under them. Each Bondholder shall be entitled to sue for the observance and performance of the provisions of this instrument so far as its holding of Bonds is concerned.

6.2. Without prejudice to the generality of the undertaking in Clause 6.1, from and after the date of this Instrument and so long as any amount is payable by the Issuer in respect of the Bonds, unless (and to the extent that) the Security Trustee (acting in its sole discretion unless stated otherwise below) agrees in writing otherwise, the Issuer undertakes to each of the Bondholders that:

6.2.1. it will carry on and conduct its business in a proper and efficient manner and will not make any change to the general nature or scope of its business as carried on at the date of this Instrument;

6.2.2. it will comply, in all respects, with all laws, if failure to do so has or is reasonably likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Instrument;

6.2.3. except for a Permitted Security Interest, the Issuer shall not sell or otherwise dispose (save for in the ordinary course of business) of any part of its assets without the prior written consent of the Security Trustee;

6.2.4. except for any Permitted Security Interest, it will not create, or permit to subsist, any security on or over any of its assets other than Security created pursuant to the Security Documents;

6.2.5. the Issuer shall not enter into any joint venture arrangement, merger or partnership without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed);

7. Warranties

7.1. The Issuer warrants to the Bondholder on the date of this Instrument, and at all times while such Bondholder holds Bonds, that:

7.1.1. it has the power and authority to enter into this Instrument and to issue the Bonds and to exercise its rights and perform its obligations under the Bonds;

7.1.2. it has taken all necessary corporate, shareholder and other action to authorise the execution, delivery and performance of this Instrument;

7.1.3. it has the power and authority to enter into the Security Documents and to exercise its rights and perform its obligations under the Security Documents;

7.1.4. it has taken all necessary corporate shareholder and other action to authorise the execution, delivery and performance of the Security Documents;

7.1.5. no Default Event is outstanding or would result from any Bondholder subscribing for the Bonds;

7.1.6. all information, in written or electronic format, supplied by the Issuer to Crowdstacker in connection with this Instrument was, at the time it was supplied or at the date it was stated to be given (as the case may be) was true, accurate and not misleading in any material respect, nor rendered misleading by a failure to disclose other information;

7.1.7. the execution, delivery and performance of this Instrument and the Security Documents does not and will not:

7.1.7.1. contravene any law, regulation, official or judicial order or any mortgage, bond or other instrument to which the Issuer is a party or which is binding on the Issuer or any of its assets;

7.1.7.2. require the consent of any third party;

7.1.7.3. conflict with the Issuer's constitutional documents;

7.1.7.4. result in the creation or imposition of (or enforceability of) any security interest on the whole or any part of the Issuer's undertaking or assets pursuant to the provision of any agreement or documents;

7.1.8. it is not subject to any material litigation, arbitration or administrative proceedings and to its knowledge no such proceedings are pending or threatened against its assets;

7.1.9. since the date of its last set of audited annual accounts, the Issuer has carried on its business in the ordinary and usual course and has not been subject to any event or circumstance which has resulted in a material adverse change in the assets, financial or trading position or prospects of the Issuer; and

7.1.10. it has been duly incorporated, constituted or amalgamated and is validly subsisting and is in good standing under the laws of the jurisdiction in which it is incorporated, constituted or amalgamated.

8. Default events

8.1. Notwithstanding Clause 4 and Clause 5 and subject to Clause all outstanding Bonds shall automatically become immediately

due and repayable, at the outstanding Aggregate Nominal Amount together with all accrued interest up to and including the date of redemption, on the happening of any of the following events (each a "Default Event"):

8.1.1. the Issuer fails to pay any principal monies or interest on any of the Bonds on the due date for payment thereof;

8.1.2. the Issuer fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest), including a breach of a warranty or undertaking under this Instrument, any of the Security Documents or any other agreement to which the Issuer is party that the Security Trustee considers in its sole discretion (acting reasonably) to be a material agreement of the Issuer, and if such breach is (in the reasonable opinion of the Security Trustee) is capable of remedy, such failure continues for ten Business Days after written notice has been given by the Security Trustee requiring remedy thereof;

8.1.3. any Indebtedness of the Issuer or of a Group Company is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity or any creditor of the Issuer becomes entitled to declare any such Indebtedness due and payable prior to its specified maturity;

8.1.4. the Issuer ceases to carry on the business it carries on at the date of this Instrument or a substantial part thereof;

8.1.5. it is or will become unlawful for the Issuer to perform or comply with any of its obligations under this Instrument, the Bonds or the Security Documents, or any such obligation is not or ceases to be legal, valid and binding;

8.1.6. an event occurs (or circumstances exist) which, in the reasonable opinion of the Security Trustee, has or is reasonably likely to materially and adversely affect the ability of the Issuer to perform or comply with all or any of its obligations under this Instrument, the Bonds or the Security Documents;

8.1.7. an order is made or an effective resolution passed for winding-up or liquidation of the Issuer (otherwise than for the purposes of or in the course of a solvent re-organisation, reconstruction or amalgamation); or

8.1.8. an encumbrancer has taken possession of or if a receiver, administrative receiver, liquidator, judicial factor or other similar officer is appointed to take possession of the whole or any material part of the property or undertaking of the Issuer and in any such case is not discharged, withdrawn or removed within 14 days of possession being taken or an appointment being made provided that at all times during such period the Issuer is contesting such possession or appointment in good faith and diligently; or

8.1.9. any administration order or any administration application has been made in respect of the Issuer; or

8.1.10. any procedure or step analogous to the events set out in Clause 8.1.7 to Clause 8.1.10 (inclusive) is taken in any jurisdiction.

8.2. Upon the Issuer becoming aware that a Default Event has occurred or may occur it undertakes to immediately notify the Security Trustee.

8.3. If a Default Event occurs or, in the reasonable opinion of the Security Trustee, may occur, the

Security Trustee shall, for as long as the Default Event is continuing or the Security Trustee reasonably believes may occur, have the right to appoint an Observer to the Board by notice in writing to the Issuer which shall take effect immediately. For the avoidance of doubt, the Security Trustee shall be under no obligation to appoint an Observer pursuant to its right to do so under this Clause 8.3.

8.4. An Observer appointed by the Security Trustee under Clause 8.3. shall have:

8.4.1. the right to attend and speak at all meetings of the Board and any committees of the Board and to be paid his reasonable costs and expenses for such attendance;

8.4.2. the right to be given all information that the Board or any committee would be entitled to receive and shall be entitled to receive at the same time as the Board would be entitled to receive it; and

8.4.3. the right to pass on such information to the Security Trustee.

9. Security & enforcement

9.1. The obligations of the Issuer under this Instrument shall be secured pursuant to the Security Documents and all such interests and rights under the Security Documents shall be held on trust by the Security Trustee for the benefit of the Bondholders pursuant to the terms of the Security Trust Deed. By acquiring any Bonds either by subscription, transfer or transmission, each Bondholder shall be deemed to have irrevocably appointed the Security Trustee to act as its trustee under the terms of this Instrument and the Security Documents.

9.2. The Security Trustee holds the rights titles and interests under the Security Documents and the proceeds of the Security Documents upon trust for the Bondholders and the rights obligations and benefits vested in the Security Trustee may be exercised at the absolute discretion of the Security Trustee and the Security Trustee may take such action (including enforcement) in the exercise of its duties as it consider appropriate in its absolute discretion.

9.3. The Bondholders shall not have any independent rights, powers or authority to enforce or have recourse to the Security Documents or to exercise rights or powers pursuant to the Security Documents.

10. Security trustee limitations

10.1. The Security Trustee is not responsible to any Bondholder for any failure in perfecting or protecting any Security, or recovering or realising any assets of the Issuer or any other company providing Security, or exercising any rights under the Security Documents or the Instrument unless directly caused by its gross negligence or wilful misconduct. This includes any failure to:

10.1.1. make any necessary registration, recording or filing of or otherwise protect the relevant Security or the priority of any of the Security under any law in any jurisdiction; or

10.1.2. give notice to any person of the execution of any Security Document; or

10.1.3. obtain any authorisation for the execution, delivery, legality, validity, enforceability; or admissibility in evidence of any of the Security Documents or the Security; or

10.1.4. take, or require any obligor to take any steps to perfect its title to any of the assets that are secured under the Security Document or to render the Security effective or to secure the creation of any ancillary security interest under the laws of any jurisdiction; or

10.1.5. promptly pay the Bondholders; or

10.1.6. obtain market value on the realisation of any assets subject to the Security Documents.

10.2. The Security Trustee shall not be obliged to make any enquiry as to any default by the Issuer or any other company providing Security in the performance or observance of any provision of the Security Documents.

11. Non-conversion

11.1. Neither the principal amount of the Bonds nor any accrued interest thereon shall be capable of conversion into shares or other securities in the Issuer.

12. No set-off

12.1. Payments of principal and interest under this Instrument shall be paid by the Issuer to the Bondholders via the Client Money Account and the Bonds shall be transferable in accordance with the provisions of this Instrument, without regard to any set-off, cross-

claim between the Issuer and the original or any intermediate Bondholder.

13. Certificates & transfers

13.1. The Bonds shall not be issued or registered in the names of more than one Bondholder.

13.2. The Bonds (or any of them) may be issued or held either in uncertificated form or, subject to the consent of the Issuer and Crowdstacker (which may be given generally) in certificated form.

13.3. Each Bondholder who holds Bonds in certificated form shall be entitled to receive without charge one Certificate for all of the Bonds registered in his name. Each Certificate for Bonds shall bear a Certificate Number.

13.4. The Bonds in certificated form are transferable in whole or (in amounts and integral multiples of the Nominal Amount) in part by instrument in writing in the usual common form or such other form as the Board may approve and such instrument shall confirm that the transferee agrees to acquire the Bonds subject to the terms of the Security Documents.

13.5. Every such instrument of transfer shall be signed by the transferor (and if necessary by the transferee), or (where the transferor is a corporation) executed in any manner authorised by the Companies Act 2006. The transferor shall be deemed to remain the owner of the Bonds to be transferred until the name of the transferee is entered in the Register in respect of them.

13.6. Every instrument of transfer shall be lodged for

registration at the place where the Register is kept for the time being, and shall be accompanied by the Certificate to be transferred and such other evidence, if any, as the Security Trustee may require to prove the title of the transferor or his right to transfer the Bonds (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). Where some only of the Bonds comprised in a Certificate are transferred, the Certificate shall be cancelled and a single new Certificate for the balance of such Bonds issued in lieu without charge. Except as provided in this Instrument, every instrument of transfer completed and lodged in accordance with this Instrument shall be entered in the Register and the name of the transferee shall be entered in the Register as the new holder of the Bonds transferred to him. The transferee shall be issued with a new Certificate in respect of the Bonds transferred.

13.7. The Security Trustee may in its absolute discretion refuse to register the transfer of any Bonds if:

13.7.1. it is in favour of more than one transferee; or

13.7.2. it is in favour of a minor, bankrupt or person of mental ill-health; or

13.7.3. in the Security Trustee's opinion, registration of the transfer would contravene the law in any jurisdiction.

13.8. If the Security Trustee refuses to register a transfer they shall, within two months after the date on which the transfer was lodged, send the transferee(s) written notice of the refusal

13.9. When a Bondholder transfers or redeems part only of his Bonds, the old certificate shall be cancelled and a new certificate

for the balance of such Bonds shall be issued without charge.

13.10. If the certificate for any Bonds is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Board may require. In the case of defacement the defaced certificate shall be surrendered before the new certificate is issued.

13.11. The provisions of Clauses 13.11 to 13.14 have effect subject to the relevant legislation and rules. In relation to any Bonds which, for the time being, have been admitted to settlement by means of uncertificated form, and for so long as such Bonds remain so admitted:

13.11.1. to the extent that any provision of this Instrument is inconsistent with the relevant legislation and rules or the transfer and settlement of such Bonds in uncertificated form then the relevant legislation and rules shall prevail and such provisions of this Instrument shall be deemed to be amended accordingly;

13.11.2. the Board of the Issuer shall have the power to implement any procedures they in their absolute discretion may think fit and as may accord with the relevant rules for the recording and transferring of interests in the Bonds in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved with their operation;

13.11.3. the Issuer shall have the specific powers to elect, without further consultation with the Bondholders, that the Bonds become capable of being held, traded and settled in uncertificated form in accordance with the relevant legislation and rules irrespective of the provisions of this Instrument, and the Issuer

may without the consent of the Bondholders amend the conditions and the terms of this Instrument to facilitate such holding, trading and settlement;

13.11.4. the Issuer shall not be obliged to issue a Certificate in respect of such Bonds, and any reference in this Instrument to a Certificate in respect of any such Bonds shall be interpreted as a reference to such form of evidence of title to uncertificated securities as the relevant legislation and rules prescribe or permit;

13.11.5. title to such of the Bonds as is recorded on the Register as being held in uncertificated form may be transferred only by means of the relevant system applicable to the Bonds and, accordingly (and in particular), the registration of title to and transfer of interests in such Bonds shall be effected in accordance with the relevant legislation and rules, and there shall be no requirement for a written instrument of transfer;

13.11.6. any communication required or permitted by this Instrument to be given to a Bondholder by the Issuer or to the Issuer by a Bondholder may be given in accordance with and in any manner (whether or not in writing) prescribed by the relevant legislation and rules;

13.11.7. every transfer of Bonds from an uncertificated account in such relevant system of an uncertificated Bondholder to an account of another uncertificated Bondholder shall vest in the transferee a beneficial interest in the Bonds transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each uncertificated Bondholder who is for the time being registered as the holder of any Bonds shall hold such Bonds upon trust for himself

and for those persons (if any) whose uncertified accounts in the relevant system are duly credited with any such Bonds or in favour of whom Bonds are to be withdrawn from such relevant system pursuant to a settled withdrawal instruction; and

13.11.8. the Bondholder and all such persons, to the extent respectively of the Bonds duly credited to their respective uncertified accounts or the subject of a settled withdrawal instruction, shall accordingly have beneficial interests therein;

13.12. The Board of the Issuer shall have power to take such steps as they think fit in relation to;

13.12.1. the evidencing of and transfer of interests in the Bonds in uncertificated form (including in connection with the issue of such Bonds);

13.12.2. any records relating to the holding of Bonds in uncertificated form; and

13.12.3. the conversion of Bonds in certificated form into Bonds in uncertificated form, and the conversion of Bonds in uncertificated form into Bonds in certificated form.

13.13. The Issuer may by notice to a Bondholder (subject to the consent of the Security Trustee) require that Bonds:

13.13.1. if they are in uncertificated form, be converted into certificated form, and

13.13.2. if they are in certificated form, be converted into uncertificated form, to enable it to be dealt with in accordance with this Instrument, the relevant legislation and rules and the articles of association of the Issuer.

13.14. Unless the Issuer otherwise determines, Bonds which a Bondholder holds in uncertificated form must be treated as separate holdings from any Bonds which that Bondholder holds in certificated form.

13.15. If any of the Bondholder's Bonds are due to be redeemed under any of the provisions of this Instrument, the Bondholder shall, if requested by the Issuer, deliver up to the Issuer (at its Registered Office or to its Registrar as the Issuer may direct) the Certificate(s) for the Bonds which are due to be redeemed in order that the same may be cancelled and, upon such delivery (if so requested by the Issuer), the Issuer shall pay the relevant redemption amount to the Bondholder.

13.16. If any of the Bondholder's Bonds are liable to be redeemed under any of the provisions of this Instrument, and, following a request by the Issuer, it fails to or refuses to deliver up the Certificate(s) for such Bonds at the time and place fixed for the redemption of such Bonds, then the Issuer may set aside the relevant amount due to the Bondholder, pay it into a separate interest-bearing bank account which shall be held by the Issuer in trust for the Bondholder (but without interest (save as may accrue in such account)) and such setting aside shall be deemed, for all purposes of this Instrument, to be a payment to the Bondholder and the Issuer shall thereby be discharged from all obligations in connection with such Bonds. If the Issuer shall place such amount on deposit at a bank, the Issuer shall not be responsible for the safe custody of such amount or for any interest accruing on such amount in such account.

14. Transmission

14.1. Any person becoming entitled to Bonds as a result of the death or bankruptcy of a holder of Bonds or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence as reasonably required by the Board, be registered as the holder of such Bonds.

14.2. In the case of death of a registered holder of Bonds, the only persons recognised by the Issuer as having any title to the Bonds are:

14.2.1. the executors or administrators of a deceased sole registered holder of Bonds or such other person or persons as the Board of the Issuer may reasonably determine; and

14.2.2. the beneficiary of a deceased Bondholder properly entitled by virtue of a certificate from the executor or personal representative of the deceased Bondholder.

15. Register of the Bonds

15.1. The Security Trustee will at all times keep at its Registered Office, or at such other place as the Issuer and/or Security Trustee may have appointed for the purpose (including by electronic means via its Registrar), a register showing:

15.1.1. the Nominal Amount of the Bonds held by the Bondholder;

15.1.2. the certificate number of each Bond issued;

15.1.3. the Date of Issue and all subsequent transmissions of ownership; and

15.1.4. the name and address of the Bondholder.

15.2. The Bondholder may at all reasonable times during office hours inspect his, her or its details entered in the Register and take copies of such details from the Register.

15.3. The Register may be closed by the Security Trustee for such periods and at such times as it thinks fit but not more than 30 days in any calendar year.

15.4. Any change of name or address on the part of the Bondholder must be notified to the Security Trustee (or to the Registrar, as the Security Trustee may direct) and the Register will be altered accordingly.

15.5. Upon request by the Issuer, the Security Trustee shall provide the Issuer with a copy of the Register as soon as reasonably practicable.

16. Notice

16.1. Any notice or other communication to be given under this Instrument must be in writing and will be served by delivering it personally or sending it by pre-paid post or by email (to the Bondholder only) to the address or email address, as applicable, and for the attention of the relevant party notified by that party. Any notice will be deemed to have been received:

16.1.1. if delivered personally, at the time of delivery;

16.1.2. in the case of pre-paid post, 48 hours from the date of posting;

16.1.3. in the case of email, on the Business Day following the day on which it was transmitted.

16.2. If deemed receipt occurs before 9am on a Business Day the notice is deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm, the notice is deemed to have been received at 9am on the next Business Day.

16.3. The addresses of the parties for the purposes of the Instrument are as set out in the Register from time to time, and in the case of email addresses as advised by the Bondholder from time to time, or such other address or email address as may be notified in writing from time to time by the relevant Bondholder to the Issuer.

16.4. For the avoidance of doubt, only the Security Trustee is permitted to serve a valid notice on a Bondholder by letter or email.

17. Registrar

17.1. At any time if agreed between the Security Trustee and the Issuer, the Issuer agrees to enter into such agreement and other documentation as may reasonably be required by the Security Trustee to appoint a Registrar in respect of the Bonds.

17.2. The Issuer shall promptly pay all reasonable costs and expenses of a Registrar.

17.3. The Issuer will not amend, vary, novate, supplement, supersede, waive or terminate any term on which any Registrar is appointed except in writing:

17.3.1. in a way which corrects a manifest error; or

17.3.2. with the prior written consent of the Security Trustee.

17.4. The Issuer shall promptly supply to the Security Trustee a copy of any document relating to the appointment of any Registrar.

18. Third party rights

18.1. Save for the rights of the Bondholders and the Security Trustee, unless expressly provided to the contrary in this Instrument or the Bonds:

18.1.1. a person who is not a party to this Instrument or the Bonds has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Instrument, the Bonds; and

18.1.2. the consent of any person who is not a party to this Instrument or the Bonds is not required to rescind or vary this at any time.

19. Miscellaneous

19.1. The Issuer shall not be entitled to assign or otherwise transfer its rights and benefits under this Instrument or any document entered into pursuant to this Instrument without the prior written consent of the Security Trustee.

19.2. If any term or provision in this Instrument shall in whole or part be held to any extent to be illegal or unenforceable under any enactment or rule of law that

term or provision or part shall to that extent be deemed not to form part of this Instrument and the enforceability of the remainder of this Instrument shall not be affected.

19.3. Notwithstanding that the whole or any part of the Instrument may prove to be illegal or unenforceable, the other provisions of the Instrument and the remainder of the provision in question shall continue in full force and effect. In relation to any illegal or unenforceable part of the Instrument, the Issuer and the Security Trustee (on behalf of the Bondholders) agree to amend such part in such manner provided that such proposed amendment is legal and enforceable and to the maximum extent possible carries out the original intent of the Instrument in relation to that part.

19.4. A waiver of any right under the Instrument is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given or as set out in the Key Commercial Terms. The Security Trustee shall be entitled to give a waiver on behalf of the Bondholders. Any waiver by either the Issuer or the Security Trustee on behalf of the Bondholders shall not be considered to be a waiver of any other or later breach of the same, of any other provision of the Instrument.

20. Modification

20.1. The Security Trustee may from time to time and at any time without any consent or sanction of the Bondholders concur with the Issuer in making any modification to this Instrument and the Key Commercial Terms which in the opinion of the Security Trustee is

not materially prejudicial to the interests of the Bondholders, or is for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or therein or is of a formal, minor or technical nature.

Any such modification shall be binding on the Bondholders and, unless the Security Trustee otherwise agrees, the Issuer shall cause notice of such modification to be given to the Bondholders as soon as practicable thereafter.

21. Restrictions

21.1. In entering into this Instrument the Issuer agrees that it will not borrow any monies from its directors, officers, members, partners, shareholders or any other third party that ranks in priority of recovery to the Bonds. In the event that the Issuer does enter into any such loan, the rights to payment of that loan will be subordinated behind the Bonds, except to the extent otherwise required by insolvency law.

21.2. In entering into the Instrument, the Issuer agrees that it will not enter into any other new borrowing arrangement (or any arrangement having the effect of a borrowing) with any third party where the total amount of external finance raised from third parties would as a result exceed 30% of the Aggregate Nominal Amount of all Bonds facilitated through the Crowdstacker Platform without the prior written consent of the Security Trustee. Such consent shall not be unreasonably withheld. This clause shall not restrict the Issuer from entering into asset-specific financing or invoice purchasing arrangements.

22. Costs & Expenses

22.1. Save as set out in the Security Trust Deed the Issuer shall pay the costs, charges and expenses relating to the execution and implementation of this Instrument.

23. Governing Law & Jurisdiction

23.1. This Instrument and each of the Bonds and any disputes arising out of them (whether contractual in nature or not) are governed by and shall be construed in accordance with the law of England and Wales.

23.2. Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or in connection with this Instrument.

Risk

Risk warnings

The Crowdstacker platform matches businesses looking to borrow with investors looking to invest.

Although investing can be rewarding, it may involve a number of risks. If you choose to invest through Crowdstacker, you need to be aware of four important considerations:

1. Loss of capital

All investment involves an element of risk. Past performance of any company, including those with good cash flow and a healthy balance sheet, may not be a good guide to their successful performance in the future. Lending to businesses via bonds, loan notes and peer to peer loans can lead to a loss of your capital if they default. You should not invest more money than you can afford to lose.

2. Illiquidity

Any investment you make through Crowdstacker will be highly illiquid. There is currently no active secondary market, although investments are transferable if you can find a willing transferee. Even for a successful investment that is being repaid on time, the underlying principal debt you have invested may not be accessible to you until the investment expires. In particular, if you are over the age of 60 at the time of investing you should consider the effect this illiquidity could have on your lifestyle.

3. Diversification

Lending to businesses via bonds, loan notes and peer to peer loans should be done as part of a diversified portfolio. This means that you should invest small amounts in multiple asset classes as opposed to a large amount in one or a few. You should also invest only a small proportion of your investable capital in this asset class, with the majority of your investable capital invested in safer, more liquid assets. You can further diversify by lending to multiple businesses on the Crowdstacker platform as opposed to just one.

4. Tax

You are responsible for the administering of your own tax affairs, which may include capital gains and income tax. We do not provide tax advice, and you should seek this independently before investing if you are unsure of your position. It is your responsibility to ensure that your tax return is correct and is filed by the deadline and any tax owing is paid on time. If you are unsure how this investment will affect your tax status, you must seek professional advice before you invest.

Please note that investing through Crowdstacker is not covered by the Financial Services Compensation Scheme.



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