



# Clearwell Capital

Information Brochure



# Disclaimer

This disclaimer is important and requires your immediate attention. This document (the "Information Brochure" or "Document") constitutes the basis upon which you subscribe for Clearwell 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 32). Please pay attention to the "Risk Factors" on pages 27, 28, 29 and 30 of this Document.

You should carefully consider whether Clearwell Bonds are a suitable financial commitment for you to make in the light of your personal circumstances. You could lose all your money invested in this product. This is a high-risk investment and is much riskier than a savings account.

Investing in a bond of this nature involves a degree of risk. It may not be possible to sell or realise the Clearwell Bonds before they mature or to obtain reliable information about the risks to which they are exposed.

Clearwell Bonds will be a debt of Clearwell Finance 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 Clearwell Finance Plc to repay all or part of the Bonds or Clearwell Finance Plc's liabilities thereunder.

You should ensure that you have read and understood this Document in its entirety before agreeing to invest in Clearwell 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 advisor 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 Clearwell Finance Plc, which accepts responsibility for the information it contains.

This Document has been approved as a financial promotion for UK publication by Crowdstacker Limited, 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.

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# Definitions

## Bond Instrument

The Bond Instrument consisting of the Bond T&Cs and the Key Commercial Terms by which Clearwell Finance Plc is willing to issue Bonds

## Bond T&Cs

The terms and conditions applicable to each Bond as set out in this Document, forming part of each Bond Instrument

## Bondholders

Persons who subscribe for and are issued with Bonds by the Issuer under the terms of the Bond Instrument

## Clearwell Bond or Bonds or Bond

Bond of Clearwell Finance Plc constituted by and issued pursuant to the terms of the Bond Instrument

## Clearwell Finance or Company

Clearwell Finance Plc

## Clearwell Capital or Clearwell

Clearwell Capital Group Limited including its wholly owned subsidiaries Clearwell Capital Limited and Clearwell Finance plc

## Crowdstacker

Crowdstacker Limited, an electronic lending platform that is authorised and regulated by the FCA

## Custodian

Crowdstacker Limited

## FCA

Financial Conduct Authority

## Guarantor

Clearwell Capital Group Limited

## Information Brochure or Document

This document

## Issuer

Clearwell Finance Plc

## Key Commercial Terms

The key commercial terms set out in this Document on page 32, including details of the Interest Rate, the Commencement Date and the Repayment Date

## Security

Debenture over the assets of Clearwell Finance and guarantee from the Guarantor.

## Security Trust Deed

The deed between the Security Trustee and Clearwell Finance, by which the Security Trustee holds the Security on trust for the benefit of Bondholders

## Security Trustee

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

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## The Clearwell Bonds

# A word from our chairman

Clearwell provides financial solutions to smaller property developers. Following the financial crisis in 2008, many of these developers have found access to funding far more difficult as they fall outside the conservative lending criteria of mainstream banks.

By focusing on smaller loans than our competitors and applying a quantitative approach to loan selection, Clearwell has been able to achieve high returns and offer great diversification.

We first raised a funding level of £4.1m from 601 investors through Crowdstacker in 2018 and this funding was fully deployed shortly after. We are now starting to see the completion of the developments and the investment has directly supported over 131 new homes.

The funds raised via the first bond are now fully deployed with some of those funds now being repaid by borrowers.

In total Clearwell has now funded 58 projects across the UK. Our loan book grew 72% Year on Year (YoY) to £11.5m. Total assets grew 49% YoY to £12.9m. The business is growing well and we have a strong new business pipeline.

The model works and we therefore want to continue our growth by raising a further £2.5m by issuing a new series of Bonds through the Crowdstacker platform. We are offering investors an option of either fixed 6.75% p.a. gross return over 18-months or a fixed 7.25% p.a. gross return over a three-year term.

It's a pleasure to be able to write to you again so soon after our last bond and invite you to join me in helping this growing business continue to support smaller developers addressing the UK's housing shortage.



**Mark Jannaway,**  
Non-Executive Chairman

# The Clearwell Bonds

The Clearwell Bonds are issued by Clearwell Finance Plc with an initial combined target raise of £6.5m.

This is an investment that gives you the option of either a fixed interest rate of 6.75% p.a. over an 18-month term or a fixed interest rate of 7.25% p.a. over a three-year term.

The minimum investment is £250 and interest is paid monthly.

As a Bond this investment is eligible to be held as part of your annual ISA Allowance and it is possible to transfer in previous years ISA money from your existing ISA investments.

The Bonds will be secured over the assets, property and undertakings of Clearwell Finance Plc via a first ranking debenture given to the Security Trustee on your behalf. There is an additional guarantee from Clearwell Capital Group Ltd.

**In addition to the interest, a combination of an upfront fee of to 4.5% or £4.5 for every £100 raised and an annual administration fee of up to 0.5% or £0.5 for every £100 raised will be paid to Crowdstacker.**

## The Clearwell Bonds

# The business case for Clearwell

Clearwell is a growing business which specialises in providing funding to small property developers. We have conducted a review of our competitors which has led management to believe that the Company is positioned in an underfunded market segment, with little competition.

We focus on small property developers because we feel the variety and quality of developments created by these smaller developers contributes to a more diverse and colourful architectural landscape.

Since the global financial crisis ten years ago many developers have struggled to access funding for projects, despite presenting a strong business case.

In 2008, small developers accounted for 28% of total developments. By 2015 they accounted for only 12%\*.

It is Clearwell's aim to support small property developers with the funding they require to build new homes, while following a robust risk management process and minimising risk exposure to the Company and its investors.

We do this by predominantly supplying "Mezzanine" finance to developers. More recently we have also introduced a small senior finance offering to further complement our loan book.

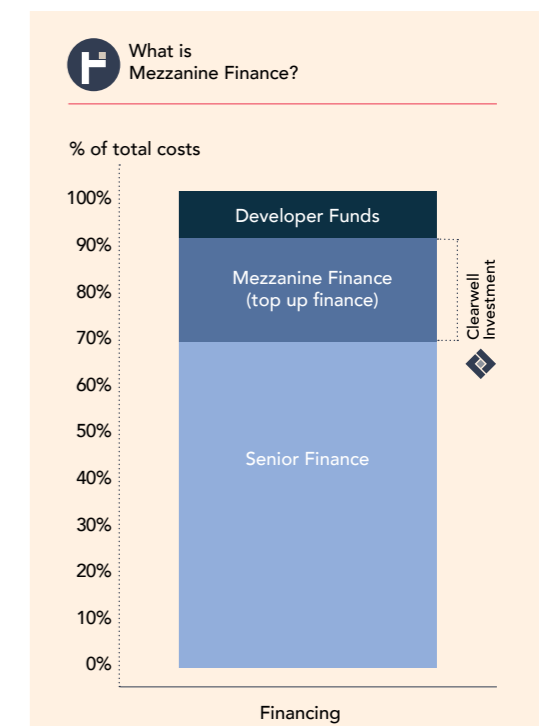
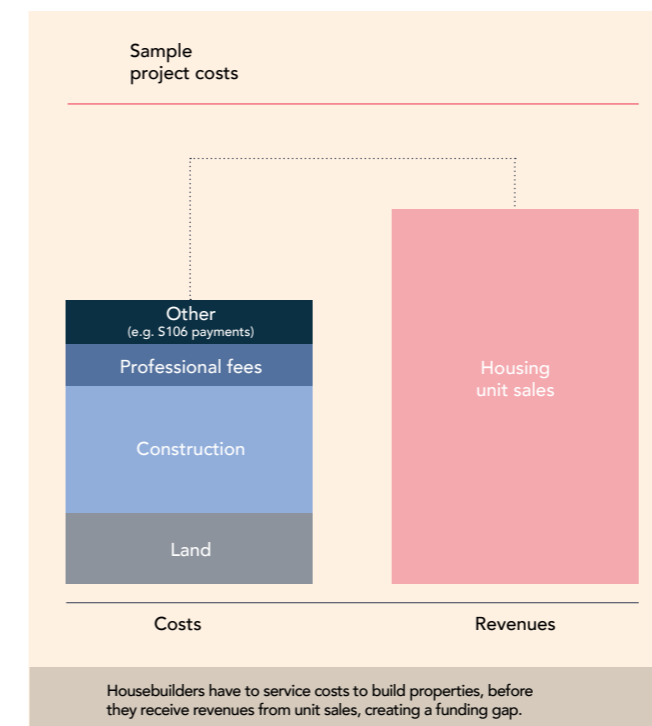
Mezzanine finance is a riskier type of funding than senior loans as they take lower priority in repayment, but this is compensated for by having higher expected returns.

The average Loan to Gross Development Value ratios (a key measure of risk) on Clearwell's loans is 65%.

This track record is demonstrated by our delivery of an Internal Rate of Return (IRR) of 19% across loans that have repaid thus far, close to Clearwell's target of 20%.

Since May 2013, Clearwell has provided over £19m in finance to support the construction of 578 homes in 58 separate projects across the UK. Of these projects, 34 are now redeemed.

(As of 31st Oct 2019) Clearwell advanced £8.9m of funds on these 34 projects and received £11.4m in return. This represents a total return of £2.5m.

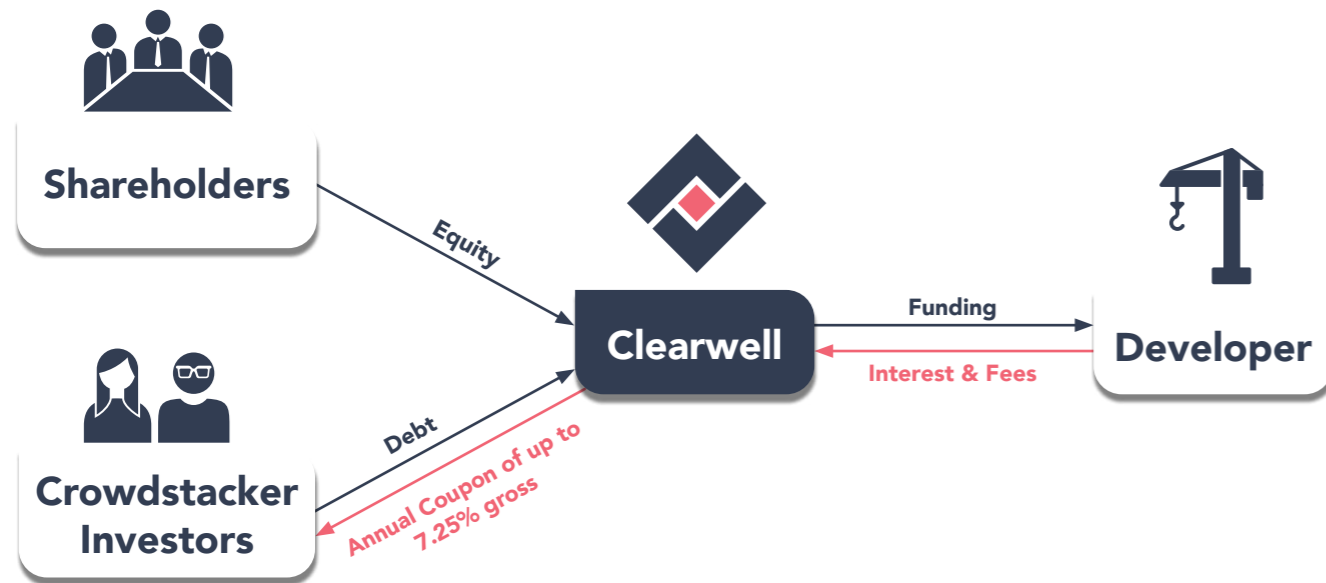


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\*Source: NHBC Registrations, Great Britain.

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## How Clearwell works



The Clearwell Bonds

## How Clearwell makes money

Clearwell generates revenue from its lending through charging developers interest and fees in return for the provision of funds.

We target returns of 20-25% p.a. on each of our investments and fund lending by raising capital through a mix of debt and equity with a ratio of 70% senior debt to 30% equity and subordinated debt.

Profits have been retained within the company, providing a growing equity base to support further lending.

Operating costs are small relative to funding costs and we aim to keep operating costs low by maintaining a small and focused team.

### The Process of Working with Developers

Clearwell provides finance to property developers to facilitate the construction of residential housing only.

The problem faced by developers when building residential housing is that they are required to pay the costs of land, building materials, labour, etc. before they receive money from its sale.

A bank or other senior lender will not normally finance the full costs of a project, expecting the developer to fund the remainder themselves. It is not always the case that developers will have all of these

funds in the bank, hence they will turn to Mezzanine finance providers to bridge this gap and make the project possible.

Clearwell provides this funding and receives a second charge behind the senior lender over the property as security.

Clearwell typically provides Mezzanine finance, topping up senior debt from around 70-80% of the project costs to 90% of project costs.

Total funding from Clearwell Finance and senior lenders will be capped at 70% of the project's Gross Development Value for 80% of the projects funded by Clearwell Finance and at 75% for all projects.

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## How Clearwell works



The Clearwell Bonds

## How we run our business

To decide which developers and developments, to work with, we have adopted the Monte Carlo risk analysis model. This simulates a range of potential outcomes and enables us to make a judgement based on a wider appreciation of potential situations rather than just a single view of one average outcome.

In addition to this quantitative screening, Clearwell applies more traditional risk management approaches including, face to face site visits with developers, counterparty experience and risk assessments and third party cost and valuation reports by qualified surveyors.

To assist in identifying the best opportunities we have built up a network of trusted brokers, developers and complementary senior lenders through which loans are originated.

We believe that speed and certainty are more important to our clients than price. Thus by providing a faster turnaround when processing applications and a direct communication between decision makers and clients we can attract higher quality clients and win business at above market rates.

Clearwell monitors its loans from initial advance through to repayment by tracking the construction progress and subsequent sales on a monthly basis, taking action where necessary to best ensure timely completion and repayment in full.

Additionally, we seek to actively manage the risk of lending through our business model. We believe better lending decisions are made when the decision maker retains the risk of lending. Any loan loss is borne first by the Clearwell shareholders who are also Directors.

As shareholders, the decision makers at Clearwell benefit principally from growing the equity value of the business rather than through salary or origination fees.

Clearwell feels that this business model is best placed to protect Bondholders as well as creating an environment focused on long term stability and growth.

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# How we finance our business

Clearwell offers Mezzanine finance to developers and this finance is funded by Clearwell through a combination of 70% of senior debt, and 30% of equity or subordinated debt. We are seeking to raise a further £4.5m of new senior debt from Crowdstacker investors.

unsecured subordinated debt and £712,000 of equity.

These funds have already been advanced on 31 projects across the UK to fund the construction of over 300 new homes.

This means that the Clearwell Bonds will rank equally with the existing c.£6.9m of senior secured bonds.

The Company expect to repay these bonds through development loan repayments.

Clearwell Finance plc has raised £10.2m of funding since its inception in May 2017, comprising £6.85m of senior secured bonds, £2.65m of

All bonds issued by Clearwell Finance will rank pari passu with each other in all aspects including priority of payments.



## Clearwell Group Portfolio



### Portfolio (live)

Altrincham  
Antrim Road,  
Belfast  
Braintree Riverside  
Burnham  
Bury St Edmunds  
Crendon  
Chippenham  
Drumbane Road,  
Ulster  
Dunmow  
Farningham  
Fareham  
Harleston  
Hextable  
Heybridge

Holloway Road  
Leyton  
Louth  
Newcastle  
Purley  
Southampton Lawn  
Road  
St Agnes  
Wretham  
Wretham Phase 2  
Weymouth  
Westgate on Sea



### Track Record (repaid)

Bisley  
Bidston  
Braintree Edinburgh  
Gardens  
Braintree South  
Street  
Brondesbury Villas  
Burns Road  
Coventry – Gosford  
Coventry Sovereign  
Deptford  
Dropmore Road  
Etchingam  
Gravesend  
Helensburgh  
Hemel Hempstead  
Ifold  
Kenilworth

Kegworth  
Kenninghall  
Kettering  
Lincoln Road  
Moggerhanger  
Norwich Common  
Parkgate  
Prestbury  
Pritchard Street  
Shirley  
Telegraph Hill  
Twickenham  
Warrington  
Whitstable  
Wicklewood  
Upton Upon Severn

# Past success stories

## 1. Burnham Market

Norfolk, PE31

## 2. Upton upon Severn

Worcestershire, WR8

## 3. Wretham

Thetford, Norfolk, IP24

## 4. Harleston

Norfolk, IP20

## 5. Braintree

Essex, CM7





The Clearwell

## Burnham Market

Norfolk, PE31

Clearwell provided £493K for the purchase of the property in January 2018. The site is situated in the Centre of Burnham Market which is one of Norfolk's most popular villages. The development involved the construction of four large five-bedroom semi-detached houses with an expected value at completion of £4.5m. Construction is complete and one house is sold, with the remaining three on the market. The developer has 10+ years of property development experience.



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The Clearwell Bonds

## Upton upon Severn

Worcestershire, WR8

Clearwell provided £120k towards the purchase of the site in April 2018. The borrower had a long career at large house builders including Taylor Wimpey and Bovis Homes before starting out on his own as a developer in 2011.

The development itself consisted of 5 detached houses with a GDV of £2m in Upton Upon Severn. The scheme was completed on time and under budget, and the loan was repaid in August 2019.



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## Past success stories



### The Clearwell Bonds **Wretham** Thetford, Norfolk, IP24

Clearwell provided £294k for the development of a 10-house project in October 2017. The borrower, who had owned the site since 2003 with his partner, is looking to develop a total of 27 houses and ancillary roads on the site. Clearwell initially funded phase 1 of the project which comprises of 10 houses valued at £2.55 million. Phase 1 is complete and 8 out of 10 houses have already been sold with sales agreed on the remaining 2. Sales to date have exceeded initial price expectations, with the achieved sales plus agreed prices exceeding £2.95m.

Clearwell funded the second phase of this scheme in January 2019. Phase 2, for a further 10 units, is well under way with one unit already sold and another under offer.



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Past success stories



The Clearwell Bonds

# Fuller Place

Harleston IP20

Clearwell provided mezzanine debt of £590k towards the purchase of the site and construction thereon of 23 houses, to an experienced developer specialising in Norfolk. The development works are close to completion with 9 houses sold and 6 currently under offer. Final works are being undertaken to the remaining 8 houses and these are expected to be sold by the end of Q1 2020.



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Past success stories



The Clearwell Bonds

# Fritch End

Riverside, Braintree, CM7

Clearwell provided £500k towards the purchase of the site in May 2018. The borrower was a well-known family run house builder in the Essex area and the development comprised 48 one and two bedroom flats. Construction works are due to be completed in November 2019 and the borrower has already sold 13 units off plan.



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# The Clearwell management



**Ed Marley-Shaw**  
CEO

Ed founded Clearwell to take advantage of the lack of credit availability following the financial crisis. Ed has been full time at Clearwell since 2012, managing all aspects of the business.

Ed has over 20 year's finance experience notably as Executive Director at Lehman Brothers where he built and acquired loan origination businesses and as Head of Origination for mortgage trading at Deutsche Bank. He holds a Masters in Finance from London Business School.



**Darren Rix**  
Head of Credit

Darren Joined Clearwell in 2018, bringing nearly 30 years of property, lending and banking experience within corporate banking and private equity.

For the last 12 years he has worked in risk & restructuring roles, dealing in all areas of risk management, including: assessment of credit applications, loan reviews, loan management, loan restructuring, the sale and workout of a large distressed non-performing loan portfolio and more recently as the Head of Credit Risk for Zorin Finance.

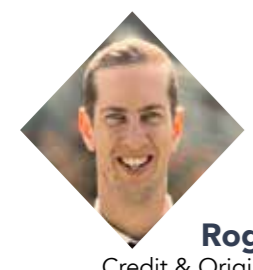
At Clearwell, Darren is responsible for credit risk and due diligence of all new lending as well as oversight of all on-going development schemes.



**Mark Jannaway**  
Non-Executive Chairman

Mark provides strategic direction to the business and will provide guidance and oversight of systems development and implementation. Mark has been a shareholder in Clearwell since 2014 and has recently joined the Clearwell board as Chairman and Non-Executive Director.

Mark is a Partner at strategy consulting firm OC&C with over 20 years' experience and is also Chairman of two other businesses. Mark holds a degree in Engineering, Economics & Management from Oxford University and invests in small start-ups in his industries of interest.



**Roger Comben**  
Credit & Origination Associate

Roger joined Clearwell in early 2019 from Maslow Capital, having previously worked at United Trust Bank. Roger has 15 years of experience working in commercial property and development finance, where he has overseen the origination of more than £300m of new loans and also working out a distressed portfolio of loans in excess of £150m.

He is responsible for managing new enquiries through initial review and due diligence.



**Elvis Chen**  
Investment Analyst

Elvis is a recent graduate from London Business School with experience in investment management and Fintech. He is responsible for evaluating new projects, modelling and reporting.



## Group financials

The Group has a strong track record of achieving growth and profitability over its 7 year life. Total assets are up 30x and loan book are up 28x and shareholders' equity are up 14x for the period 2019 vs 2013. Over that period total net profit of £1m has been achieved.

2018 saw total assets and total costs double driven by the new Crowdstacker funding and recruitment of team members to support that growth.

2018 operating costs also include loan loss provisioning for an old loan currently in work out.

The Group returned to profitability in 2019 and the first two months of FY 2020 show £110,000 of net profit, which if maintained throughout the year would result in a record profit for the year.

P&L	FY 2013 Sep '12 – Aug '13	FY 2014 Sep '13 – Aug '14	FY 2015 Sep '14 – Aug '15	FY 2016 Sep '15 – Aug '16	FY 2017 Sep '16 – Aug '17	FY 2018 Sep '17 – Aug '18	FY 2019 End Aug '19
Gross Income	£216,312	£250,472	£667,223	£913,503	£1,099,443	£923,191	£1,980,590
Operating Costs	£-32,477	£-65,535	£-93,978	£-53,153	£-190,685	£-670,346	£-761,636
Financing	£-375	£-51,568	£-228,797	£-389,454	£-467,537	£-638,535	£-1,030,040
Corporation Tax	£-35,065	£-26,674	£-69,212	£-94,179	£-86,500	£73,792	£33,487
<b>Net Profit</b>	<b>£148,395</b>	<b>£106,696</b>	<b>£275,237</b>	<b>£376,716</b>	<b>£354,721</b>	<b>£-311,898</b>	<b>£155,427</b>

Balance Sheet	FY 2013 End Aug '13	FY 2014 End Aug '14	FY 2015 End Aug '15	FY 2016 End Aug '16	FY 2017 End Aug '17	FY 2018 End Aug '18	FY 2019 End Aug '19
Investments	£402,624	£1,450,547	£3,635,134	£4,069,485	£5,149,473	£6,732,281	£11,247,188
Cash	£17,226	£20,895	£94,240	£576,074	£136,461	£3,589,056	£1,073,306
Other Assets	£890	£224,903	£69,929	£95,057	£76,149	£275,109	£240,000
<b>Total Assets</b>	<b>£420,740</b>	<b>£1,696,345</b>	<b>£3,799,303</b>	<b>£4,740,616</b>	<b>£5,362,083</b>	<b>£10,596,446</b>	<b>£12,560,494</b>
Total Liabilities	£276,602	£1,445,511	£3,073,182	£3,637,779	£3,936,742	£8,450,790	£10,502,954
<b>Net Assets</b>	<b>£144,138</b>	<b>£250,834</b>	<b>£726,120</b>	<b>£1,102,836</b>	<b>£1,425,341</b>	<b>£2,145,655</b>	<b>£2,057,540</b>
Shareholder's Equity	£144,138	£250,834	£726,120	£1,102,836	£1,425,341	£2,145,655	£2,057,540



The Clearwell Bonds

# Summary of the Clearwell Bonds

The Key Commercial Terms set out the main financial terms, parties and security that forms part of your Bond subscription. You need to familiarise yourself with the Key Commercial Terms and the Bond T&Cs.

## Clearwell draws your attention to the following key terms:

- We are initially targeting to raise a combined £6.5m.
- Option of either a fixed interest rate of 6.75% p.a. over an 18-month term or a fixed interest rate of 7.25% p.a. over a three-year term.
- Minimum investment amount is £250
- Interest paid monthly

## The Bonds may be held in:

- A Small Self-Administered Scheme ('SSAS')
- An Innovative Finance Individual Savings Account

## What could I be earning over the next 3 years?

Investment	6.75% p.a. 18 months			7.25% p.a. 3 years		
	Total interest p.a	Total interest monthly	Total interest	Total interest p.a	Total interest monthly	Total interest
£500	£33.75	£2.81	£50.63	£36.25	£3.02	£108.75
£5,000	£337.50	£28.13	£506.25	£362.50	£30.21	£1,087.50
£10,000	£675	£56.25	£1,012.50	£725.00	£60.42	£2,175.00
£50,000	£3,375	£281.25	£5,062.50	£3,625.00	£302.08	£10,875.00
£100,000	£6,750	£265.50	£10,125.00	£7,250.00	£604.17	£21,750.00

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The Clearwell Bonds

# Security

There will be multiple layers of security.

## First:

The Clearwell Bonds will be secured over the assets, property and undertakings of Clearwell Finance via a first ranking debenture given to the Security Trustee on your behalf. Clearwell Bonds will rank pari passu with previous bonds issued by Clearwell Finance, where a total of c.£7m was raised.

## Second:

Clearwell Finance shall at all times have in place not less than 30% of equity and subordinated debt as a percentage of the total assets of the Issuer. This means that in order for Bondholders to lose any of their investment, the total value of all Clearwell's assets would have at the time to fall by over 30%.

## Third:

The investment will also benefit from a guarantee from the parent company, Clearwell Capital Group Limited, who in its capacity of Guarantor, has provided a corporate guarantee of the Issuer's obligations under the Bond Instrument.

## Fourth:

The loans advanced to the developers will be secured by way of a second ranking charge over the land and property, in favour of Clearwell Finance. Each charge will be registered with land registry.

The loans to developers from Clearwell Finance and senior finance providers combined will be capped at 70% of the project's Gross Development Value for 80% of the projects funded and capped at 75% of the project's Gross Development Value for all projects.

## Fifth

Clearwell will provide Mezzanine finance, topping up senior debt from 80% of costs to 90% of costs. The developer will provide 10% of project costs which will absorb any initial losses.

## How will Clearwell Bonds be repaid?

At the end of the Bond term, the Company envisages a number of potential ways by which lenders can be repaid:

- From the accumulated profits of the Company generated over the three year period of the Bonds;
- From the repayment of loans the Company has made to developers;
- By raising new finance;
- From a combination of the above.

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# Crowdstacker

Crowdstacker Limited is an electronic investment platform that is authorised and regulated by the FCA.

We are different from other platforms. Our goal is to save you time by filtering through the many opportunities out there, leaving you with what we consider to be of the highest quality.

We achieve this through our carefully designed selection process. We carry out bespoke, independent due diligence on each potential company.

We reject many along the way. We negotiate additional levels of protection for our investors and organise the documentation so that it is easy to understand the benefits and risks of each opportunity.

Our due diligence includes three key steps. Only the best investment opportunities will make it to the third.

## 1. Pre-screening.

This initial assessment includes:

### A. Verification

Confirming the identity of the potential company and its directors, including checking for County Court Judgements, directors that have been disqualified and other red flags, as well as Anti Money Laundering checks performed in line with Financial Action Task Force (FATF) guidelines.

### b. 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.

Our due diligence process is performed by chartered accountants with experience of analysing companies of varying sizes. This includes:

### a. 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.

### b. Management team

We meet senior management teams at their premises and assesses the quality of the team and its operations.

### c. Loan structure and conditions

A recommendation is made regarding the Loan 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 loan is approved, we work with the company to produce informative documentation that outlines the key benefits and key risks for the loan.

# Crowdstacker

## The Security Trustee

Crowdstacker's associate Company, Crowdstacker Corporate Services Limited acts as Security Trustee.

The role of the Security Trustee is to:

- Hold on behalf of all Investors the security for the Bonds over the assets of Clearwell Finance;
- Enforce the security over Clearwell Finance in certain circumstances where the Company fails to pay interest or repay the Bonds;
- Further information on the role of the Security Trustee can be found in clauses 18 and 19 of the Investor T&Cs.

## Client money

We may hold client money on your behalf, for example, prior to you making an investment or when collecting interest payments from the bond issuer for you.

This money is held on deposit with a UK bank in segregated client money accounts. In the event of this bank becoming insolvent, these deposits are protected against losses of up to a maximum of £85,000 per eligible client per bank under the Financial Services Compensation Scheme ('FSCS').

The limit applies to the total of all deposits held for you with that bank, whether held through Crowdstacker or directly with the bank. In the event that you were to suffer a financial loss directly as a result of Crowdstacker becoming insolvent you may be able to claim compensation from the FSCS of up to £50,000.

Following the relevant Commencement Date, we will transfer the full amount of the Bond monies to Clearwell Finance. If the Bonds do not satisfy the acceptance process, we will return your money to you.

Finally, we are also responsible for organising the payment of interest and repayment of your Bonds to you once we have received payment from Clearwell Finance.



# Two minute FAQs

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](mailto:info@crowdstacker.com).

## What return can I expect?

You can expect to receive either 6.75% gross return per annum or 7.25% gross return per annum on your capital dependent on the selected term.

## How often will interest be paid?

Your interest is paid monthly.

## How much can I lend?

The minimum amount you can lend is £250.

## When do the Clearwell Bonds mature?

The Clearwell Bonds are either for a 18 month or 3 year fixed term. On maturity, you are entitled to the return of the original capital in full.

## What about Pensions?

You can hold Clearwell Bonds within a Small Self-Administered Scheme (SSAS).

## What about ISAs?

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

## How will your investment via the Bonds be used?

Investments will be used by Clearwell Finance to provide finance to house builders and property developers.

## Who is the Borrower?

Clearwell Finance Plc.

## Who is Crowdstacker?

Crowdstacker is a Peer to Peer investment platform authorised and regulated by the FCA. Crowdstacker matches companies such as Clearwell Finance that are seeking to raise finance with investors like you that are seeking to invest money.

## What security do I have if Clearwell Finance becomes insolvent?

Please refer to page 21 above.

## Does Crowdstacker charge fees to the borrowing business?

In addition to the interest, a combination of an upfront fee of up to 4.5% or £4.5 for every £100 raised and an annual administration fee of up to 0.5% or £0.5 for every £100 raised will be paid.

# Risk factors

In addition to the other relevant information set out in this Information Brochure the following specific risk factors should be considered carefully when evaluating whether to subscribe to the Clearwell Bonds. If you are in any doubt about the contents of this Information Brochure or the action you should take, you are strongly recommended to consult a professional advisor specialising in advising on loans, bonds, financial commitments and other such debt instruments.

The directors of Clearwell Finance (the "Directors") believe the following risks to be significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with Clearwell Finance and Clearwell Bonds, and are not intended to be presented in any assumed order or priority. In particular, Clearwell's performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

## Particular Industry Related Risks

### Not protected by the Financial Services Compensation Scheme

#### Risk

As with Stocks & Shares, Clearwell Bonds are not protected by the Financial Services Compensation Scheme against loss.

### Business Risk

#### Risk

No assurances can be given as to the future performance of Clearwell and whether Clearwell will continue to achieve its business objectives. Prospective investors should be aware when considering the past performance of Clearwell that past performance is not necessarily indicative of future results and there can be no guarantee that Clearwell will remain 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

Over the last 5 years Clearwell have delivered very strong returns on their lending, whilst continually developing and improving on their approaches to underwriting and risk management. The management have over 60 years combined experience in finance and strategy consulting, advising and overseeing multiple specialist lending businesses.

## Cost overruns

#### Risk

The costs to complete a project the Company has funded could be more than the forecasted amount. Projects normally have a "contingency" to cover some cost overruns, but this may not be sufficient to cover all cost overruns on some projects.

#### Mitigation

All projects are reviewed by a qualified surveyor who is required to confirm that the proposed budget is reasonable for the project and that the developer or contractor has the relevant experience to complete the project. As part of Clearwell's review of any project we run a range of costs overrun stresses based on our historical experience to test the projects robustness to this form of stress.

## Time overruns

#### Risk

The time to complete a project may exceed the project timetable. This could result in additional interest costs leaving insufficient funds to repay the Company's loan.

#### Mitigation

All projects are reviewed by a qualified surveyor who is required to confirm that the proposed timetable is reasonable for the project and that the developer or contractor has the relevant experience to complete the project. As part of Clearwell's review of any project we run a range of time overrun stresses based on our historical experience to test the projects robustness to this form of stress.

## House price changes

### Risk

Clearwell is exposed to the risk that the value of the property backing its loans falls. This could be due to a general decline in house prices across the UK, more localised declines or a specific fall in the land or units comprising the security.

### Mitigation

All Clearwell's projects are valued by a qualified surveyor, confirming the expected value of the units on completion of the project. As part of Clearwell's review of any project, specific attention is paid to the risks to the value of the underlying property including running 15 different price stresses based on a range of valuation metrics, that incorporate levels of over (or under) valuation vs long term trends.

## Management Risk

### Risk

Bondholders will not have the opportunity to evaluate fully for themselves relevant economic, financial and other information regarding Clearwell, and will be dependent on the judgment and abilities of Clearwell's management. There is no assurance that Clearwell's management will not make mistakes or take the best course of action in all the circumstances.

Accordingly, no person should subscribe to Clearwell Bonds unless it is willing to entrust all aspects of conducting the business of Clearwell to the Directors and senior management. Investors do not have any right to participate in the day-to-day management of Clearwell or business decisions. Additionally, funds advanced to Clearwell are at risk of employee or management misappropriation.

## Mitigation

Over the last 5 years Clearwell have delivered very strong returns on their lending, whilst continually developing and improving on their approaches to underwriting and risk management. The CEO and Chairman have over 40 years combined experience in finance and strategy consulting, advising and overseeing multiple specialist lending business.

## Illiquid Asset Risk

### Risk

The Bonds are not available for sale on any market, so the Bonds are an illiquid asset. There is a risk that investors will not be able to dispose of their Bonds to third parties. Therefore, it may not be possible to sell or realise Clearwell Bonds until they are repaid by Clearwell when the Bonds mature.

## Mitigation

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

## No certainty that investors will be repaid at maturity

### Risk

If Clearwell were to become insolvent, there is a risk that (a) the Clearwell Bonds will not be repaid in part or in full, and (b) some or all of the interest due on the Clearwell 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 Clearwell or as the case may be the Security Trustee, to repay the Clearwell Bonds or Clearwell's liabilities thereunder.

## Mitigation

Clearwell's assets are a diverse pool of loans made to a range of experienced property developers on projects that are expected to be profitable under stressed conditions and where the developer has contributed a minimum of around 10% of the project costs themselves.

## Profits of the business are not sufficient to pay interest or repay the Bondholders

### Risk

If Clearwell were unable to achieve sufficient turnover, the profitability of the firm would be impacted, and it may not be in a position to pay interest or capital to Bondholders.

## Mitigation

Clearwell has developed strong relationships with developers, senior lenders and brokers resulting in a strong pipeline of applications for funding. In addition, by maintaining a small efficient team, the fixed costs of the business are relatively low, leaving more funds available to service debt.

## Regulatory Risk

### Risk

Given the nature of the business, there is always a possibility that regulation could change or the Company could be found to have been acting inappropriately by a regulator. In this case fines or other legal proceeding could impact the profitability of the Company.

## Mitigation

Lending for business purposes is not a regulated activity. Clearwell makes loans to experienced property developers for business purposes. Its borrowers are generally corporate entities. As such its lending is unregulated and therefore they are not subject to regulatory oversight from the FCA.

## Inability to attract new clients and maintain existing ones

### Risk

Demand for the products and services offered by the firm falls leading to a reduction in revenues.

## Mitigation

Currently there is a lack of funding available to small developers with most high street banks not providing this type of lending and specialist lenders operating on a conservative basis. Until more funding becomes available in the market generally, the business expects demand for its product to remain high.

## Failure of IT Systems and Potential Loss of other Services

### Risk

Failure of IT systems or other services lead to an increase in cost and affect the ability of the Company to perform its contractual obligations.

## Mitigation

The software and data is stored via a cloud based server and could be recreated on new hardware at an existing or new location within 24 hours.

## Risk of Loss of Key Individuals

### Risk

The management skills and processes employed by the Company are key to performance and ability to grow. Loss of key individuals or Directors within the firm could be a time consuming process and impede the ability of the Company to perform its contractual obligations, leading to reductions in revenue.

## Mitigation

Clearwell has a life insurance policy against Ed Marley-Shaw in place. London is one of the leading finance centres in the world from which the company should be able to recruit further senior employees should that become necessary.

## Reputational Risk

### Risk

As with all companies there is an underlying risk that customers could complain and / or claim for compensation if they have cause to believe they have been provided with or have experienced poor or suboptimal client administration. The risk associated with this is that the Company could suffer loss of reputation and could fail to attract new business customers or lose existing ones and thus revenues would suffer.

## Mitigation

Clearwell focus on service as a key differentiator, this involves focusing on efficient turnaround and clear communication during the underwriting stage and working with customers to find solutions if projects are under performing. By making the customer the centre of what we do we aim to minimise the risk of dissatisfaction.

## Insurance Risk

### Risk

The business and its assets will be subject to damage and loss by the usual insurable risks of fire, theft and climatic events and by uninsurable risks such as loss of profit due to fall in demand or poor management or third party competition and there is no certainty that Clearwell will not suffer loss and damage by such risks from time to time.

## Mitigation

The key uninsurable risks that the Company is exposed to are within the underlying development projects. Consequently we carry out extensive due diligence and stress testing both internally and with external experts prior to backing any project.

## General Risks

Macroeconomic risks and changes in the general economic outlook, both in the UK and globally, may impact the performance of Clearwell and the property market. Such changes may include (but are not limited to):

Contractions in the UK economy or increases in the interest rates resulting from domestic or international conditions;

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 Clearwell's trading and financial performance.

## Summary

The above risk factors are not exhaustive and they do not purport to be a complete explanation of all the risks and significant considerations involved in investing in Clearwell Finance. 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 Clearwell's business and prospects.

Clearwell Bonds may not be a suitable investment for all who review this Information Brochure.

Investors should take their own tax advice as to the consequences of making an investment in Clearwell Bonds as well as 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 lower sales prices achieved, a lack of sales and higher costs, inability to raise borrowings or an inability to meet debt payments.

Other than the obligations and other covenants of Clearwell set out in this Document, no representation or warranty, express or implied, is given to the Investors by either Clearwell or the Directors and Officers of Clearwell.

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

You could lose all your money invested in this product. This is a high-risk investment and is much riskier than a savings account. ISA eligibility does not guarantee returns or protect you from losses.



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

The Clearwell Bonds

# Bond Instrument

This Bond Instrument is made the [ ] day of [ ] 2020\*

## Between:

### 1. Clearwell Finance Plc

a company incorporated under the laws of England and Wales with registered number 10774032, whose registered office is at 66-67 Newman Street, London W1T 3EQ ("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 1st & 2nd Floor Offices, 6 Victoria Street, St Albans, Herts, AL1 3JB ("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  
Clearwell Finance Plc]

[Execution Block  
Crowdstacker Corporate  
Services Limited]

You could lose all your money invested in this product. This is a high-risk investment and is much riskier than a savings account. ISA eligibility does not guarantee returns or protect you from losses.



The Clearwell Bonds

# 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.

**[7.25% p.a. or 6.75% p.a.]  
Fixed Rate Secured Bond**  
2020 kct no. CW018 or CW019

**Name Of Issuer**  
Clearwell Finance Plc

**Address Of Issuer**  
66-67 Newman Street,  
London W1T 3EQ

**Commencement Date**  
16th March 2020

**Early Repayment Charge**  
None

**Interest Period**  
Monthly

**Interest Rate**  
[7.25% p.a. or 6.75% p.a.]

**Nominal Amount**  
£1

**Minimum Raise**  
None

**Maximum Raise**  
£12,000,000

**Target Raise**  
£6,500,000

**Repayment Date**  
[18 months or 3 years] 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 and a guarantee from Clearwell Capital Group Limited.

## The Clearwell Bonds Bond T&Cs

### 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)

**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](http://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.

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 Day 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% per annum 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, Crowdstacker on behalf of 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);

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## 7. Warranties

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### 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.

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## 8. Default events

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### 8.1.

Notwithstanding Clause 4 and Clause 5 and subject to Clause 8.2 all outstanding Bonds shall automatically become immediately due and repayable, at the 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.

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## 9. Security & enforcement

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### 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.

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## 10. Security Trustee limitations

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### 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.

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## 11. Non-conversion

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### 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.

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## 12. No set-off

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### 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.

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## 13. Certificates & transfers

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### 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 uncertificated 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 uncertificated 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.

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## 14. Transmission

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### 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.

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## 15. Register of the Bonds

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### 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 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.

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## 16. Notice

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### 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.

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## 17. Registrar

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### 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.

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## 18. Third party rights

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### 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.

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## 19. Miscellaneous

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### 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.

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## 20. Modification

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### 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.

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## 21. Restrictions

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### 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.

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## 22. Costs & Expenses

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**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.

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## 23. Governing Law & Jurisdiction

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**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 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.

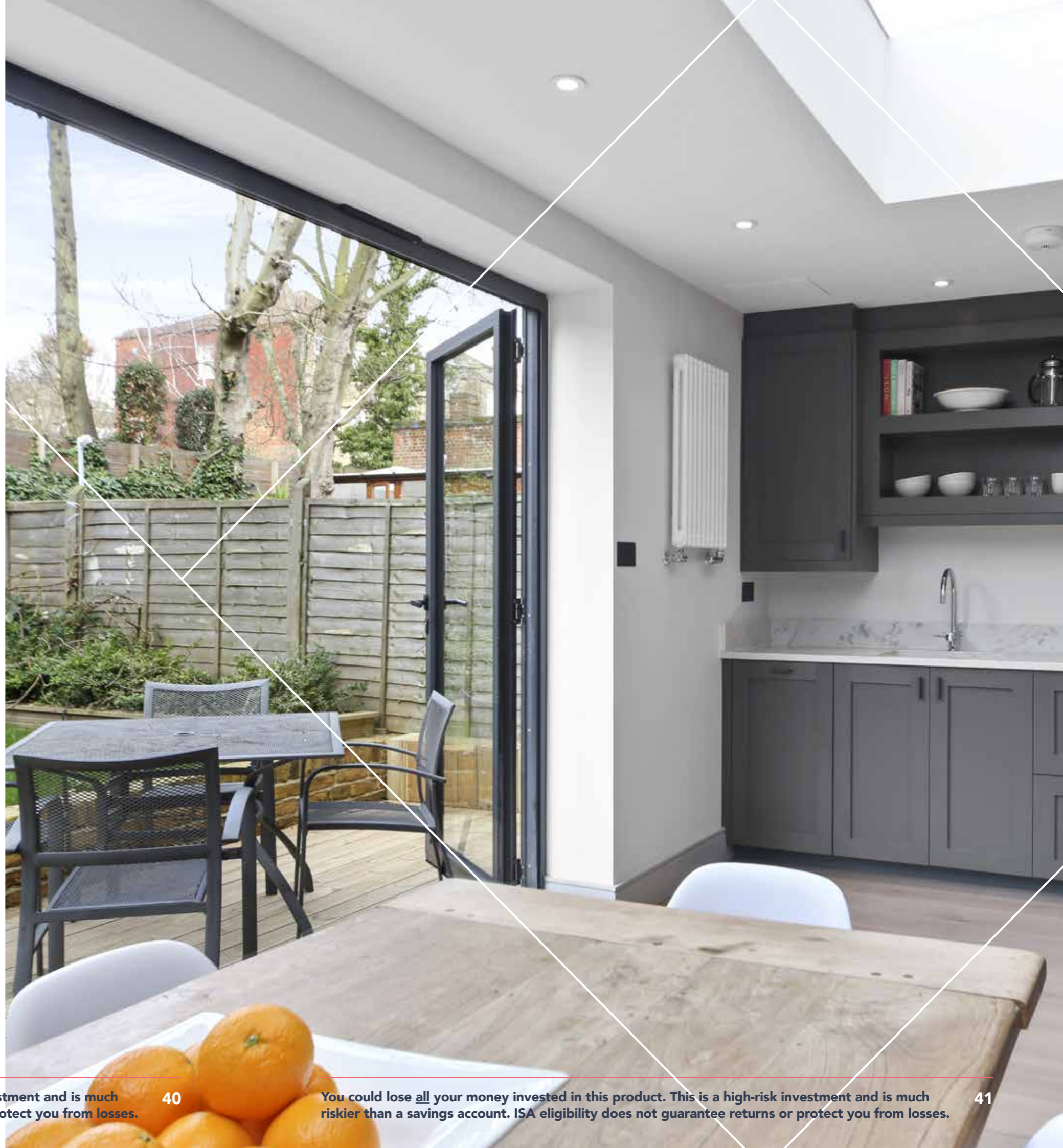
## 3. Diversification

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.**





You could lose all your money invested in this product. This is a high-risk investment and is much riskier than a savings account. ISA eligibility does not guarantee returns or protect you from losses.

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# Clearwell Capital

Information Brochure



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December 2019