



Naked Fine Wine Bond

10% gross p.a. in Wine Credits OR 7% gross p.a. in cash

Bond Invitation Document

This Invitation Document is important and requires your immediate attention if you wish to participate in this issue of the Fine Wine Bonds. If you are in any doubt about the action you should take, or the contents of this Invitation Document, you should contact your stockbroker, solicitor, accountant, bank manager or other professional advisor who is authorised by the Financial Conduct Authority and who specialises in advising on investments in bonds, shares and other securities including unlisted securities.

This Invitation Document constitutes an invitation to subscribe for the Fine Wine Bonds, on the terms and conditions set out in this Invitation Document and the Fine Wine Bond Instrument (copies of which are available at www.nakedwines.com/bond) the terms and conditions of which are set out on pages 26 to 27 of this Invitation Document.

The Fine Wine Bonds will be non-convertible, unsecured, non-transferable, and will provide investors with a return of, at the election of each investor, either 7% per annum in cash, or a Wine Credit of an amount equal to 10% per annum being credited to a Bondholder's Naked Wines account, to use to purchase wine from Naked Wines. The Fine Wine Bonds will be repayable after three years, at the Bondholder's option. On redemption the Bondholder may choose to have the Fine Wine Bonds repaid in Wine Credits, in which case a 10% redemption premium will also be credited in Wine Credits to the Bondholder's Naked Wines account.

Investment in the Fine Wine Bonds involves certain risks. For a discussion of certain risk factors that should be considered in connection with an investment in the Fine Wine Bonds, please see the section headed "Risk Factors" on page 24 to 25 of this Invitation Document. The Fine Wine Bonds are an unsecured debt of the Company and they may not be a suitable investment for all recipients of this Invitation Document. Prospective investors should consider carefully whether an investment in Fine Wine Bonds is suitable for them in the light of their personal circumstances. Investors should not subscribe for any Fine Wine Bonds referred to in this Invitation Document, except on

the basis of the information published in this Invitation Document and the Fine Wine Bond Instrument.

Fine Wine Bonds are not shares and do not confer any equity interest or voting rights in the equity of any member of the Naked Wines Group.

Fine Wine Bonds are not protected from loss by the Financial Services Compensation Scheme.

Fine Wine Bonds are not transferable or negotiable on any capital market and no application has or will be made for Fine Wine Bonds to be admitted to listing or trading on any market. Investment in an unquoted security of this nature, being an illiquid investment, is speculative and involves a degree of risk. It will not be possible to sell or realise Fine Wine Bonds before they mature or to obtain reliable information about the risks to which they are exposed.

This Invitation Document, which is a financial promotion for the purposes of Section 21 of FSMA, is issued by the Company, which accepts responsibility for the information contained herein. This Invitation Document has been approved as a financial promotion for United Kingdom publication by Cairn Financial Advisers LLP ("Cairn") which is authorised by the FCA to conduct investment business. Cairn is registered on the FCA's Register with registered number 518607. Cairn is acting exclusively for the Company in connection with the issue of the Fine Wine Bonds and no one else, and will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Cairn or for advising any such person in relation to the issue of the Fine Wine Bonds.

This Invitation Document does not constitute an offer of transferable securities to the public and accordingly this Invitation Document does not constitute a prospectus to which the Prospectus Rules of the FCA apply. Therefore, this Invitation Document has not been approved by the FCA or any other regulatory body. You should ensure that you read and



Naked winemaker - Sam Plunkett and his sons exploring their Angel-funded vines

understand all of this Invitation Document before applying for Fine Wine Bonds. If you are in any doubt as to the contents of this Invitation Document, or whether subscribing for Fine Wine Bonds is a suitable investment for you, you should seek your own independent advice from an appropriately qualified adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of unlisted securities.

This Invitation Document does not constitute an offer to sell, or the solicitation of an offer to buy, Fine Wine Bonds in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Invitation Document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Invitation Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

1. Introductory letter	3 – 4
2. Summary of the Naked Fine Wine Bonds and how to apply	5 – 6
3. About Naked Wines UK	
a. Who is Naked Wines UK?	7 – 9
b. Awards, press coverage and testimonials	10
c. Why do we want to get into the fine wine business?	11
d. The winemakers you will be backing and the wines they want to make	12 – 14
4. FAQs	15 – 16
5. Facts and figures	
a. Key facts	17 – 18
b. Financial performance	19 – 20
c. The Team	21
d. Naked Wines Group structure	22 – 23
6. Legal stuff	
a. Risk factors	24 – 25
b. Terms and Conditions	26 – 27
c. Application Process and Timetable	28
d. The Bond Instrument	29 – 37
7. Glossary, definitions and references	38

Naked Fine Wine Bonds, the UK's first Bond for fine wines

Dear Investor

- Invest between £500 and £10,000
- Receive gross interest of 7% per annum in cash or 10% per annum in Wine Credits to purchase wine
- Initial three-year term with option to receive your capital back after the three years
- Earn a one-off 10% redemption premium if you choose to receive Wine Credits at maturity
- Apply from 1 September 2013

A new idea – but a proven business model

You may already know our company, Naked Wines UK. Its business model is simple – and successful.

We fund talented independent winemakers who want to set up their own business – and in exchange we receive wine at preferential prices, which we pass on to our customers.

Everyone's happy. The winemaker gets to make good wine. You and I get to enjoy it at a good price.

Since Naked Wines UK launched four years ago, it has invested over £25m in over 40 winemakers.

Sales have grown to over £34 million in the UK and Naked Wines UK has traded profitably in 2012, making over £1 million EBIT.

More importantly, about 90% of nearly two million customer ratings on our site are positive, and we have proven we can attract and help award-winning winemakers.

The fine wine opportunity

When I started working in the wine business, I thought fine wine must be something very special. Something only rich people can afford.

After all, a bottle of fine wine costs several times as much as those I normally drink. I assumed they must cost several times as much to make. Maybe the grapes were very rare. Maybe the best winemakers command vast salaries.

I was astounded to discover none of this is true.

Winemakers are not rich. Many's the time I've turned up at a winery and noticed the sales director driving an Aston Martin. And the winemaker in a beaten up old pick-up truck.

But a bigger surprise was to discover the premium quality grapes required to make fine wine only cost a few pounds per bottle more than ordinary grapes.



Rowan Gormley, Co-founder Naked Wines

That's right. When you pay £30 for a bottle of Bordeaux, the wine itself usually costs around £5. This includes grapes, oak barrels, rock-star winemakers - the works.

Such a gap between true value and market prices generally offers a profit opportunity. And that is the opportunity we want to share with you.

So why do we need investors?

Fine wines need time to reach maturity. Months, or even years, sitting in barrels or bottles slowly developing flavours only time can create.

And time is money. To give the wines that time, winemakers must be funded for years in advance of when the wine is ready.

Naked Wines' current resources are devoted to funding wines that take less than one year to get to your table. To be able to invest in fine wines we need longer term funding to match the maturity requirements of the wines.

That is why we need your help; and why we have created the Fine Wine Bond.

The potential rewards may look good. But what are the risks?

I hardly need to tell you that in the current low-interest environment, 7%-10% gross fixed interest per annum looks very attractive.

But as with all investments, there is no such thing as return without risk. So please don't invest money you can't afford to lose. We have sought to explain some of the risks associated with an investment in Fine Wine Bonds on pages 24 to 25 of this Invitation Document. You should also note that the Fine Wine Bonds are not transferable and are unsecured.

We have also taken some practical steps to reduce the risk:

1. We have created a new special purpose company to issue the bonds (Naked Fine Wine Bonds plc), which will receive the money raised by the Fine Wine Bonds, hold and/or invest that money in wines and own the wines until they are ready for sale, when they will be sold to other companies in the Naked Wines Group for onward sale to Naked Wines' customers.
2. We will use Fine Wine Bond subscription money only for investing in grapes, barrels, bottles, and other direct production and administration costs. We will not use any of this money to fund the operating expenses of Naked Wines UK.
3. We are already recruiting award-winning winemakers – read on and you will meet some of them.
4. We intend to spread the proceeds of the Fine Wine Bonds over many different winemakers in many regions to minimise the impact of weather and poor harvests.
5. We are not going to buy fine wines and hope that they go up in price, which is the traditional fine wine investment model. We are only going to fund a winemaker to make a wine where we can be confident that they can make world-class wines at a price significantly below market price.

*“Our customers finance
winemakers to make
wines exclusively for
them”*



Then comes the moment when it all pays off: we import the wines into the UK where they are available for you to order – before anyone else gets their paws on them. And we have an unconditional money back guarantee – if having bought a wine from us you don't like it, we will refund you in full.

How to apply

Applications open on 1 September 2013 for 4 weeks. The closing date is 29 September 2013 after which date applications cannot be accepted.

If the issue is over-subscribed (the maximum subscription level is £5 million), we reserve the right to reduce your allocation to, amongst other things, maximise the number of people who can take part.

Please note: as the Bond is not transferable, there will be no opportunity to sell the Bonds.

Yours faithfully,

Rowan Gormley
Co-founder, Naked Wines

P.S. Before you invest, try the wine and see for yourself

If you haven't tried our wines before, this is the time. We have a selection of premium wines made by people we want to fund so you can see for yourself whether we are onto something or not. Take a look at www.nakedwines.com/finewines

2. Summary of the Fine Wine Bonds and how to apply



Naked Wines - Sonoma Wine Studio

*Applications
are open until
29th September
2013.*

Important. The Bonds are unsecured, non-convertible and non-transferable

This Invitation Document invites you to apply for the Fine Wine Bonds.

The terms and conditions of the Fine Wine Bonds can be found on pages 26-27 of this Invitation Document. Details of how we plan to invest the proceeds can be found on pages 11-14 of this Invitation Document. Fine Wine Bonds are unsecured corporate bonds issued by the Company, a wholly owned subsidiary of Naked Wines International Limited.

All payments and returns will be made after deduction of basic rate tax.

Interest

Bondholders who elect on subscription to receive their interest in cash will receive £35, less basic rate tax, for every £500 of Fine Wine Bond they own, per annum in arrears.

Bondholders who elect on subscription to receive their interest in Wine Credits will receive a Wine Credit of £12.50, less basic rate tax, for every £500 of Fine Wine Bond they own, quarterly in arrears.

Higher rate taxpayers may need to pay additional taxation. If in doubt please consult your tax advisor.

Redemption

Bondholders may also receive a 10% premium on redemption by electing to redeem their Fine Wine Bonds in Wine Credits in which case the principal value of their Fine Wine Bonds, plus a premium of 10%, will be credited to their Naked Wines account, where it can be used to buy wine.

- ✓ A gross annual return of 7% in cash or 10% in Wine Credits
- ✓ Priority access to the wines you fund
- ✓ Three-year initial fixed term, redeemable after three years at your option. We reserve the right to repay some or all of the Fine Wine Bonds early at any time
- ✓ After the three-year period, and on each anniversary thereafter, the Fine Wine Bonds can be redeemed at your option from 2016 onwards or you can choose not to redeem and continue to hold your Fine Wine Bonds and receive your return
- ✓ A one off 10% redemption premium if you elect to receive Wine Credits instead of cash repayment at maturity
- ✓ Denominations - £500 or multiples thereof up to a maximum of £10,000

2. Summary of the Fine Wine Bonds and how to apply

How to apply:

Applicants must be UK resident individuals (not companies) aged 18 or over. Applications are open from 1 September 2013 until 29 September 2013.

Fine Wine Bonds will be issued in the week commencing 14 October 2013 provided that a minimum of £1 million investment has been reached. If the Fine Wine Bonds are over-subscribed (exceeding the maximum of £5 million), the Company reserves the right to scale-back applications, and refund the balance in such proportions as the Company sees fit.

You can apply:

- Online at www.nakedwines.com/bond; or
- By post

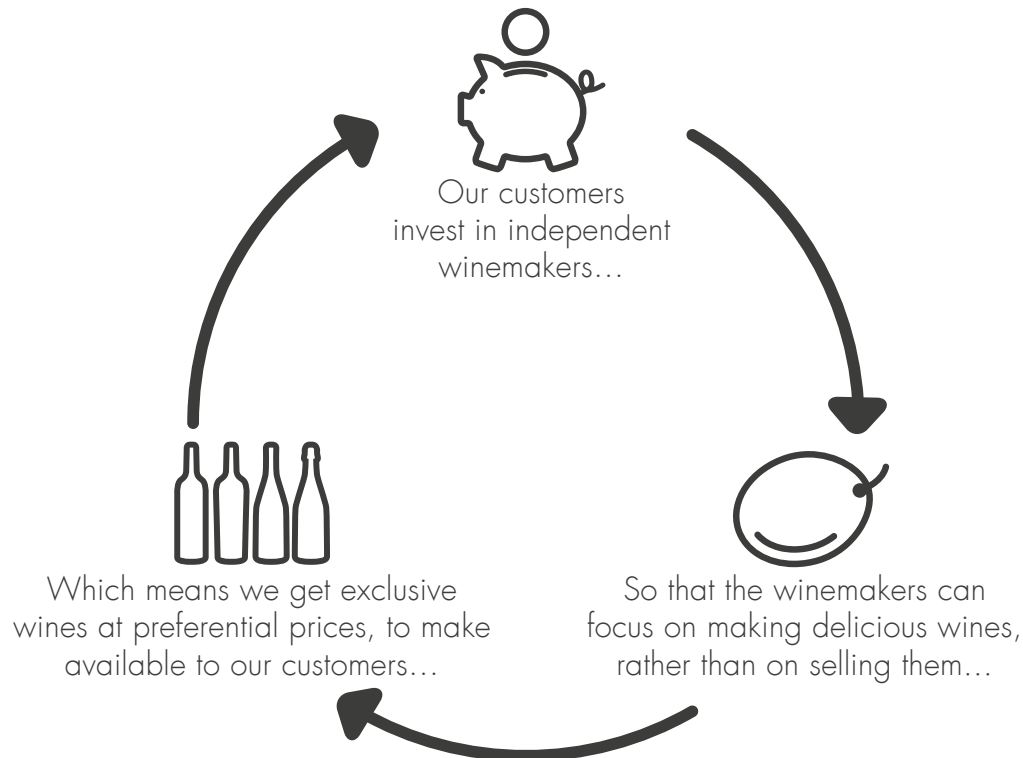
To apply by post, you can download a PDF of this document, print off the application form at www.nakedwines.com/bond, complete, sign and return it, together with payment by cheque to the following address:

Naked Fine Wine Bonds plc
The Loft
Holland Court
The Close
Norwich
NR1 4DY

N.B. YOUR APPLICATION MUST REACH US
BY 29 SEPTEMBER 2013 TO BE ELIGIBLE.

3.a. Who is Naked Wines UK?

Naked Wines UK is a customer funded wine business – we offer wine drinkers access to preferential prices by financing independent winemakers.



Winemaker Benoit Dreyer serving customers at our UK Tasting Tour

What makes the Naked Wines Group different to other wine retailers?

We don't just buy and sell wines – we make them happen.

- We select and support talented award-winning winemakers, who want to set up their own business, but don't have the cash to do so.
- We help raise the cash for them to buy grapes, winery space, barrels, bottles and other direct costs of production.
- We then sell it for them.

That way, the winemaker can focus on what they want to do - making great wines – rather than selling them.

And because they have not had to invest in selling, they can afford to sell at lower prices, which we make available to our customers.

3.a. Who is Naked Wines UK?

Where does the money come from?

Most of the money comes from our Angels – customers who invest £20 a month in exchange for preferential pricing (25-50% off our normal prices), alongside investment from our shareholders in the Naked Wines Group.

Do you get equity in the winemakers?

No. Our goal is to get preferential prices for our customers, rather than a capital gain.

Is this like fine wine investment?

Absolutely not. We are not speculating on the growth of fine wine prices. We only invest in winemakers where we have satisfied ourselves that that winemaker can make wines for us at a lower cost than it would cost us to buy that wine on an arm's length basis.

Case study – Carmen Stevens

Carmen was the first black woman to graduate as a winemaker in South Africa.

As head winemaker at the award winning Amani Estate, Carmen has proven her ability to make stunning wines, adored by critics and (more importantly) our customers.

Like all winemakers, her dream was to make her own wines, but she didn't have the capital.

On 14 July 2011, 2000 Naked Wines UK customers clubbed together and raised £129,000 to set her up with her own wine business.

And look at her ratings - over 18,000 people have rated Carmen's wines, and 91% of them say they would buy them again.

“I still pinch myself. When Naked Wines called and said that not only were they going to help me set up my own business, but that I had the freedom to make my wines the way I wanted them made, I didn't believe it. It just seemed too good to be true.”

- Carmen



Other success stories



South Africa's rising star Ntsiki Biyela celebrates her first Angel-funded wine



Bottling Bill and Claudia Small's new vintage of their sensational NZ Pinot Noir



Talented Australian winemaker Sam Plunkett - Angels have transformed his business

3.a. Who is Naked Wines UK?

How your money helps to make your wine taste better and cost less



1. Grapes

By committing early and financing the same growers year after year, your money allows the growers to focus on quality rather than volume.



2. Harvest

Because our growers know that their fruit has been sold upfront, they can harvest at optimal ripeness and flavour.



3. Crush

We squeeze less juice from the grapes so that we get all the fruit and less of the bitter dregs that make cheap wines taste cheap.



4. Fermentation

We can give nature the time she needs to turn the grape juice into delicious wines, rather than hurrying the process with artificial enzymes.



5. Ageing

With your money, we will now be able to give our fine wines the extra time they need to reach perfection before shipping.



6. Purchasing power

Because we buy barrels, bottles, corks and labels for hundreds of thousands of cases we get economies of scale that small winemakers don't.



7. Delivery

Because we deliver directly to you, you don't pay for middlemen.

3.b. Awards, press coverage and testimonials

A few of the awards we've won:



Naked Wines UK in the press:



Online shopping – the rise of no-name designers



ROWAN GORMLEY INTERVIEW: Former private equity big-shot challenges 'snobby and pretentious' wine giants



Naked Wines Shares Maiden Profit With Staff



Festival of business: Naked Wines boss Rowan Gormley has stripped away costs



Carol Emmas on the rise of Naked Wines

Testimonials:

“ I love your site. I love what you do, how you present it, and that I get really good wine for great value. I love that there is a simple way for me to track my tastes and educate myself about wine while supporting both your business and the wine growers - it seems to be a win win win. ”

— Marc Ingram

“ Drinking good wine is enough pleasure in itself, but having a sense of relationship with the winemakers, that is beyond the purely commercial, adds something else to the experience. ”

— Peter Batty

“ If you want to enter a declining market and make a meaningful dent then you better innovate. Naked Wines is doing just that and gaining publicity by the jeroboam... ”

— Confessions of a Wino,
Wine Blogger

“ Perhaps one of the most innovative new merchants to appear in recent years, Naked Wines is the brainchild of Rowan Gormley. If there was ever a retailer set upon demystifying wine, bringing consumer and winemaker closer together, then perhaps this is it. ”

— The Wine Doctor,
Wine Blogger

3.c. Why do we want to get into the fine wine business?

“we are offering a rate of interest which is significantly above current bank rates”



We believe that there is a great opportunity to enter the fine wine market, because:

- the credit crunch has made it harder for winemakers to get bank funding, and
- by helping winemakers with funding, we can acquire wines below normal market prices.

Fine wines need time. In fact, they need years. And time costs money.

Many independent winemakers simply don't have the financial resources to tie up cash for years, and so they can only age small quantities of fine wine. As a result, supply is scarce, and costs are high.

The key...is your funding

By investing in the Fine Wine Bond, you are not only helping the winemaker get access to funding.

You are also a potential buyer of the wines. And if the winemakers don't need to spend their time and money selling to you, they can afford to sell at lower prices.

So that is why we want to raise this money from you, our customers. And why we are offering a rate of interest which is significantly above current bank rates.

What do you we plan to do with your money?

We aim to deliver wines to compete with the best in the world, at a price which reflects their cost to produce, rather than their market value. We intend to do this by backing our existing and new winemakers to:

- acquire top quality fruit from all around the world
- lavish it with love, care and the finest oak money can buy
- give it the time that nature needs to do her job properly

And then we'll deliver it to your door.

What is "Fine Wine"?

We at Naked Wines Group define fine wines as wines that need more than one year from vine to table. This is a subject of very heated and earnest debate among wine enthusiasts, and every one of them seems to have their own definition. So we just picked the one that made the most sense to us.

In our humble opinion (and there are many who would disagree) fine wines are not NECESSARILY:

- from classic regions like Bordeaux and Burgundy. Other less well known regions are capable of producing wines that blind taste tests rate as equivalent or even better than the classic regions
- Estate Wines. Many expensive wines source most of their grapes from independent growers

3.d. The winemakers you may be backing – and the wines they want to make



Ken Deis

37 year
Napa Valley
veteran

THE WINE I WANT TO MAKE

"With your funding, I would love to make a small production Cabernet Sauvignon or high percentage Cabernet blend from mid Napa Valley. I would ferment in small tanks with a processing, fermentation and barrel strategy (20-21 months in at least 50% new French oak barrels) that would bring out the ripe Napa Valley fruit aromas and flavors, deep color and ageable yet soft tannins while yielding a finished wine with balance, complexity and finesse. Also, I'd give the wine time to age and develop in the bottle prior to release."

PEDIGREE

- Winemaker, Flora Springs, 1980 - 2008
- Highest rated wine from the highest ever-rated vintage, 1997, by the Wine Spectator
- Over forty 90+ Parker Point scores

3.d. The winemakers you may be backing – and the wines they want to make



THE WINE I WANT TO MAKE

"There is a block of Cabernet in my home region, the cool Strathbogie Ranges, with an unusual combination of soil and water availability that grows freakishly good Cabernet. If we can cover the cost, the grower Grant Taresch, will do anything we ask to maximise the potential of this already good block, and I'd love to have the cash to give this wine the small batch attention at vintage, then the time in new oak that I know will elevate it from good Cabernet to great! I'd love to get an inky, highly perfumed Strathbogie Cabernet with extraordinary length of flavour to bottle for you!"

PEDIGREE

- Chief Winemaker, Plunkett Fowles, 2005 - 2011
- Amassed more than 300 national award medals during his career
- Awarded 'Best Shiraz in Australia' trophy in 2010
- Awarded over 30 gold medals for 'Plunkett Reserve Shiraz and Plunkett Fowles The Rule Shiraz, the most highly regarded and decorated wines from the Strathbogie Range

Awarded
'Best Shiraz in
Australia' trophy
in 2010

3.d. The winemakers you may be backing – and the wines they want to make



Carmen Stevens

THE WINE I WANT TO MAKE

"With your generous funding , I would love to make a small volume of exceptional South African Chardonnay. A wine that reflects both old and new world characters. Therefore, I would employ both natural and cultivated yeast during the barrel fermentation of the whole bunch pressed fruit. The fruit would be from both cool and warm climatic conditions, this is to capture the ripe yellow fruit out of the warm climate and limey citrus feel of the cooler region. The oak regime would be to add a nutty-aspect and not to overpower the delicate fruit, especially out of the cooler region. All these different aspects will add complexity, depth and a layered effect to this special wine that should be bottle ready in 12 months. Now, doesn't that sound just so yummy?"

PEDIGREE

- First black female winemaker to graduate as a winemaker in South Africa in 1995.
- Head Winemaker, Amani Vineyards, 2005 – 2013
- Decanter International Trophy Winner and Regional Trophy in 2008
- 90 and 91 points awarded by Wine Enthusiast
- Decanter Gold in 2010 as well as South African Airways listing (business class) 3 years in a row

South Africa's
first black female
winemaker

4. FAQs

WHAT ARE “FINE WINES”? We define fine wines as wines that need more than one year from vine to table. This is a subject of very heated and earnest debate among wine enthusiasts, and every one of them seems to have their own definition. So we just picked the one that made the most sense to us.

WHAT DO YOU WANT THE MONEY FOR? We want to invest directly into the production of fine wines by various winemakers. We think we can beat the market on price and quality by applying the Naked Wines UK model to a very traditional business.

WHY NOT GET IT FROM A BANK? We probably could, but we'd rather get it from the people who want to drink the wines they are funding.

WHAT IS AN ANGEL? Angels are Naked Wines UK customers who receive preferential wholesale prices, by paying £20 a month into their Naked Wines account, which we use to fund winemakers.

DO I HAVE TO BE AN ANGEL TO INVEST? No you don't, but you could get a better deal if you are. Bondholders who elect to have their interest satisfied in Wine Credits, and who are also Angels, can spend their Wine Credits at Angel prices (which are 25-50% below normal prices).

I THOUGHT THAT YOU ALREADY HAD FUNDS FROM ANGELS – WHY DO YOU NEED MORE? We do get over £2m every month from our Angels to invest in wine production, but fine wine requires longer term funding, because fine wines take longer to mature – months or even years.

WHAT RETURN DO I GET? We will pay a gross return of 10% per annum in Wine Credits, or you can elect to earn interest in cash at

the rate of 7% per annum (basic rate tax will be deducted from all returns whether paid in cash or Wine Credits).

WHAT DO YOU MEAN BY PRIORITY ACCESS TO THE WINES YOU FUND? We will give you the heads up when the wines are ready to buy, ahead of anyone else, so you get first dibs.

DO I HAVE TO CHOOSE UPFRONT WHETHER I TAKE A WINE CREDIT OR CASH INTEREST? Yes, you do. You can buy Fine Wine Bonds in multiples of £500 and choose to receive interest in the form of Wine Credits on a specified amount of your investment in Fine Wine Bonds, and in cash on the balance, for example.

WHAT IS THE TAX POSITION? The return on the Fine Wine Bonds is subject to income tax. We will deduct basic rate tax at source and make the necessary arrangement to pay tax direct to HM Revenue & Customs for basic rate taxpayers. If you are a higher rate taxpayer you may need to pay higher rate tax as well. We strongly recommend that all applicants who are or might be liable for tax, especially higher rate tax payers, consult their own independent financial advisors as tax may be payable.

WHEN DO I GET MY MONEY BACK? The Fine Wine Bonds are for an initial term of three years. You can choose to have the Fine Wine Bonds repaid after three years or on the anniversary of the date of issue in each year from 2016 onwards. You can elect to receive Wine Credits on redemption instead of repayment in cash, in which case we will credit an amount equal to the nominal amount of your investment, plus a 10% premium, to your Naked Wines account.

ARE THERE ANY ADMIN FEES? No, there are no admin fees whatsoever, even if the Bond is undersubscribed.

WHAT IS THE TAX POSITION ON REDEMPTION? If you have the Fine Wine Bonds repaid in the form of Wine Credits you will be subject to income tax on the 10% premium, at the basic rate (and, if relevant to you, the higher rate). You will be responsible for paying this liability as we are not obliged to deduct this tax at source.

CAN I TRANSFER MY FINE WINE BOND TO SOMEONE ELSE? No. The Fine Wine Bonds are not transferable.

WILL I GET MORE OR LESS IF WINE PRICES GO UP OR DOWN IN VALUE? No. The Fine Wine Bond is a loan to the Company, which is repaid with interest. Most fine wine “investment” schemes involve people buying wine in the hope that it goes up in value. We are not doing that.



Winemaker duo Charles and Ruth Simpson, Languedoc, France

4. FAQs

CAN THE WINE CREDITS BE USED TO BUY ANY WINE FROM THE NAKED WINES UK SITE, NOT JUST THE FINE WINES?

Yes, absolutely. Please note, your Wine Credits cannot be used in conjunction with vouchers or gift cards.

WHEN WILL THE FINE WINES BE AVAILABLE TO BUY AND WHAT WILL THEY COST?

We aim to have limited quantities of fine wines available to you within six months, by releasing wines we have been "incubating" in anticipation of this move. As to what they will cost, all I can say is that we will aim to price these wines the way we do with all Naked Wines... at the lowest possible price at which we can earn a sensible return. Our goal is to make money in the long term from loyal customers, not to make a quick buck.

WHAT IF I DON'T LIKE THE WINE? We will refund you in full for any wines you buy from us that you don't like. Simple as that.

HOW MUCH CAN I INVEST? You can invest between £500 and £10,000 (in multiples of £500).

WHY HAVE YOU CAPPED THE INVESTMENT AT £10,000?

Because we want to spread the opportunity out amongst as many customers as possible. Plus, anything over this limit would mean you would have to provide us with more personal information, so that we could satisfy greater regulatory obligations.

HOW AND WHEN CAN I PAY? You can pay through a debit card when applying online, or by cheque with a postal application. Payments will be taken and cheques presented on receipt.

WHAT HAPPENS IF I DIE WHILE HOLDING A NAKED FINE WINE BOND? Your estate can require us to transfer the Bond to those persons entitled in the event of your death.

DO I GET SHARES IN NAKED WINES? No, this is a loan, not a share investment.

WHAT HAPPENS IF ANY PART OF THE NAKED WINES GROUP GOES BUST?

To protect Bondholders, the Bonds are issued by Naked Fine Wine Bonds plc (the Company). The Company's only activities will be to:

- issue the Fine Wine Bonds;
- hold the funds raised by the Fine Wine Bonds;
- purchase wine using the funds raised by the issue of the Fine Wine Bonds; and
- then sell those wines to members of the Naked Wines Group so as to enable the Naked Wines Group to sell that wine to its customers.

The funds generated from the issue of the Fine Wine Bonds, and the wines bought using those funds, will be held by the Company distinctly and separately from the trading operations and assets of Naked Wines UK.

WOULD I BE BETTER OFF WITH MY MONEY IN A BUILDING SOCIETY?

The rate we are offering is significantly higher than that currently available from a bank or building society. However, please remember that there is no such thing as return without risk. The Fine Wine Bonds are an unsecured loan and are not guaranteed by any company outside of the Naked Wines Group, they are guaranteed by Naked Wines UK.

I AM AN ANGEL – HOW DOES THE FINE WINE BOND AFFECT ME?

That all depends on you! If you are an Angel and you don't buy a Fine Wine Bond, this does not affect you at all. If you do buy a Fine Wine Bond, the funds paid by you for your Fine Wine Bonds will be held by the Company. You keep all your Angel benefits, your Angel funds will continue to be held by a different company,

the Trustee, and you get the 10% gross return in Wine Credits, or 7% gross cash interest on your Fine Wine Bond.

WHERE CAN I ASK QUESTIONS? You will find a discussion group at www.nakedwines.com/bondgroup where people are asking these and other questions.

IF I WANT TO INVEST, WHAT DO I DO NEXT? You can apply:

- Online at www.nakedwines.com/bond; or
- By post,

To apply by post, you can download a PDF of this document, print off the application form at www.nakedwines.com/bond, complete, sign and return it, together with payment by cheque to the following address:

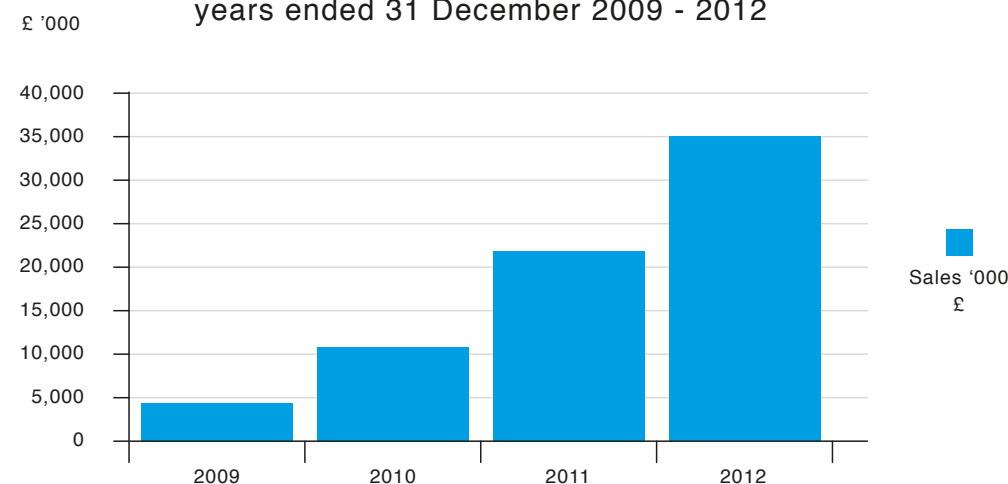
Naked Fine Wine Bonds plc
The Loft
Holland Court
The Close
Norwich
NR1 4DY

N.B. YOUR APPLICATION MUST REACH US BY 29
SEPTEMBER 2013 TO BE ELIGIBLE

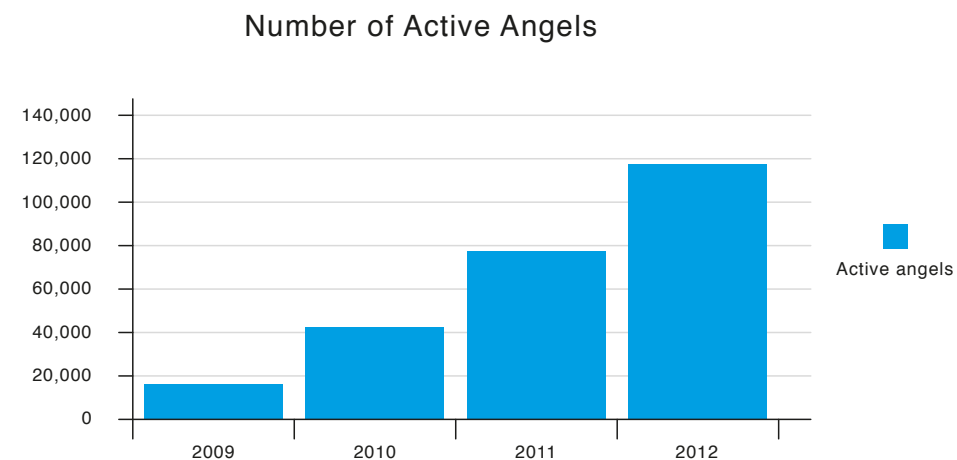
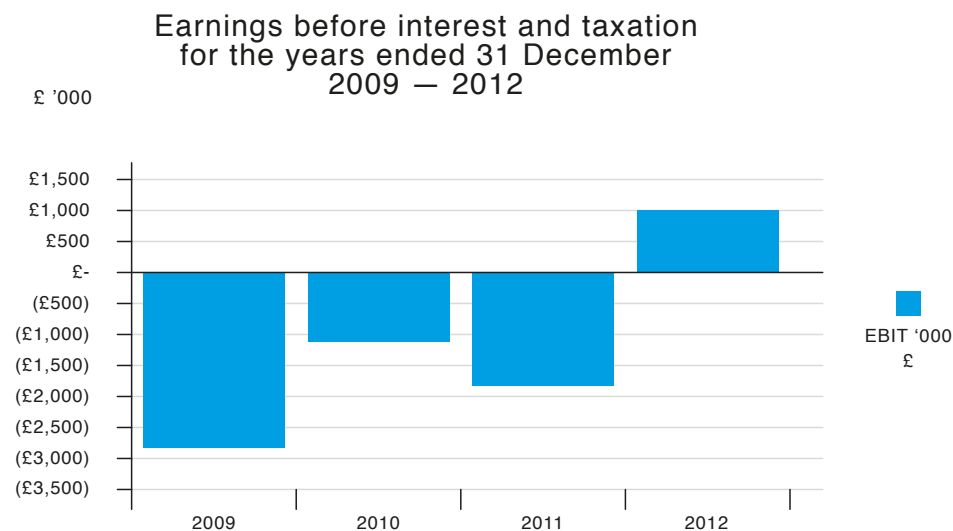
5.a. Naked Wines UK Information – key facts:

- Naked Wines UK is a customer funded online wine retailer. It offers customers the chance to earn preferential prices on wine in exchange for supporting independent winemakers. Naked Wines UK also receives funding through investment from shareholders in the Naked Wines Group.
- Launched in 2008 in the UK. Opened in USA and Australia in 2012
- Has invested over £25 million into over 40 winemakers in 51 locations around the world
- Revenue grown to over £34 million for year ending 31 December 2012.
- The principal shareholders of Naked Wines International (the ultimate parent company) are:
 - WIV Wein International AG (“WIV”), a €500m family owned German wine business; and
 - Rowan Gormley, co-founder of Virgin Money and Virgin Wines

Naked Wines UK Revenues for the
years ended 31 December 2009 - 2012



5.a. Naked Wines UK Information – key facts:



5.b. Naked Wines UK Financial Performance

– commentary

When we set up Naked Wines UK in 2008, we knew we had to invest heavily to build critical mass, to be able to attract world-class winemakers, and deliver the economies of scale needed to create real value for our customers.

Critical mass for us was the recruitment of the 100,000th Angel, which we achieved in May 2012 and we have been profitable ever since.

Quick facts

1. Strong sales growth, reaching £34.8m in only 4 years
2. Naked Wines UK is profitable – EBIT of over £1m in 2012
3. 2013 trading is running ahead of 2012 at both the sales and EBIT lines

Year ending 31 December (plus to 30 June 2013)

£'000	2009	2010	2011	2012	To June 30 2013
Sales	4,381	10,933	22,169	34,867	15,344
Gross Profit	741	2,898	4,897	10,341	4,825
Selling and Distribution costs	(2,183)	(2,429)	(4,443)	(5,616)	(1,937)
Administrative expenses	(1,397)	(1,656)	(2,236)	(3,694)	(1,927)
EBIT	(2,839)	(1,187)	(1,815)	1,031	937
Profit Before Tax	(2,839)	(1,187)	(1,782)	963	879

Notes

1. Payments from customers are only recognised as revenues when the wine is shipped. We do not treat payments from our Angels as sales until they have actually ordered the wine.
2. Acquisition costs are funded in the period in which they are incurred. We do not accrue these costs for future amortisation.

5.b. Naked Wines UK Financial Performance

Notes

1. Stock includes wines in various stages of production, from prepayments on grapes, wines in ferment, wines in barrel and finished goods in bottle and ready for sale.

Balance sheets as at 31 December

£'000	2009	2010	2011	2012
Fixed Assets	33	32	41	227
Cash	663	873	365	275
Stock	825	969	3,282	3,634
Debtors	56	301	1,194	4,399
	1,544	2,143	4,841	8,308
Creditors amount falling due within one year	(4,411)	(5,870)	(10,199)	(12,081)
Current Asset less Current liabilities	(2,867)	(3,727)	(5,358)	(3,773)
Creditors amount falling due after more than one year				(142)
	(2,834)	(3,695)	(5,317)	(3,688)
Share Capital	(5)	(5)	(6)	(6)
P&L	2,839	3,700	5,322	3,693
	2,834	3,695	5,316	3,687

5.c. The team

Rowan Gormley

Co-Founder and CEO of Naked Wines International

Rowan is a serial entrepreneur who, together with a delightful bunch of colleagues, co-founded

Virgin Money, The Virgin One Account, Virgin Wines and Naked Wines International.

The one common thread among all four businesses is a dream to build businesses that make money by looking after their customers and suppliers.

South African born, Rowan qualified as a Chartered Accountant and left the profession the day he qualified. After 7 years in private equity with Electra Investment Management, Rowan joined Virgin to look at new opportunities for them.

At lunchtime on his first day, a casual discussion with Richard Branson led to the launch of Virgin Money a few months later.

Rowan is a below average dad, a poor but enthusiastic tennis player, and takes enormous pride in enjoying a £4 Spanish Rosé as much as a £400 cult Napa Cabernet.

Rowan is a director of Naked Fine Wine Bonds plc.



Andreas Pieroth

Board member of WIV Wein International AG

Andreas is a member of the board of WIV Wein International AG, a family owned German wine company, turning over €500m in 25 countries around the world, and a major investor and majority shareholder in Naked Wines International.

After 300 years of wine making tradition in the Pieroth family, Andreas' father, Elmar Pieroth, had the simple but revolutionary idea of selling wine by home wine tastings. This direct contact with the customer is the base of WIV's success.

"We know, what people want to drink, because we know them personally," Andreas says. "Basically there are only two wines existing: the one you like and the one you like not. Wine buying should just be as easy as that." Andreas is responsible for wine production and quality management as well as the retail, online and B2B business of WIV.

Andreas is married, has a daughter, loves Riesling from Germany and Sauvignon Blanc from New Zealand. Before he took over responsibility in his family's wine business he set up a multimedia and internet agency in Berlin.

Andreas is a Non Executive director of Naked Fine Wine Bonds plc.



Matt Parish

Chief Winemaker for Naked Wines Group

Matt has joined Naked Wines to lead the search for the talented, experienced winemakers we want to be backing to make fine wines. With over 18 years experience in the wine industry, most recently as Vice President and Chief Winemaker at Treasury Wine Estates, (a 32m case a year giant, with brands such as Beringer, Penfolds, Grange), Matt is well positioned to identify the winemakers we want.

Before Treasury he was Director Group Winemaking at Constellation. His family own a small vineyard in New Zealand and Matt holds a Masters degree in Applied Science in Oenology and Viticulture from Lincoln University in New Zealand.



Ian West

Advisor for Naked Wines International

Ian is 49 and has been in the Telecoms, Media & Technology (TMT) market for nearly 25 years as a Manager, Operator and Investor.

He has been involved in a range of companies as an investor, adviser and/or director in the sector, including: TalkTalk Group Ltd, Top Up TV Group, Naked Wines, Engage Sports Media, Made TV, Seed Developments, Your Grind and the Apax Private Equity fund.

Previously, Ian has been involved as an investor, adviser or director in the following companies prior to 2013 – including: Kabel Deutschland Holdings, Perform Group Ltd, Eviivo Ltd, NTL UK, UK Racecourses, various European pay-TV companies, various Private Equity companies, InterTrust, Mviva.

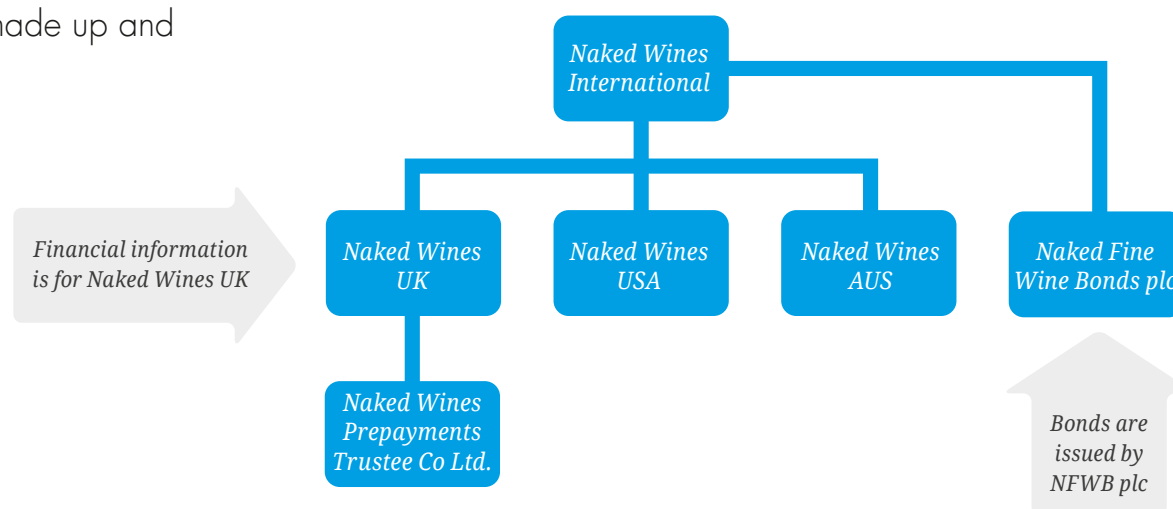
Prior to 2000, Ian worked for BSkyB for 11 years from 1989. He joined as one of the early employees in 1989 in the marketing department – and left as Managing Director of the subscription platform including Sky Digital. He was responsible for the launch of Sky Digital. He held a variety of roles including Director of Marketing & Distribution, Bus. Dev. Director, (helping with various worldwide international platform launches with Sky/News Corp.), Director of Digital TV, ending up as MD of Sky Subscription business. The most important role was leading the team that created, implemented and launched Sky Digital, which was a defining time for Sky.

Ian is also active in various charities including The Princes Trust and Regenerate UK.



5.d. Naked Wines Group structure

The Naked Wines Group is made up and operates as follows:



- **Naked Wines International Limited** is the ultimate parent company, the principal shareholders of which are:
 - WIV, a family owned German wine business with a €500m turnover; and
 - Rowan Gormley, co-founder of Virgin Money and Virgin Wines;
- Naked Wines International Limited is also the majority shareholder of:
 - www.nakedwines.com, the UK trading company ("Naked Wines UK");
 - Nakedwines.com LLC, the USA trading company; and
 - Naked Wines Australia Pty Limited, the Australian trading company.
- **Naked Wines UK:**
 - is a customer funded UK wine business that invests in independent winemakers to get preferential prices, which are passed on to customers;
 - the principal source of the funds is from its Angels – customers who invest £20 a month in exchange for preferential prices - together with shareholder funds invested in the Naked Wines Group;
 - the Angel Funds are held by a separate company, Naked Wines Prepayments Trustee Company Limited;
 - can only draw on Angel Funds for the specific purpose of funding independent winemakers.

5.d. Naked Wines Group structure

- **Naked Wines Prepayments Trustee Company Limited ("Trustee"):**

- is a wholly owned subsidiary of Naked Wines UK;
- its sole purpose in life is to hold Angel Funds on trust for the Angels until they are then lent to Naked Wines UK and applied in the purchase of wines;
- Trustee and Pieroth have taken security over the assets of Naked Wines UK and Trustee has a guarantee from Pieroth in support of the repayment obligations of Naked Wines UK where Angel Funds have been loaned to fund winemakers;
- should Naked Wines UK not be able to repay any Angel Funds drawn for the purpose of funding independent winemakers, Trustee and Pieroth will be entitled to enforce their security against Naked Wines UK and Trustee will be entitled to call on the guarantee from Pieroth;
- these Angel Funds are separate and distinct from the assets of Naked Wines UK.

- **Naked Fine Wine Bonds plc:**

- The Fine Wine Bonds are to be issued by Naked Fine Wine Bonds plc, a wholly owned subsidiary of Naked Wines International;
- The Company's only activities will be to:
 - issue the Bonds;
 - hold the funds raised by the Bonds;
 - purchase wine from the funds raised by the Bonds; and
 - sell the wine purchased to members of the Naked Wine Group to realise proceeds for the purposes of redeeming the Bonds.
- The funds generated from the issue of the Fine Wine Bonds, and the wines bought using those funds, will be held by the Company distinctly and separately from the trading operations and assets of Naked Wines UK;
- Bondholders will not have the same protections as Angels and Angel Funds, which are held by the Trustee;
- Naked Wines UK will guarantee the obligations of the Company to pay interest and repay the Bonds at maturity.

6.a. Risk factors

In addition to the other relevant information set out in this Invitation Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Fine Wine Bonds. If you are in any doubt about the contents of this Invitation Document or the action you should take, you are strongly recommended to consult a professional adviser authorised by the FCA under FSMA who specialises in advising on investment in bonds, shares and other securities.

An investment in Fine Wine Bonds is speculative and involves a degree of risk. You should be aware that you may not realise your initial investment. We believe the following risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in Fine Wine Bonds – and are not intended to be presented in any assumed order or priority. In particular, the performance of the Naked Wines Group may be affected by changes in legal, regulatory and tax requirements in the UK as well as overall global financial conditions.

Non-transferable (save on death)

Fine Wine Bonds are not transferable or negotiable on the capital markets - and no application is to be made for the Bonds to be admitted to listing or trading on any market.

Illiquid investment

Investment in an unquoted security of this nature, being an illiquid investment, is speculative, involving a degree of

risk. It will not be possible to sell or realise the Fine Wine Bonds until they are repaid by the Company. It may not be possible for a Bondholder to obtain reliable information about the risks to which Fine Wine Bonds are exposed.

No certainty that Bondholders will be repaid

The Fine Wine Bonds are an unsecured debt of the Company and will rank *pari passu* with all future unsecured debts of the Company. Should the Company grant any security in respect of borrowings in the future, the Fine Wine Bonds would rank behind any secured borrowings of the Company. There is no certainty or guarantee that the Company and/or Naked Wines UK (who is acting as the Company's Guarantor) will be able to repay the Fine Wine Bonds. If the Company, Naked Wines UK or any other member of the Naked Wines Group were to become insolvent, there is a risk that (a) some or all of the nominal value of the Fine Wine Bonds will not be redeemed, and (b) some or all of the return due on the Fine Wine Bonds will not be paid.

Not suitable for all reviewers of this Invitation Document

The Fine Wine Bonds may not be a suitable investment for all reviewers of this Invitation Document or the Instrument.

Financial Services Compensation Scheme

Fine Wine Bonds are not covered by the Financial Services Compensation Scheme.

Investors should seek their own tax advice

Investors should also take their own tax advice as to the consequences of owning and redeeming Fine Wine Bonds as well as receiving returns from us. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any Fine Wine Bonds and no member of the Naked Wines Group nor any of its directors will be responsible for any tax consequences for any such investors.

Interest rate and inflationary risk

Fine Wine Bonds are three year unsecured fixed rate obligations and as such will not benefit from any subsequent increases in market interest rates.

Death of a Bondholder

In the case of the death of a Bondholder or of any other event giving rise to the transmission of the Fine Wine Bonds by operation of law, the only persons recognised by the Company as having any title to such Fine Wine Bonds of such Bondholder are the executors or administrators of that deceased Bondholder's estate or such other person or persons as the directors of the Company may reasonably determine. Any person becoming entitled to Fine Wine Bonds as a result of such transmission may, upon producing such evidence as reasonably required by the directors of the Company, be registered as the holder of such Fine Wine Bonds and such person will also be entitled to require the early redemption of the Fine Wine Bonds.

6.a. Risk factors

Company specific risks

Exchange rates

Virtually all of Naked Wines UK's wine purchases are denominated in foreign currencies. Although actual liabilities are hedged, a sustained fall in the '£' would increase our cost of goods and may impact future sales.

Competition

The wine market has low barriers to entry and some powerful competitors.

Customer loyalty

Naked Wines UK's business model benefits from the cash flow provided by the Angels – it gives us stable income and a cost advantage over our competitors. Angels are free to come and go as they please, and a material decrease in the Angel base would impact our business.

Regulation and taxation

Wine is a heavily taxed product and an increase in taxes would increase selling prices, putting pressure on margins.

A young and rapidly growing company

Naked Wines UK is less than five years old, and is experiencing rapid growth. The Naked Wines Group has expanded to the USA and Australia. This creates

challenges for a young group of companies, which are more extreme than those experienced by more mature businesses.

However, it is important to understand that the Company's ability to repay the bond is not dependent on the success or otherwise of the Naked Wines businesses in the USA or Australia. The Company's obligations have been guaranteed by Naked Wines UK alone.

Weather/growing conditions

Wine is an agricultural product and is susceptible to changes in climate. We try to reduce this risk by spreading our funding over many winemakers, but it is not possible to eliminate this risk entirely.

Insolvency of winemakers

If a winemaker becomes insolvent, it may be difficult or impossible for us to recover the wine we have funded. We reduce this risk as much as we can by spreading our funding over many winemakers, but a general wine industry decline can still impact many winemakers at the same time. The foregoing factors are not exhaustive, and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Fine Wine Bonds. Accordingly and as noted above, additional risks and uncertainties not presently known to the Company or its directors, or that the Company or its

directors currently deem immaterial, may also have an adverse effect on the business and prospects of the Company and/or the Naked Wines Group.

Application / subscription monies

All monies which the Company receives with applications for Fine Wine Bonds ("Application Monies") whether by cheque, or online payment, will be presented for payment on receipt, and be paid into a separate bank account which has been opened in the name of the Company. The Company then holds the Application Monies on trust for applicants until the Long Stop Date. After the Long Stop Date, if an application for Fine Wine Bonds is unsuccessful in whole or in part or the minimum Subscription Threshold is not reached, a refund will be made. Whilst the Company states that it holds the Application Monies on trust, this arrangement could be challenged if the Company were to become insolvent prior to the allocation of the Fine Wine Bonds, and there is a risk that some or all of the Application Monies, could if successfully challenged be treated as being monies of the Company not applicants, and as such those Application Monies may not be returned to applicants.

6.b. Terms and Conditions

This Invitation Document, your application and/or your participation in the Fine Wine Bonds, is conditional upon and subject to:

1. The Company having received applications from potential investors for subscription of Fine Wine Bonds amounting to, in aggregate, not less than £1,000,000 (the “**Subscription Threshold**”) by no later than midnight on 29 September 2013 (“**Long Stop Date**”);
2. Your online application for Fine Wine Bonds being submitted at www.nakedwines.com/bond, together and matched with online payment by not later than midnight on the Long Stop Date or your completed application form in respect of your application, together with a signed personal cheque made payable to “Naked Fine Wine Bonds plc” and crossed “Account Payee only” having been received by us, by no later than midnight on the Long Stop Date; and
3. The Company having accepted your application in whole or in part (up to a maximum value of £10,000) in multiples of £500.

Upon receipt of your application form and

cheque or your online application and payment, your application will be irrevocable and not be capable of being terminated or rescinded by you.

The Company reserves the absolute discretion as to whether to accept your application in whole or in part (in multiples of £500) up to a maximum of £10,000 per applicant. Therefore, the Company may accept your application in whole or in respect of part only of the nominal amount of Fine Wine Bonds applied for in your application (in which case the balance of the amount paid to you in respect of Fine Wine Bonds which were not issued to you would be repaid to you).

In the event that you elect to receive Wine Credits in respect of all or of part of your subscription for Fine Wines Bonds, any Wine Credits credited to your Naked Wines account may not be used in conjunction with Naked Wines UK vouchers and / or gift cards.

By making your application (whether by post or online), you will be making your application on the terms and conditions contained in this Invitation Document and the Instrument.

All monies received with applications for Fine Wine Bonds (“**Application Monies**”) (a)

whether by cheque, which shall be presented for payment on receipt, or online payment, shall upon receipt be paid into a separate bank account of the Company and the Company shall hold the Application Monies on trust for applicants until the Long Stop Date, after which time applications can no longer be made for Fine Wine Bonds. The Company will not use the Application Monies until after the Long Stop Date, after which time the Application Monies shall be released to the Company and the Fine Wine Bonds will be allocated.

After the Long Stop Date, if your application for Fine Wine Bonds is unsuccessful in whole or in part or the minimum Subscription Threshold is not reached, a refund to your debit card or a cheque will be returned to you within twenty one days of the Long Stop Date without interest and at your risk.

Applications will not be successful in the event that payment is not met in full on presentation of any cheque.

In particular, by making your application, you will be deemed to warrant, represent, acknowledge and confirm:

agreements or undertakings (express or implied), written or oral, or statements made at any time by any member of the Naked Wines Group in relation to the Naked Wines Group or any member of the Naked Wines Group other than as contained in this Invitation Document and the Instrument and that, accordingly, no member of the Naked Wines Group, or their respective directors, officers, agents, employees or advisers or any person acting on behalf of any of them shall have any responsibility for any such other information or representation;

- (b) you are not relying on any member of the Naked Wines Group or Cairn to advise whether or not the Fine Wine Bonds are a suitable investment for you;
- (c) that you are resident in the United Kingdom, are a natural person, and are 18 years old or more at the date of submitting your application form. Applications from joint applicants, companies, trusts or other organisations will not be accepted, nor will applications from persons who are not resident in the United Kingdom or are under the age of 18 years old at the date of submitting their application form;

(a) that you are not relying on any information given or any representations, warranties,

6.b. Terms and Conditions

- (d) you are entitled to make your application and to be issued with Fine Wine Bonds in respect thereof under the laws of and rules of any governmental bodies located in any jurisdictions which apply to you;
- (e) you are aware that it is open to you to seek advice from someone who specialises in advising on investments;
- (f) you are not entitled to be paid any commission in relation to your application;
- (g) all certificates, documents and monies sent to you by or on behalf of the Company or any documents or money you send to the Company are sent at your risk;
- (h) you and funds under your management are not engaged in money laundering;
- (i) you are making your application on your own behalf and for no other person;
- (j) your application is in English and the Naked Wines Group will only write and communicate with you in English;
- (k) any monies returnable to you may be retained by the Company pending clearance of your cheque and such monies will not bear interest;
- (l) you acknowledge that the Company may, in its absolute discretion reject in whole or in part or scale down your application;
- (m) you have no access to any out-of-court complaint or redress mechanism in relation to your application;
- (n) if applicable, the cheque provided by you in respect of your Fine Wine Bonds, subscription will be honoured on first presentation;
- (o) the Company, its representative members, directors, officers, agents, employees or advisers will rely upon the truth and accuracy or the confirmations, acknowledgements and representations contained in this Invitation Document and the application;
- (p) the Company accepts no liability for any inaccuracies in your application or for any late or failed delivery of your application; and
- (q) the Fine Wine Bonds issued by the Company which are the subject of this Invitation Document will be identical in all respects to all other Fine Wine Bonds created by the Instrument SAVE ONLY for the alternative values offered and the differing interest return pertaining thereto.

Nothing in this Invitation Document, the Instrument or application will restrict the Company's liability for fraud.

Money laundering

It is also a term of your application that, to ensure compliance with the Money Laundering Regulations 2007 (as amended), the Company may, in its absolute discretion, require verification of an applicant's identity to the extent that an applicant has not already provided the same. Pending the provision of evidence of identity, Fine Wine Bonds applied for hereunder may not be issued and/or Fine

Wine Bonds acquired by an applicant hereunder may be retained in each case at the absolute discretion of the Company. If within a reasonable time after a request for verification of identity, satisfactory evidence has not been supplied, the Company may, at its absolute discretion, terminate an application in which event subscription monies will be returned to the applicant without interest and at your risk.

If you decide to make an application, you have undertaken to the Company that you will pay for such Fine Wine Bonds on acceptance of your application.

Jurisdiction

The making of applications, acceptances of applications and contracts resulting therefrom under this Invitation shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English courts.

6.c. Application Process and Timetable

If, after carefully reading this Invitation Document and the Instrument, you wish to make an application for up to £10,000 (in multiples of £500) for Fine Wine Bonds:

(a) can be applied for online at www.nakedwines.com/bond by completing an application form on screen, submitting it and making payment using a UK debit card. Credit cards cannot be accepted; **OR**

(b) by post, by printing a PDF of the application form which can be found at www.nakedwines.com/bond completing and returning it by post to Naked Fine Wine Bonds plc, The Loft, Holland Court, Norwich, NR1 4DY together with the full amount payable in respect of your application (subject to a maximum amount of £10,000) by cheque in sterling drawn on a bank account on which you are named of a branch of a bank or building society in the UK, the Channel Islands or the Isle of Man, made payable to “Naked Fine Wine Bonds plc” and crossed “Account Payee only” which should be sent to be received by no later than the Long Stop Date.

Cheques received in respect of applications will be presented for payment on receipt.

Please note that the decision to accept your application, in whole or in part (and in multiples of £500 up to a maximum of £10,000) is at the sole and unreserved discretion of the Company. Therefore, the Company may accept your application in respect of part only of the nominal amount of Fine Wine Bonds applied for in your application (in which case the balance of the amount paid by you in respect of Fine Wine Bonds which were not issued to you would be repaid to you without interest and at your risk).

You will be informed in writing if your application has been successful, in whole or in part, during the week commencing 14 October 2013 and, in the event that your application has been successful, in whole or in part, we will send you a Fine Wine Bond Certificate in respect of the nominal amount of the Fine Wine Bonds that have been issued to you either with such notification or within seven days of such notification.

If your application is successful in respect of only some of the Fine Wine Bonds you applied for, a cheque for the balance of the amount of your application (without interest) will be sent to you with your Fine Wine Bond Certificate(s), at your risk.

If your application is not successful or the Subscription Threshold is not achieved, a refund to your debit card or a cheque for the amount of your application will be returned to you within twenty one days of the Long Stop Date without interest and at your risk.

The Company does not accept liability for any inaccuracies in your application or for late or failed delivery of your application form. Please note that the decision to accept your application, in whole or in part (in multiples of £500) is at the sole unreserved discretion of the Company.

All monies received with applications for Fine Wine Bonds (“Application Monies”) whether by cheque, which shall be presented for payment on receipt, or online payment, shall upon receipt be paid into a separate bank account of the Company and the Company shall hold the Application Monies on trust for applicants until the Long Stop Date, after which time applications can no longer be made for Fine Wine Bonds. The Company will not use the Application Monies until after the Long Stop Date, after which time the Application Monies shall be released to the Company and the Fine Wine Bonds will be allocated.

After the Long Stop Date, if your application for Fine Wine Bonds is unsuccessful in whole or in part or the minimum Subscription Threshold is not reached, a refund to your debit card or a cheque will be returned to you within twenty one days of the Long Stop Date without interest and at your risk.

Applications will not be successful in the event that payment is not met in full on presentation of any cheque.

6.d. The Instrument

The Fine Wine Bonds are constituted by and will be issued subject to and with the benefit of the Instrument.

DATED: **30 August 2013**

Naked Fine Wine Bonds plc and www.nakedwines.com Limited

INSTRUMENT Constituting £5,000,000

Naked Fine Wine Bonds No.1

1.	Definitions and Interpretation
2.	Amount and Status of the Fine Wine Bonds
3.	Interest
4.	Wine Interest
5.	Redemption of Fine Wine Bonds
6.	Prepayment
7.	Default Events
8.	Non-Conversion
9.	Certificates
10.	Transfer
11.	Transmission
12.	Register of the Fine Wine Bonds
13.	Further issue of Fine Wine Bonds
14.	Guarantee
15.	Warranties and Undertakings
16.	Notice
17.	Costs and Expenses
18.	Third Party Rights
19.	Governing Law and Jurisdiction

SCHEDULE Wine Bond Certificate

This instrument is made by way of **Deed Poll**

on 30 August 2013

BY

Naked Fine Wine Bonds plc (registered number 8615844) whose registered office is at The Loft, Holland Court, The Close, Norwich, NR1 4DY (the "Company"); and www.nakedwines.com Limited (registered number 6672371) whose registered office is at The Loft, Holland Court, The Close, Norwich, NR1 4DY ("Naked Wines UK").

6.d. The Instrument

Terms:

1. Definitions and interpretation

1.1 The following words have these meanings in this Instrument unless a contrary intention appears:

Bondholder: the person(s) entered in the Register as the holders of the Fine Wine Bonds;

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

Certificate or Fine Wine Bond Certificate: a certificate evidencing title to the Fine Wine Bonds, in the form, or substantially in the form, set out in the Schedule to this Instrument;

Commencement Date: the date on which the Fine Wine Bonds are first issued;

Default Event: has the meaning given to that term in Clause 7.1;

Directors: the board of directors of the Company from time to time;

Fine Wine Bonds: the non-convertible, non-transferable Fine Wine Bonds of the Company constituted by this Instrument;

Instrument: this instrument;

Interest Date: annually on the anniversary of the Commencement Date if electing to receive cash interest, or on each Quarter Day if electing to receive Wine Credits;

Interest Rate:

(a) 7 per cent per annum in cash; or

(b) 10 per cent per annum if the relevant Bondholder elects to receive his or her interest in Wine Credits;

Quarter Day: each of 25 December, 25 March, 24 June and 29 September;

Recognised Investment Exchange has the meaning ascribed to that term in section 285 of the Financial Services and Markets Act 2000;

Register: the register of Bondholders maintained by the Company as provided for in Clause 12;

Registered office: the registered office of the Company from time to time;

Repayment Date: subject to prepayment by the Company in accordance with the terms of this Instrument at the option of the Bondholder, the later of:

(a) the third anniversary of the Commencement Date provided that the Bondholder has completed and returned to the Company a notice of redemption on the reverse of the Certificate six months prior to the relevant Repayment Date in accordance with Clause 5.1; and

(b) the anniversary of the Commencement Date in any subsequent year provided that the Bondholder has completed and returned to the Company a notice of redemption on the reverse of the Certificate six months prior to the relevant Repayment Date in accordance with Clause 5.1;

(or, if such date does not fall on a Business Day, the next Business Day)

Wine Credit: a credit equivalent to an amount in pounds sterling made to a Bondholder's Naked Wines account;

Wine Interest: a one-off credit to the Bondholder's Naked Wines account, of an amount equal to £50 credited on redemption for every £500 of Bonds held.

Wine Return: interest on the principal amount of the Bond at the relevant Interest Rate

1.2 In this Instrument, unless the contrary intention appears:

(a) the singular includes the plural and vice versa and any gender includes the other gender;

(b) '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);

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

(d) a reference to:

6.d. The Instrument

(d) a reference to:

(i) a document means that document as amended, replaced or novated;

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

(iii) a clause or schedule is a reference to a clause or a schedule in this Instrument; and

(iv) a month means a calendar month;

(e) 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;

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

(g) a reference to "date of redemption" or "repayment" or "redeemed" or "repaid" means the date on which all the outstanding principal and accrued interest

on all the outstanding Fine Wine Bonds is finally paid; and

(h) headings are inserted for convenience and do not affect the interpretation of this Instrument.

2. Amount and status of Fine Wine Bonds

2.1 The aggregate principal amount of the Fine Wine Bonds created by this Instrument is limited to £5,000,000.

2.2 The Fine Wine Bonds shall only be capable of being issued in nominal amounts of £500 and no Bondholder shall be permitted to hold more than, in aggregate, £10,000 in nominal amount of Fine Wine Bonds.

2.3 The Fine Wine Bonds shall be issued to natural persons only and shall not be issued or registered in the names of more than one Bondholder.

2.4 Subject to this Instrument, the whole of the Fine Wine Bonds as and when issued shall rank *pari passu* equally and rateably without discrimination or preference.

2.5 The Fine Wine Bonds shall not be capable of being transferred by the Bondholder and shall not be capable of being dealt in or negotiated on any stock exchange or otherwise or other recognised or capital market in the United Kingdom or elsewhere and no application has been or will be made to any Recognised Investment Exchange for the listing of, or for permission to deal in, the Fine Wine Bonds.

3. Interest

3.1 Interest is payable on the principal amount outstanding under the Fine Wine Bonds from the Commencement Date until the date of redemption and will be calculated on the basis of a 365-day year (or, in the case of a leap year, a 366-day year).

3.2 Interest accrues from day to day at the applicable Interest Rate and is payable to the Bondholders by yearly payments in arrears if they're electing to receive cash interest - OR quarterly payments in arrears if electing to receive Wine Credits. In each case by reference to the relevant Interest Date until the Fine Wine Bonds are repaid

under the terms of this Instrument.

3.3 Bondholders who elect to receive interest in cash shall be paid at the Interest Rate of 7% gross per annum, such sum to be paid to the relevant Bondholders within 15 Business Days of the relevant Interest Date.

3.4 Bondholders who elect to receive interest in Wine Credits shall receive interest at the Interest Rate of 10% per annum. Such Bondholders will not receive cash but will receive the equivalent in Wine Credits. The relevant quantity of Wine Credits shall be credited quarterly to the relevant Bondholder's Naked Wines account by the Company within 15 Business Days of the relevant Interest Date.

3.5 Bondholders shall not be entitled to use any Wine Credits credited to their Naked Wines account, (whether as interest, Wines Interest or otherwise), in conjunction with Naked Wines UK vouchers and / or gift cards.

6.d. The Instrument

4. Wine Interest

4.1 On redemption, if a Bondholder elects to receive the principal amount of their Bond in an equivalent amount of Wine Credits, such Bondholder shall also receive the Wine Interest which will be credited to the relevant Bondholder's Naked Wines account at the rate of 10%.

5. Redemption of Fine Wine Bonds

5.1 All Fine Wine Bonds, to the extent not previously repaid (in whole or in part) by the Company before the relevant Repayment Date, will be redeemed by the Company on the Repayment Date, at par, provided that the Bondholder has completed and returned to the Company a notice of redemption on the reverse of the Certificate in accordance with the instructions thereon so as to be received by the Company at least six months' prior to the relevant Repayment Date. If the Bonds are not redeemed then the Bondholder will continue to receive the Wine Return at the relevant Interest Rate.

5.2 Bondholders may elect, in lieu of

repayment and/or redemption of their Bonds, to receive a Wine Credit to their Naked Wines' account, for an amount equal to the par value of the Bond plus a 10% premium.

5.3 All payments of principal and interest or settlements of return or on redemption in respect of the Fine Wine Bonds by or on behalf of the Company shall be made at the Bondholder's risk:

(a) either by cheque or bank transfers in favour of the Bondholder. If such payment is to be made by cheque, it shall be sent to the address notified to the Company for such purpose in writing by the Bondholder from time to time; and

(b) subject to the prevailing withholding tax at the basic rate of income tax imposed in the United Kingdom by Her Majesty's Revenue and Customs but otherwise 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 Company 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 Company shall not be required to increase or gross-up any payment of principal made hereunder.

5.4 All Fine Wine Bonds redeemed by the Company pursuant to the terms of this Instrument will be cancelled and will not be available for reissue.

5.5 In the event that any tax is deducted from the returns or on redemption, the Company shall make available to Bondholders as soon as reasonably practicable, certificates of deduction of tax in respect of the tax deducted or withheld.

6. Prepayment by the company

In addition to Clause 7.1 below, the Company will be entitled to pre-pay or redeem any or all of the principal of the Fine Wine Bonds together with interest at the relevant Interest Rate accrued thereon at any time after the Commencement Date.

7. Default events

7.1 Notwithstanding Clauses 5 and 6 and subject to Clause 7.2, all outstanding Fine Wine Bonds shall become immediately repayable, at the option of a Bondholder, at par 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**"):

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

(b) an encumbrancer has taken possession of or if a receiver, administrative receiver, liquidator, judicial factor or other similar officer is appointed to

6.d. The Instrument

take possession of the whole or any material part of the property or undertaking of the Company 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 Company is contesting such possession or appointment in good faith and diligently; or

(c) any administration order or any administration application has been made in respect of the Company; or

(d) any procedure or step analogous to the events set out in 7.1(a) to (c) is taken in any jurisdiction.

7.2 The Company will use reasonable endeavours to give notice of the Bondholders of the happening of any Default Event within ten Business Days upon becoming aware of the same. If any Bondholder does not exercise its right of repayment or having so exercised such right, shall waive in writing his or her right of repayment of the principal amount due to him/her under the Fine Wine Bond, the Fine Wine Bonds held by such Bondholder shall remain outstanding.

8. Non-conversion

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

9. Certificates

9.1 The Certificates will be in the form or substantially in the form set out in the Schedule to this Instrument.

9.2 The Company will recognise the Bondholder indicated in the Register as the absolute owner of the Fine Wine Bonds. The Company is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Fine Wine Bonds may be subject.

9.3 If any of the Bondholder's Fine Wine Bonds are due to be redeemed under any of the provisions of this Instrument, the Bondholder shall, deliver up to the Company (at its Registered Office) the Certificate(s) for the Fine Wine Bonds which are due to be redeemed (with the notice of redemption duly completed) in order that the same may be cancelled and, upon such delivery, the Company shall pay

the relevant redemption amount to the Bondholder.

9.4 If any of the Bondholder's Fine Wine Bonds are liable to be redeemed under any of the provisions of this Instrument, and, a Bondholder fails to or refuses to deliver up the Certificate(s) for such Fine Wine Bonds at the time and place fixed for the redemption of such Fine Wine Bonds (with the notice of redemption duly completed), then the Company 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 Company on 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 these conditions, to be a payment to the Bondholder and the Company shall thereby be discharged from all obligations in connection with such Fine Wine Bonds. If the Company shall place such amount on deposit at a bank, the Company shall not be responsible for the safe custody of such amount or for any interest accruing on such amount in such account.

9.5 If any Certificate is lost, stolen or mutilated, defaced or destroyed, it may be replaced at the Registered Office, subject to all applicable laws, upon such indemnity being provided by, and an administration fee being paid by, the relevant Bondholder as the Directors may reasonably require.

10. Transfer

The Fine Wine Bonds are not transferable in whole or in part and neither the Company nor its Directors shall not approve or arrange or participate in any transfer of Fine Wine Bonds whether by registration of a transfer of Fine Wine Bonds or otherwise.

11. Transmission

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

6.d. The Instrument

Directors of the Company, and surrendering the relevant Fine Wine Bond Certificate, be registered as the holder of such Fine Wine Bonds.

11.2 In the case of death of a registered holder of Fine Wine Bonds, the only persons recognised by the Company as having any title to the Fine Wine Bonds are the personal representatives of a deceased sole registered holder of Fine Wine Bonds or such other person or persons as the Directors of the Company may reasonably determine and the personal representatives will be entitled to require repayment of the principal amount of the Bond at par in accordance with the terms of this Instrument.

12. Register of the Fine Wine Bonds

12.1 The Company will at all times keep at its Registered Office, or at such other place as the Company may have appointed for the purpose, a register showing:

(a) the nominal principal amount of the Fine Wine Bonds held by the Bondholder;

(b) the Certificate number of each Fine Wine Bond issued;

(c) the date of issue and all subsequent transmissions of ownership; and

(d) the name and address of the Bondholder as bondholder.

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

12.3 The Register may be closed by the Company for such periods and at such times as it thinks fit but not more than thirty (30) days in any calendar year.

12.4 Any change of name or address on the part of the Bondholder must be notified to the Company and the Register will be altered accordingly.

13. Further issues of Fine Wine Bonds

The Company may from time to time without the consent of the Bondholders,

create and issue further Fine Wine Bonds having the same terms and conditions as the outstanding Fine Wine Bonds and so that such further issues may be considered and form a single series with the outstanding Fine Wine Bonds.

14. Guarantee

14.1 Subject to Clause 14.2, Naked Wines UK (“**Guarantor**”) unconditionally and irrevocably guarantees the obligations of Naked Fine Wine Bonds plc, in relation to the Outstanding Amount (as defined below) under and in accordance with the Instrument. This means if the Company is not in a position to redeem the Bonds when it should, the Guarantor will step into the shoes of the Company and redeem the Bonds (to the extent that it is able). Therefore the Guarantor unconditionally and irrevocably guarantees to each of the Bondholders from time to time that if, for any reason whatsoever, the outstanding principal amount (“**Outstanding Amount**”) on his Fine Wine Bonds (or any part of it) is not paid in full by the Company or the relevant Wine Credit in relation to the 10% redemption premium is not credited, within seven (7) days of the due

date it shall (subject to the limitations set in this guarantee) on demand in writing by such Bondholder, pay to him such sum as shall be equal to the amount in respect of which such default has been made, provided that the Guarantor’s maximum aggregate liability under this guarantee shall not exceed an amount equal to the aggregate of the Outstanding Amount in respect of such Bondholder’s Bonds and is due to such Bondholder.

14.2 Before a Bondholder shall be entitled to enforce the terms of this guarantee, the Company shall be afforded a period of six months from the date of non-payment of any principal or interest due under this Instrument, within which to remedy such default.

14.3 Upon payment in full by the Guarantor of the Outstanding Amount of any outstanding Fine Wine Bonds, such Fine Wine Bonds shall be deemed to have been repaid and cancelled and no further interest or credits issued in respect of those Fine Wine Bonds.

14.4 The Guarantor shall be liable as if it were the principal debtor for all monies or

6.d. The Instrument

money's worth payable pursuant to the Instrument (notwithstanding that, as between the Company and the Guarantor, the Guarantor is a surety only) and shall not be exonerated or discharged from liability under this guarantee:

(a) by time or indulgence being given to, or any arrangement or alteration of terms being made with, the Company, or

(b) by the liquidation, whether voluntary or compulsory of the Company or by the appointment of an administrative receiver or administrator in relation to the Company or its assets; or

(c) by any act, omissions, matter or thing whatsoever, whereby the Guarantor, as surety only, would or might have been so exonerated or discharged.

14.5 Each of the covenants and guarantees contained in this Clause 14 shall be a continuing covenant and guarantee binding on the Guarantor, and shall remain in operation until the Outstanding Amount of the outstanding Bonds has been fully repaid or satisfied.

14.6 This Clause 14 shall be deemed to contain, as a separate and independent stipulation, a provision to the effect that any sums of money or money's worth which may not be recoverable from the Guarantor by virtue of a guarantee (whether by reason of any legal limitation, disability, incapacity or any other fact or circumstance and whether known to the Bondholders or not) shall nevertheless be recoverable by the Guarantor by way of an indemnity. Notwithstanding anything to the contrary set out in the Instrument, the maximum aggregate liability of the Guarantor under this guarantee shall not exceed an amount equal to the aggregate Outstanding Amounts due to Bondholders.

14.7 Subject to Clause 14.2, each Bondholder shall be entitled to determine from time to time when to enforce this guarantee as regards his outstanding Bonds and may from time to time make any arrangements or compromise with the Guarantor in relation to this guarantee given by this Clause 14 which such Bondholder may think expedient and/or in his own interest.

14.8 Any payment to be made by the

Guarantor under the Instrument shall be made without regard to any lien, right of set-off, counterclaim or other analogous right to which the Guarantor may be, or claim to be, entitled against any Bondholder.

14.9 Payment by the Guarantor to any Bondholder made in accordance with this Clause 14 shall be deemed a valid payment for all purposes of this clause 14 and shall discharge the Guarantor from its liability under this guarantee to the extent of the payment, and the Guarantor shall not be concerned to see to the application of any such payment.

14.10 In relation to any demand made by a Bondholder for payment by the Guarantor pursuant to this Clause 14, such demand shall be in writing and shall be accompanied by the relevant Fine Wine Bond Certificate (with the notice of redemption duly completed) and shall state:

(a) the full name and registered address of such Bondholder and the Outstanding Amount which is claimed;

(b) that none of the Bonds in respect of which such demand is made has been cancelled, redeemed or repaid by the Company;

(c) that the sum demanded is due and payable by the Company, that all conditions and demands prerequisite to the Company's obligations in relation to those Bonds have been fulfilled and made, that any grace period relating to those obligations has elapsed and that the Company has failed to pay the sum demanded;

(d) the date on which payment of the Outstanding Amount (or part thereof in respect of which the demand is made) should have been made to the Bondholder by the Company; and

(e) the address to which payment by cheque is to be sent at the at the Bondholder's risk.

14.11 The Guarantor may rely on any demand or other document or information appearing on its face to be genuine and correct, and to have been signed or

6.d. The Instrument

communicated by the person to whom it purports to be signed or communicated. the Guarantor shall not be liable for the consequences of such reliance and shall have no obligation to verify that the facts or matters stated in any such demand, document or information are true and correct.

15. Warranties and undertakings

15.1 The Company undertakes to the Bondholder that:

(a) it will perform and observe the obligations imposed on it by this Instrument; and

(b) it will comply with the provisions of the Certificates; and

(c) the Fine Wine Bonds are held subject to and with the benefit of the terms and conditions set out in this Instrument and are binding on the Company and the Bondholder and all persons claiming through or under them.

15.2 The Company and the Guarantor severally warrant to the Bondholder on the

date of this Instrument, that:

(a) (in the case of the Company only) it has the power and authority to enter into this Instrument and to issue the Fine Wine Bonds and to exercise its rights and perform its obligations under this Instrument and the Fine Wine Bonds; and

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

(c) it has been duly incorporated, under the laws of England and Wales.

16. Notice

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

(a) if delivered personally, at the time of delivery;

(b) in the case of pre-paid post, 48 hours from the date of posting;

(c) 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 each Bondholder, or such other address or email address as may be notified in writing, from time to time by the relevant party to the other party.

16.4 For the avoidance of doubt, only the Company and the Guarantor shall be permitted to serve a valid notice on a Bondholder by email.

17. Costs and expenses

Each party shall pay its own costs, charges and expenses relating to the negotiation, execution and implementation of this Instrument.

18. Third party rights


No person shall have a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Instrument.

19. Governing law and Jurisdiction

19.1 This Instrument and each of the Fine Wine Bonds is governed by and shall be construed in accordance with the law of England.

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

6.d. The Instrument

Executed as a deed	Schedule											
on the day and year set out above for and on behalf of	 <p style="text-align: center;">Naked Fine Wine Bond</p> <p style="text-align: center;">FINE WINE BONDS CERTIFICATE FOR CASH INTEREST / WINE CREDITS</p> <p style="text-align: center;">Certificate No. <u>XXXXXX</u> (Incorporated and registered in England and Wales with Company Number 8615844) Nominal Amount <u>£XXXXX</u></p>											
NAKED FINE WINE BONDS PLC												
acting by:												
Director												
Director												
WWW.NAKEDWINES.COM LIMITED	<p style="text-align: center; font-size: 2em;">FINE WINE BONDS No.1</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>THOUSANDS</td> <td>HUNDREDS</td> <td>TENS</td> <td>UNITS</td> </tr> <tr> <td>XXXXX</td> <td>XXXXX</td> <td>XXXXX</td> <td>XXXXX</td> </tr> </table> <p>THIS IS TO CERTIFY THAT</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>TITLE NAME SURNAME ADDRESS LINE 1 ADDRESS LINE 2 TOWN/CITY POSTCODE COUNTRY</p> </div> <div style="width: 45%;"> <p>is/are the registered holder(s) of Fine Wine Bonds No.1 constituted by an Instrument of Naked Fine Wine Bonds plc and www.nakedwines.com Limited (as Guarantor) dated 30/08/2013 (the "Instrument") in the above sum. The Fine Wine Bonds are issued subject to the rights and restrictions contained in the Instrument. Executed by the Company on this XX/XX/2013 for and on behalf of Naked Fine Wine Bonds plc</p> </div> </div>				THOUSANDS	HUNDREDS	TENS	UNITS	XXXXX	XXXXX	XXXXX	XXXXX
THOUSANDS					HUNDREDS	TENS	UNITS					
XXXXX					XXXXX	XXXXX	XXXXX					
acting by:												
Director												
Director												

acting by: Director _____ Director _____

The Company reserves the right to require that this Certificate or a certificate of indemnity in a form reasonably approved by the Directors be presented upon the redemption of the Fine Wine Bonds represented by this Certificate. No transmission of the whole or any portion of the above Bonds can be registered without the production of this certificate.

7. Glossary, definitions and references

The following definitions apply to this Invitation Document (unless the context otherwise requires):

“Angels”	customers of Naked Wines who pay a monthly amount in order to receive discounted and preferential rates on wine
“Angel Funds”	monthly payments made by Angels
“Cairn”	Cairn Financial Advisers LLP, 61 Cheapside, London, EC2V 6AX
“Company”	Naked Fine Wine Bonds plc registered in England and Wales with company number 8615844
“FCA”	the UK Financial Conduct Authority, or any successor authority
“Fine Wine Bonds” or “Bonds”	the non-convertible non-transferable bonds of the Company constituted by the Fine Wine Bond Instrument
“Fine Wine Bondholders” or “Bondholders”	holders of Fine Wine Bonds
“Fine Wine Bond Certificate”	a certificate evidencing title to the Fine Wine Bonds
“Fine Wine Bond Instrument”	the instrument of the Company and Naked Wines UK acting as Guarantor dated 30 August 2013 constituting the Fine Wine Bonds copies of which are available at www.nakedwines.com/bond
“FSMA”	the UK Financial Services and Markets Act 2000
“Invitation” or “Invitation Document”	this invitation document
“Naked Wines Group”	Naked Wines International Limited, Naked Wines UK, and their subsidiaries, details of which are set out on page 22 of this Invitation Document
“Naked Wines UK”	www.nakedwines.com Limited registered in England and Wales with company number 6672317
“Trustee”	Naked Wines Prepayments Trustee Company Limited registered in England and Wales with company number 6748474
“Wine Credit”	a credit to a Bondholder’s account at Naked Wines UK to be redeemed against the purchase of wine

References

“Issuer”	Naked Fine Wine Bonds plc, The Loft, Holland Court, The Close, Norwich, NR1 4DY
“Guarantor”	www.nakedwines.com Limited, The Loft, Holland Court, The Close, Norwich, NR1 4DY
“Solicitors”	Mills & Reeve LLP, Botanic House, 100 Hills Road, Cambridge, CB2 1PH