

**26 May 2014**

**TO:**

Martinborough Vineyard Estates Limited  
57 Princess St,  
Martinborough 5711,  
New Zealand

**Attention:** The Directors

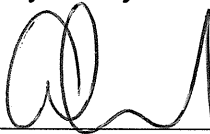
**Despatch notice pursuant to Rule 45 of the Takeovers Code**

We refer to the takeover notice given by Foley Family Wines Limited (**FFW**) to Martinborough Vineyard Estates Limited (**MVEL**) dated 9 May 2014 in relation to FFW's full takeover offer for all of the shares in MVEL.

FFW hereby gives notice pursuant to Rule 45 of the Takeovers Code that the offer document was sent to MVEL's shareholders on 26 May 2014.

Pursuant to Rule 45(1)(a)(ii) of the Takeovers Code, a copy of the offer document is **enclosed** with this notice.

For and on behalf of  
**Foley Family Wines Limited**



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**Antony Mark Turnbull**  
CEO and Director  
Foley Family Wines Limited

Copy to:

The Takeovers Panel  
Level 3, Solnet House  
70 The Terrace  
PO Box 1171  
Wellington 6011

Registrar of Companies  
Level 18, ASB Centre  
135 Albert Street  
Auckland 1010

**FULL TAKEOVER OFFER BY  
Foley Family Wines Limited  
to purchase all of the shares in  
Martinborough Vineyard Estates Limited  
made pursuant to the Takeovers Code**

**26 May 2014**

**IMPORTANT**

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Martinborough Vineyard Estates Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (eg the broker) through whom the sale was made, to be passed to the purchaser.

Martinborough Vineyard Estates Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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26 May 2014

Dear Shareholder in Martinborough Vineyard Estates Limited

**TAKEOVER OFFER IN EXCHANGE FOR SHARES IN FOLEY FAMILY WINES LIMITED**

On 9 May 2014, we announced our intention to make a takeover offer to purchase all of the shares in Martinborough Vineyard Estates Limited (MVEL) in exchange for shares (Foley Shares) in Foley Family Wines Limited (FFWL).

The number of Foley Shares you will receive for your MVEL shares has been calculated by reference to the net asset backing of FFWL as at 30 June 2013 and the net asset backing of MVEL group as at 31 March 2014. This calculation results in you receiving 1 Foley Share for every 27.95 shares in MVEL. Where the calculation results in a fraction of a Foley Share then the fraction will be rounded to the nearest round number with a fraction of one half to be rounded upwards, except that an accepting shareholder shall not receive less than 1 Foley Share.

The offer has only proceeded after considered discussions between management and directors of each of MVEL and FFWL, and their joint conclusion is that the best outcome is for FFWL to acquire full ownership of MVEL. The directors of MVEL have recommended that you accept our offer. Their recommendation and their view of the offer is set out in the Target Company Statement they have produced which will be forwarded to you under separate cover.

As you are no doubt aware, over the last decade it has been challenging for small to medium sized winemakers such as MVEL to trade profitably and deliver satisfactory returns to their shareholders, and it is likely it will continue to be difficult for such companies without the benefits of scale and distribution. Our offer will enable the operations of MVEL to continue within the larger FFW family, and the offer enables shareholders to have an interest in a viable, well financed, publicly listed wine company.

For our part we will give a very warm welcome to a new group of shareholders who share our passion for the wine industry in New Zealand.

The offer document enclosed with this letter sets out the details of our offer, including relevant information you will need to take into account before making a decision to accept our offer for all or any of your shareholding.

We commend this offer to you, and encourage you to accept.

Yours faithfully  
**FOLEY FAMILY WINES LIMITED**



**William Patrick Foley II**  
Chairman, Foley Family Wines Limited

## SUMMARY OF OFFER

On 9 May 2014 Foley Family Wines Limited (**Offeror**) announced that it would make a full takeover offer (**Offer**) under the Takeovers Code for the purchase of all the ordinary shares in Martinborough Vineyard Estates Limited (**Company**). The key terms of the Offer are:

|                            |  |
|----------------------------|--|
| <b>Offer Consideration</b> | <p>One fully paid ordinary share in the Offeror for every 27.95 ordinary shares in the Company. The fully paid ordinary shares being offered will be of the same class and have the same rights as the existing fully paid ordinary shares of the Offeror which are currently issued and listed on the NZX Alternative Market. A fraction of a share in the Offeror which may result from that calculation shall be rounded to the nearest round number with a fraction of one-half to be rounded upwards, except that the Offeree shall not receive less than one Foley Share.</p> <p>If the Offer is accepted in full, the Offeror would issue 1,238,305 shares in the Company as consideration under the Offer. This would amount to approximately 2.8% of the total number of shares on issue after these shares are allotted.</p> <p>If you are not resident in New Zealand the consideration payable to you is explained below in the section "Overseas Shareholders".</p> |
| <b>Opening Date</b>        | <b>26 May 2014</b>   |
| <b>Closing Date</b>        | <b>24 June 2014 (unless extended)</b>  |
| <b>Settlement Date</b>     | If you accept this Offer the consideration for your shares will be satisfied no later than 7 days after the later of the date on which this Offer becomes unconditional or the Closing Date (or the next working day if the last day falls on a weekend or a public holiday).  |
| <b>Offer Terms</b>         | The detailed terms of the Offer are set out on pages 10 to 18 of this Offer document.  |
| <b>Conditions</b>          | <p>This Offer is subject to conditions detailed in clauses 3 and 4 of the Terms and Conditions, including:</p> <ul style="list-style-type: none"><li>• obtaining such number of acceptances as would confer upon Foley Family Wines Limited 90% or more of the voting rights in the Company, unless this condition is waived, in which case the requirement will be to obtain more than 50% of the voting rights in the Company;</li><li>• the receipt by Foley Family Wines Limited of consent from the New Zealand Overseas Investment Office to implement and give effect to this Offer</li></ul>   |

|                              |  |
|------------------------------|--|
|                              |  |
| <b>Brokerage</b>             | You will not pay brokerage if you accept this Offer.   |
| <b>Overseas Shareholders</b> | Shares in the Offeror cannot be allocated to Company shareholders whose address is outside New Zealand and those shareholders who elect to accept the Offer will only be entitled to the proceeds of the sale of the Offeror's shares. These will be allotted to a nominee in New Zealand who will sell the shares and pay the proceeds, net of brokerage, to the overseas shareholder. See page 10 of this Offer document for more details. |

Detailed terms of the Offer are set out on the following pages of this document. You should read these carefully.

**If you are in any doubt as to any aspect of the Offer, you should consult a financial and/or legal adviser.**

## **BACKGROUND TO THE OFFEROR**

The Offeror is part of the Foley Family Wines group of companies, being approximately 80% indirectly owned by Foley Family Wines Holdings, Inc. (<http://www.foleyfamilywines.com/>). The Foley Family Wines Group was established in 1996 in the USA and is a major producer, marketer and distributor of highly acclaimed, handmade wines from some of the world's greatest vineyards. The Offeror is also an NZAX listed integrated winemaker involved in growing grapes, wine making and bottling (<http://www.ffw.co.nz/>). Its New Zealand wine brands and labels include: Vavasour; Clifford Bay; Boatshed Bay; Dashwood; The Pass; Te Kairanga; Goldwater; Grove Mill; Sanctuary; and Frog Haven.

As at 31 December 2013, the Offeror and its subsidiaries owned or leased approximately 364 hectares of land in the Marlborough and Wairarapa regions with approximately 293 hectares of that land currently being used in commercial production.

The annual reports of the Offeror, which include its audited financial statements, can be located on its website (<http://www.ffw.co.nz/>). Additionally, as a listed company, the Offeror is subject to the continuous disclosure provisions of the NZAX Listing Rules. These provisions require the Offeror to immediately notify NZX once it becomes aware of any information which a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of the Offeror's listed securities. The material information released by the Offeror under these provisions is available on NZX Limited's website (<https://nzx.com/markets/NZAX/securities/FFW/announcements>).

The dividend policy of the Board of the Offeror is to evaluate present and projected cash flows, sustainable underlying earnings and, if prudent, declare an annual dividend subject to current and future capital and acquisition expenditure requirements. For the year ended 30 June 2013, the Offeror did not declare an interim or final dividend.

### **Director Profiles:**

#### **William Patrick Foley, II**

William Patrick Foley, II is Chairman of the Board of Directors for Fidelity National Financial Inc. (NYSE: FNF), and Vice-Chairman of the Board of Directors for Fidelity National Information Services, Inc. (NYSE: FIS).

Currently ranked number 472 (with US\$4.8 billion in revenue) on Fortune's list of America's largest companies, FNF provides title insurance and specialty insurance. Another FNF minority-owned subsidiary, Ceridian Corporation, is a leading information services company in the human resource, retail and transportation industries. In 2004, the company was selected by Forbes as one of the "26 Best Managed Companies in the U.S." and has repeatedly been named to Fortune's list of America's Most Admired Companies, Forbes' list of the World's Best Companies and selected for Barron's list of Best Companies for Investors.

Currently ranked number 425 (with US\$5.7 billion in revenue) on Fortune's List of America's largest companies, FIS is a global provider of core processing for financial institutions; card issuer and transaction processing; and related information products and outsourcing. FIS has been named the

number one overall financial technology provider in the world by American Banker and by the research firm Financial Insight in the FinTech 100 rankings®.

Mr Foley began in the wine business in 1996. Under his leadership the Foley Family Wines Group has made a number of successful acquisitions and the business continues to grow. In 2009 it acquired the shares in The New Zealand Wine Fund Limited, which was subsequently renamed Foley Family Wines NZ Limited.

Mr Foley is also the majority shareholder and a director of Wharekauhau Country Estate Limited (**Wharekauhau**) which owns and operates Wharekauhau Lodge and Country Estate located in the South Wairarapa region.

After receiving his B.S. degree in Engineering from the United States Military Academy at West Point, Mr Foley served in the U.S. Air Force, where he attained the rank of Captain. He received an M.B.A. degree from Seattle University and earned his J.D. degree in 1974 from the University of Washington School of Law. From 1974 to 1984, Mr Foley practiced law in Phoenix, Arizona, and focused primarily on corporate and real estate law. Following his legal tenure, Mr Foley became affiliated with FNF. Through strategic acquisitions, Mr Foley led FNF to become one of the largest title insurance companies in the United States, as well as to diversify into information services through the 2003 acquisition of ALLTEL Information Services, now FIS.

Mr Foley devotes time to many educational and community organizations. He serves as an advisory board member for the University of Washington School of Law, the Florida Forum Advisory Board for Wolfson Children's Hospital Women's Board. Mr Foley also serves Chapman University School of Law both as a member of the Dean's Council and as an Endowed Chair of the William Foley Chair in Corporate Law & Taxation. In 1997, he was chosen as Orange County, California's Business Person of The Year, honoured with the Marine Corps Scholarship Foundation's Semper Fidelis award and inducted into the Florida Council of Economic Education's First Coast Business Hall of Fame in 2006.

Mr Foley and his wife, Carol, are active philanthropists for many causes, especially those in support of children's education. Mr Foley serves as a Trustee on the Boards of the Jacksonville Chamber of Commerce and the Cummer Museum of Art & Gardens. His additional professional directorships include Winter Sports, Inc. and Remy International, Inc.

In addition to his numerous professional and philanthropic commitments, Mr Foley is an accomplished golfer, ranked in 2004 by Golf Digest as one of the top five executive golfers in the world. Mr Foley enjoys his time as a vintner and is the founder and managing partner of Foley Family Wines, headquartered in Healdsburg, California. Most recently, Mr Foley formed and serves as Chairman of Glacier Restaurant Group, LLC, the largest restaurant business headquartered in Montana. He is also the developer of Rock Creek Cattle Company, an 80,000-acre working Montana ranch, featuring a high-end golf community with diverse homesteads, a well-appointed lodge for recreation and dining, and an exceptional golf course designed by Tom Doak.



### **Anthony John Anselmi**

Anthony Anselmi (Tony) was appointed to the Board in September 2012. Mr Anselmi's business career began in footwear retail and today the family owned business, Overland Footwear Company Ltd. of which Mr Anselmi is Chairman, has retail stores throughout New Zealand and is presently expanding into Australia. The Company was voted 2012 Best Place to Work in New Zealand in a survey done annually by Kenexa, an international research consultancy. Mr Anselmi opened a manufacturing plant in 1966 and Fabia Products Ltd. became one of the larger footwear manufacturers in New Zealand. He has considerable experience in farming and developed a large area of neglected and unproductive land into an extensive dairy farm operation.

Mr Anselmi was appointed a Director of the State Owned Enterprise, Forestry Corporation and served on the Board until it was sold by the Government. He was also appointed an inaugural director of Inframax Ltd a road construction and maintenance L.A.T.E. owned by The Waitomo District Council.

Mr Anselmi was an investor in The New Zealand Wine Fund Ltd. (Vavasour Wines) and, when this was purchased by the Foley Family Wines Group, he transferred his investment to the new Company.

### **James Alton Jamieson**

James Alton Jamieson (Alton) was elected to the board The New Zealand Wine Company Limited in September 1999, and was Chairman of The New Zealand Wine Company Limited from September 2007 to September 2012. Mr Jamieson's business career has covered banking, transport and waste management services. He has had a 23 year career with waste management services businesses, primarily with NZX and ASX publicly listed Waste Management NZ Limited and was its Managing Director on listing in 1985. Mr Jamieson spent 5 years based in Sydney from 1991 as CEO and a director of Pacific Waste Management Pty Limited, Australia. He also served as Chairman of Waste Management NZ Limited for 12 years until he retired from the board in 2002. Mr Jamieson has been a director of the Blues Franchise Limited and also served as an independent contractor to the New Zealand Rugby Union, working on a number of projects over the 3 years to 2006. Mr Jamieson is an Accredited Director and Fellow of the Institute of Directors in New Zealand and is a Fellow of the New Zealand Institute of Management.

### **Antony Mark Turnbull**

Mr Turnbull is a New Zealand businessman with experience in a number of industries including the wine industry. He was the chairman of The New Zealand Wine Fund Limited prior to its acquisition by the Foley Family Wines Group and he remains a director of the Offeror. He is also a director of Foley Family Wines Holdings, New Zealand Limited and Wharekauhau. In April 2012, Mr Turnbull was appointed as Chief Executive of Foley Family Wines Holdings, New Zealand Limited.

In 2011, Mr Turnbull completed an MSc in Strategy at London Business School.

## **HOW TO ACCEPT THIS OFFER**

Complete the Acceptance Form enclosed with this document, in accordance with the instructions set out on that form. Then deliver, mail or fax the Acceptance Form to:

### **Foley Family Wines Limited**

c/- Link Market Services Limited  
Level 7, Zurich House, 21 Queen Street, Auckland 1010  
PO Box 91976, Auckland 1142  
Facsimile: +64 9 375 5990

A reply-paid envelope is enclosed.

If you send your completed Acceptance Form by facsimile, you should also post the original to the address above (although, if you do not, your acceptance will still be valid).

You may accept the Offer in respect of all or any of your Shares.

## **IF YOU HAVE LOST YOUR FORM OR HAVE ANY QUESTIONS**

If you have lost your Acceptance Form or have any questions about this Offer you can contact Link:

Link Market Services Limited  
Phone: +64 9 375 5998  
Facsimile: +64 9 375 5990  
Level 7, Zurich House, 21 Queen Street, Auckland 1010  
PO Box 91976, Auckland 1142

## **Closing Date**

**This Offer is scheduled to close on 24 June 2014. If you wish to accept this Offer, you must ensure that your acceptance is received on or before the Closing Date. Your early response will assist in the processing of acceptances.**

## **IF YOU HAVE SOLD YOUR SHARES IN THE COMPANY**

If you have sold all or some of your Shares, please request the broker through whom you made the sale to advise the purchaser of this Offer and that copies of this Offer document are available from Link.

## **IMPORTANT**

**ACCEPTANCES MUST BE RECEIVED BY 5 P.M. ON 24 JUNE 2014**

**TERMS AND CONDITIONS OF FULL TAKEOVER OFFER  
BY FOLEY FAMILY WINES LIMITED TO PURCHASE  
ALL OF THE SHARES IN MARTINBOROUGH VINEYARD ESTATES LIMITED**

Dear Shareholder,

Foley Family Wines Limited (**Offeror**) hereby offers to acquire, on the terms and conditions set out in this document (the **Offer**) all of the issued fully paid ordinary shares in Martinborough Vineyard Estates Limited (**Company**). All the shares in the Company are referred to in this Offer as the **Shares** and each of them is referred to as a **Share**.

This Offer is a full offer for the Shares. In accordance with the Takeovers Code, each holder of Shares is entitled to sell to the Offeror pursuant to the Offer all or any of the Shares they hold.

This Offer is made subject to the following terms and conditions.

**1 Consideration**

- 1.1 The consideration offered for each Share is one fully paid ordinary share in the Offeror (**Foley Share**) for every 27.95 Shares, subject to paragraph 1.2. The fully paid ordinary shares being offered will be of the same class and have the same rights as the existing fully paid ordinary shares of the Offeror which are currently issued and listed on the NZX Alternative Market. A fraction of a share in the Offeror which may result from that calculation shall be rounded to the nearest round number with a fraction of one-half to be rounded upwards, except that the Offeree shall not receive less than one Foley Share.
- 1.2 The Offeror cannot allot Foley Shares to shareholders resident outside New Zealand. This is because of the restrictions imposed by overseas regulations on the offer and allotment of securities into their jurisdictions. The Offeror will therefore appoint a nominee (being a member of the New Zealand Stock Exchange) to hold the Foley Shares entitlement of shareholders residing outside New Zealand. The nominee will be instructed to sell those Shares as soon as practicable after the allotment of the Foley Shares to it and pay the proceeds, net of brokerage, to the relevant overseas Shareholder. This is not alternative consideration.

The Takeovers Panel has granted an exemption to the Offeror from rules 20 and 56 of the Code to the extent that the Foley Shares are to be allotted to a shareholder residing outside New Zealand as a result of the Offer or a compulsory sale due to the Offer.

- 1.3 The consideration for the Offer will be paid to shareholders whose Shares are taken up under the Offer (**Acceptors**) and will vest in each accepting shareholder (**Acceptor**) by allotment of ordinary shares to such Acceptors not later than 7 days after the later of:
- (a) the date this Offer becomes unconditional; or
  - (b) the Closing Date.

PROVIDED THAT if the last day is not a working day then payment may be made on the next working day.

- 1.4 The Foley Shares to be issued as consideration for the Offer will be quoted and tradeable on the NZX Alternative Market on the day of allotment, to be notified publicly via NZX. If you sell Foley Shares prior to receiving confirmation of the allotment from Computershare Investor Services Limited as further described under paragraph 7.2 of this document you will do so at your own risk. None of the Offeror, nor any of their respective officers, employees or advisers accepts any liability or responsibility should you or any person attempt to sell or otherwise deal with Foley Shares before you receive a statement showing the number of Foley Shares allotted to you.
- 1.5 If the consideration for the Offer is not paid within the period specified in paragraph 1.3 to any shareholder whose Shares are taken up under the Offer, that shareholder may withdraw acceptance of the Offer by notice in writing to the Offeror, but only after the expiration of 7 days' written notice to the Offeror of that shareholder's intention to do so. This right to withdraw acceptance of the Offer will not apply if the shareholder receives the consideration during the 7 day period referred to in this paragraph.

## **2 No disclosure documentation**

- 2.1 The Offer is being made in reliance on the exclusion to the disclosure requirements under the Financial Markets Conduct Act 2013 (**FMCA**) set out in clause 19 of Schedule 1 to the FMCA (**Exclusion**).
- 2.2 In brief, the Exclusion allows the Offeror as a listed company, to issue its shares to the offerees without a disclosure document. The Offeror must, however, provide to NZX Limited a notice (the form of which is enclosed with this Offer) stating that the Offeror is in compliance with its continuous disclosure and financial reporting obligations (**FMCA Notice**). The Offeror must release with the FMCA Notice any information that has not been released to the market under any exclusion to the Offeror's continuous disclosure obligations.
- 2.3 The FMCA Notice will be released to NZX Limited by **26 May 2014**, and within the 24 hour period before the Offer is made. The FMCA Notice also accompanies this document.

## **3 How to Accept this Offer**

If you wish to accept this Offer, you only need to:

- 3.1 Complete the enclosed Acceptance Form in accordance with the instructions set out in the Acceptance Form.
- 3.2 Return the completed Acceptance Form in the enclosed reply paid envelope **AS SOON AS POSSIBLE**, but in any event so as to be received by the Offeror not later than 5 pm on **24 June 2014** (being a period of 30 days from and including the date of this Offer) or such later closing date(s) as the Offeror may decide in accordance with the Takeovers Code (**Closing Date**). Acceptances posted (and bearing a postage stamp) before 5 p.m. on the Closing Date, but received after that date, may be accepted by the Offeror.
- 3.3 If the reply paid envelope has been mislaid, please deliver, mail or fax your completed Acceptance Form to:

Link Market Services Limited  
Re: MVE Takeover

PO Box 91976, Auckland 1142  
Level 7, Zurich House, 21 Queen Street, Auckland 1010  
Facsimile: +64 9 375 5990

- 3.4 You may accept this Offer in respect of all or any Shares you hold in the Company, whether you have acquired them before or after the date of this Offer, upon production of satisfactory evidence of your entitlement to those Shares.
- 3.5 The Offeror may, in its discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with this clause 3 and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form, including inserting or completing details of the Shares held by the Acceptor and filling in any blanks. The Offeror will determine, in its sole discretion, all questions relating to documents, including the validity, eligibility, time of receipt and effectiveness of an acceptance of the Offer. The determination of the Offeror will be final and binding on all parties.
- 3.6 Acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and the Offeror on the terms and subject to the conditions of this Offer. Other than in the circumstances set out in paragraph 1.5 above, acceptances of the Offer are irrevocable and you may not withdraw your acceptance during the time the Offer is open for acceptance, whether or not there has been any permissible variation of the Offer in accordance with the Takeovers Code.
- 3.7 Notwithstanding paragraph 3.6, the Offeror and each Acceptor shall be released from its obligations under this Offer and arising from acceptance of this Offer if:
- (a) this Offer is withdrawn with the consent of the Takeovers Panel; or
  - (b) this Offer lapses as a result of any condition contained in this Offer not being satisfied or waived by the date specified for satisfaction of that condition.
- 3.8 If you need assistance with respect to completing your Acceptance Form, please contact Link Market Services Limited, Re: MVE Takeover on:
- Telephone: +64 9 375 5998  
Mail: PO Box 91976, Auckland 1142  
Email: <mailto:enquiries@linkmarketservices.co.nz>

#### **4 Terms and Conditions of Offer**

- 4.1 This Offer, and any contract arising from it, is conditional upon the Offeror receiving, on or prior to the Closing Date, acceptances of this Offer relating to Shares that, on registration of the transfer of the Shares to the Offeror would (once the Offer is declared unconditional and the Shares transferred) confer on the Offeror 90% or more of the voting rights in the Company. This condition may be waived by the Offeror at any time on or prior to the Closing Date to the intent that it may declare the Offer unconditional at an acceptance level which is less than 90%.
- 4.2 The condition set out in paragraph 4.1 is a condition subsequent, and acceptance of the Offer by each Shareholder shall constitute a contract between that Shareholder and the Offeror subject to that condition.
- 4.3 If the Offer period is extended and the Offer has not been declared unconditional, the Offeror will specify in the variation notice a new date by which the Offer must be declared unconditional.

- 4.4 If this Offer does not become unconditional, the Offer will lapse, Acceptance Forms received by the Offeror will be destroyed and every party will be released from their obligations under this Offer (and the Acceptance Form) and the contract arising from their acceptance of it.
- 4.5 In accordance with the Takeovers Code, the latest date by which the Offeror can declare this Offer to have become unconditional must not be later than 30 days after the Closing Date. As at the date of this Offer, the Offeror has determined that this Offer should be declared unconditional by 30 June 2014 but this date may change if the Closing Date specified in paragraph 3.2 is extended as permitted by the Takeovers Code. If this Offer is not declared unconditional, the Offer will lapse.
- 4.6 The Shares and all other securities of the nature referred to in paragraph 8 “Change of Circumstances” (if applicable) are to be acquired free from all liens, charges, mortgages, encumbrances and other interests and claims of any kind whatsoever, but together with all rights, benefits and entitlements attaching to them at the date of this Offer or which arise subsequently, including the right to all dividends and other distributions.
- 4.7 The Offeror may vary this Offer in accordance with the Takeovers Code.
- 4.8 By accepting this Offer, each Acceptor represents and warrants to the Offeror that:
- (a) it is the sole legal and beneficial owner of the Shares in respect of which it has accepted this Offer, or is the legal owner and has the necessary power, capacity and authority to accept this Offer in respect of such Shares;
  - (b) it has full power, capacity and authority to sell and transfer all such Shares; and
  - (c) legal and beneficial title to all such Shares will pass to the Offeror in accordance with paragraph 4.6.
- 4.9 Each Acceptor:
- (a) will not, and will not attempt to, sell, transfer or dispose of (or agree to do any of those things), any or all of the Shares in respect of which the Acceptor has accepted this Offer (other than the acceptance of the Offer itself);
  - (b) is deemed to have irrevocably authorised the Offeror to instruct the Company and its share registrar to refuse, during the Offer period, to register any transfer of any or all Shares in respect of which the Acceptor has accepted this Offer, except for the transfers in accordance with this Offer; and
  - (c) will pay to the Offeror on demand, any cost or expense incurred, or loss or damage suffered, by the Offeror in connection with, or as a result of, that Acceptor’s failure to comply with paragraph 4.9(a).

## **5 Further Conditions**

- 5.1 This Offer and any contract arising from acceptance of it is conditional on the Offeror obtaining consent under the Overseas Investment Act 2005 to settle the Offer.

- 5.2 This Offer and any contract arising from acceptance of it is also subject to the conditions that during the period from the date on which this Offer was announced until the last date by which the Offer must be declared unconditional by the Offeror (or the date on which the Offer is declared unconditional, if earlier):
- (a) no dividends, bonuses or other payments or distributions of any nature (including without limitation, any share buybacks) have been or will be declared, paid or made upon or in respect of any of the Shares;
  - (b) no further shares, convertible securities or any voting securities of any description (including options, rights or interests in any securities) of the Company or any of its subsidiaries (the **Group**) have been or will be issued or agreed to be issued or made the subject of any option or right to subscribe (whether by way of bonus issue or otherwise) and there have been no, and will be no, alteration of rights, privileges and restrictions attaching to the shares of any member of the Group;
  - (c) no Share in the Company has been or will be subdivided, consolidated or acquired by the Company;
  - (d) no Shares in the Company or any shares or other securities in any of its subsidiaries have been or will be made the subject of any option, or right, to subscribe for the issue of securities in the Company or that subsidiary;
  - (e) no alteration to the constitution of any member of the Group has been or will be made other than amendments of a formal or technical (but not substantive) nature;
  - (f) the business of each member of the Group is carried on in the ordinary and normal course, including without limitation:
    - (i) none of the assets of the Group (taken separately or together) being disposed of, or made subject to any option or contract to sell, for an amount in excess of \$10,000 except in the ordinary course of business or with the approval, or conditional on the approval, of the Company's shareholders;
    - (ii) no member of the Group (separately or together) entering into or contracting to enter into, or completing any acquisition of any investment, company or asset, or undertaking any capital expenditure or divestment for an amount in excess of \$10,000 (in aggregate) that, as at the date on which this Offer was announced, had not been approved by the board of directors of the Company or committed to by the relevant member of the Group or approved by, or conditional on the approval of, the shareholders of the Company, otherwise than in the ordinary course of business;
    - (iii) no resolution being passed for any merger, amalgamation, share buyback or scheme of arrangement including any member of the Group, and no member being involved in any proposal relating to any merger, amalgamation, share buyback or scheme of arrangement (or announcing any intention to do so);
    - (iv) no unusual or abnormal payments, commitments or liabilities (including contingent liabilities) which are material or could be material to the

Group, taken as a whole, are made or incurred (or agreed to be made or incurred) by any of those entities and no member of the Group makes any unusual payment of income tax;

- (v) no member of the Group varies or waives any material rights or powers under any material contract to which it is a party;
- (vi) no changes to the composition or functions of the board of directors of any member of the Group;
- (vii) no member of the Group disposes of, purchases, transfer, leases, charges, mortgages, grants a lien or other encumbrance over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in a material asset, business, operation, property or subsidiary (or agrees to or reaches an understanding, including agreeing to materially vary any agreement, do any of these things or makes an announcement in respect of any of them) that is material to the Group taken as a whole, other than in the ordinary course of business or with the approval, or conditional upon the approval, of the shareholders of the Company; and
- (viii) no onerous, long term or material contracts, commitments, agreements or arrangements that are material to the Group taken as a whole (either individually or in aggregate), or major transactions (as defined in section 129(2) of the Companies Act 1993), are entered into, terminated or materially varied, by any member of the Group (or an agreement or understanding to these purposes is reached), except with the approval of, or conditional upon the approval of, the Company's shareholders;
- (g) no liquidator, receiver, manager, receiver and manager, statutory manager or similar officer being appointed in relation to any member of the Group or is appointed in relation to any of their respective assets (or any part thereof) and no proceedings or steps (including the calling of a meeting to consider the passing of a resolution to appoint a liquidator) for the liquidation or administration of any member of the Group being commenced;
- (h) no action, claim, litigation or other form of proceedings that are or could be material to the Group (taken as a whole) are notified or commenced against, or by, any member of the Group;
- (i) no change to the remuneration or to any terms of employment or engagement of any director, officer, employee, contractor or consultant of any member of the Group is made other than in accordance with established policies or in the ordinary course of business and consistent with past practices, and there is no agreement to make any of those changes;
- (j) no changes are made to the senior management team or their respective arrangements with the Group, except with the prior approval of the majority of the Company's board;
- (k) there not having occurred any events, conditions or circumstances of the nature referred to above which in aggregate with other events mean that the overall impact of such aggregated events taken as a whole is material to the Group;



- (l) there not having occurred any event materially adverse to the business, financial position, assets or liabilities, of the Group, taken as a whole;
- (m) no board of any member of the Group approving, authorising or resolving any of the matters referred to in (a) to (i) above; and
- (n) no person exercising any rights under any provision or agreement or other instrument to which any member of the Group is a party, or by or to which any member of the Group or any of their assets is bound or subject, which results to an extent which is material in the context of the Group taken as a whole, in:
  - (i) any monies borrowed by any member of the Group becoming payable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument; or
  - (ii) any such agreement or other such instrument being terminated or modified.

5.3 The conditions in paragraph 5.2 above are for the benefit of the Offeror and may be waived in whole or in part by the Offeror at its absolute discretion to the extent permitted by the Takeovers Code and other laws. Any waiver or consent given by the Offeror in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.

5.4 The Offeror cannot allow the Offer to lapse:

- (a) in unreasonable reliance on a condition of the Offer; or
- (b) in reliance on a condition of the offer that restricts the Company's activities in the ordinary course of the Company's business during the period that begins with the sending of the takeover notice (being 9 May 2014) and ends on 30 June 2014 (unless extended).

5.5 All of the conditions set out above are conditions subsequent, and acceptance of this Offer by an Acceptor shall constitute a contract by that Acceptor with the Offeror subject to those conditions.

## **6 Notices**

6.1 Notice to the Company and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
- (b) advising that this Offer is withdrawn in accordance with the Takeovers Code or has lapsed in accordance with its terms,

in each case, will be deemed to be notice to all offerees.

6.2 Notice of any variation of the Offer will be sent to each offeree, the Company and the Takeovers Panel in accordance with the Takeovers Code.

## **7 Method of Settlement**

7.1 The Offeror will not acknowledge receipt of your acceptance of this Offer.

7.2 If:

- (a) this Offer is declared unconditional; and
- (b) the Acceptance Form is in order and includes all the necessary information,

then the Foley Shares to which you will be entitled under this Offer will be allotted as per your instructions in the Acceptance Form. You will be sent confirmation of the allotment by Computershare Investor Services Limited by the date specified in paragraph 1.3.

7.3 The Offeror will present the Acceptance Forms to the Company for registration not later than 3 days after the later of the Offer becoming unconditional and the Closing Date.

## **8 Change of Circumstances**

8.1 If, on or after **9 May 2014** the Company declares or pays a dividend or bonus or makes any other distribution (and the condition in paragraph 5.2(a) is waived by the Offeror) Acceptors of this Offer will be bound to pay to the Offeror an amount equivalent to such dividend or the value of such other distribution or, at the option of the Offeror, the cash consideration which would otherwise have been paid to such Acceptors shall be reduced by an amount equivalent to such dividend or the value of such other distribution.

8.2 If, on or after **9 May 2014**, the Company authorises, declares or makes any issue of shares or debentures or convertible notes or voting securities or grants any other rights or interests in its shares to its shareholders by way of capitalisation of any part of its profits or reserves (and the condition in paragraph 5.2(b) is waived by the Offeror) Acceptors of this Offer will be bound to transfer such shares, debentures, convertible notes, voting securities or other rights and interests to the Offeror, without any additional consideration.

8.3 If all or any of the Shares of the Company are consolidated, subdivided or acquired by the Company on or after **9 May 2014** (and the condition in paragraph 5.2(c) is waived by the Offeror) then this Offer will be interpreted to take into account such consolidation, subdivision or acquisition and will be deemed to be for the shares/securities resulting from such consolidation, subdivision or acquisition and the consideration per Share provided for under paragraph 1.1 will be increased or reduced, as the case may require, in proportion to such consolidation, subdivision or acquisition, and Acceptors will be bound to transfer such consolidated, subdivided or acquired shares to the Offeror on the basis of the consideration so increased or reduced.

8.4 If the Company makes any issue of shares to any person on or after the date of this Offer other than by way of capitalisation of any part of its profits or its reserves, then this Offer will be deemed to extend to and include such shares and the consideration payable for them will be as provided in paragraph 1.1 above.

## **9 Further Information**

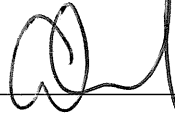
Further information relating to the Offeror, as required by Schedule 1 to the Takeovers Code, is set out in the Appendix, and forms part of this Offer.

## 10 Interpretation

In this document:

- 10.1 any reference to the Takeovers Code means the takeovers code recorded in the Takeovers Code Approval Order 2000 (SR 2000/210);
- 10.2 except if expressly defined in this document, or where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this document;
- 10.3 in the event of any inconsistency between this Offer and the requirements of the Takeovers Code, or the Takeovers Act 1993, or any applicable exemption granted by the Takeovers Panel under section 45 of the Takeovers Act 1993, the Takeovers Code, the Takeovers Act 1993 or exemption (as the case may be) shall prevail;
- 10.4 this Offer may be varied by the Offeror in accordance with rule 27 of the Takeovers Code;
- 10.5 the provisions set out in the Acceptance Form are also part of the terms of this Offer;
- 10.6 headings are for convenience only and do not affect the interpretation of this document or any Acceptance Form;
- 10.7 the singular includes the plural and vice versa;
- 10.8 references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- 10.9 all sums of money referred to in this Offer are references to New Zealand currency;
- 10.10 any reference to time in this Offer is to New Zealand time; and
- 10.11 this Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand, and the parties to any such contract submit to the non-exclusive jurisdiction of the Courts of New Zealand.

This Offer is dated at Auckland this 26<sup>th</sup> day of May 2014.



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**Antony Mark Turnbull**  
Director  
Foley Family Wines Limited

## **APPENDIX: INFORMATION REQUIRED TO BE SPECIFIED IN TAKEOVER OFFER BY SCHEDULE 1 TO THE TAKEOVERS CODE.**

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer, is set out below. Where information is not applicable, no statement is made regarding that information. The following matters are stated as at the date of this Offer document.

### **1 Date**

The Offer is dated **26 May 2014**.

### **2 Offeror and its Directors**

#### **Foley Family Wines Limited**

13 Waihopai Valley Road, Rd6, Blenheim, 7276, New Zealand

#### **Directors of the Offeror**

- William Patrick Foley II
- Antony Mark Turnbull
- Anthony John Anselmi
- James Alton Jamieson

### **3 Target Company**

Martinborough Vineyard Estates Limited (the **Company**).

### **4 Advice Statement**

The advice statement required under this paragraph is set out on the cover page of the Offer document.

### **5 Offer Terms**

The terms and conditions of the Offer are set out in above paragraphs 1 to 8 of the Terms and Conditions of the Offer.

### **6 Ownership of Equity Securities of Target Company**

6.1 The table below sets out the number, designation and percentage of equity securities of any class of the Company held or controlled by:

- (a) the Offeror as the offeror; and
- (b) any related company of the Offeror; and
- (c) any person acting jointly or in concert with the Offeror; and
- (d) any director of any persons described in paragraphs (a) to (c) above; and
- (e) any other person holding or controlling more than 5% of the class, if within the knowledge of the Offeror;

to the knowledge of the Offeror after making enquiries, as of the date of printing this document.

| <b>Name</b>                                | <b>Description</b>                         | <b>Type of Equity Securities</b> | <b>Number of shares held or controlled</b> | <b>Percentage of shares</b> |
|--|--|----------------------------------|--|-----------------------------|
| <b>Foley Family Wines Limited</b>          | Shares held by the Offeror as the Offeror  | Ordinary Shares                  | Nil  | 0%                          |
| <b>Sinclair Long Term Holdings Limited</b> | Person holding or controlling more than 5% | Ordinary Shares                  | 4,600,001                                  | 13.29%                      |
| <b>MacMine Investments Limited</b>         | Person holding or controlling more than 5% | Ordinary Shares                  | 3,490,050                                  | 10.08%                      |
| <b>Christopher Robert Mace</b>             | Person holding or controlling more than 5% | Ordinary Shares                  | 3,302,501                                  | 9.54%                       |
| <b>Jarden Custodians Limited</b>           | Person holding or controlling more than 5% | Ordinary Shares                  | 3,240,000                                  | 9.36%                       |
| <b>Ashfield Farm Limited</b>               | Person holding or controlling more than 5% | Ordinary Shares                  | 2,459,652                                  | 7.11%                       |
| <b>Albany Braithwaite Holdings Limited</b> | Person holding or controlling more than 5% | Ordinary Shares                  | 1,934,623                                  | 5.59%                       |

Notes:

- 1) The details shown above have been obtained from publicly available sources, being the only such information within the knowledge of the Offeror.
  - 2) The information in the table above and in the table in clause 8 below is based on information known at the time of printing.
  - 3) See clause 8 below regarding the number of shares held by persons who have entered into pre-bid agreements with the Offeror.
- 6.2 Apart from the persons named in the table above, none of the other persons referred to at paragraph 6.1 (a) – (d) of this Appendix hold or control equity securities in the Company, within the knowledge of the Offeror, having made due enquiry.
- 7 Trading in Target Company Equity Securities**  
No equity securities of the Company have been acquired or disposed of by any of the persons described in subparagraphs (a) to (d) of paragraph 6.1 of this Appendix to the knowledge of the Offeror during the 6 month period before the date of this Offer.
- 8 Agreements to Accept Offer**  
8.1 The below shareholders of the Company have entered into a pre-bid agreement with the Offeror to accept the Offer for their entire shareholding on identical terms and conditions as further described below.

| <b>Shareholder</b>  | <b>Associated directors of the Company</b> | <b>Number of Shares</b> | <b>Percentage of all Shares</b> |
|---|--|-------------------------|---------------------------------|
| <b>Sinclair Long Term Holdings Limited</b>  | Eion Sinclair Edgar                        | 4,600,001               | 13.29%                          |
| <b>Jonathan George Edgar &amp; Hamish Eion Sinclair Edgar &amp; Adam John Edgar (joint holders)</b> | N/A  | 666,667                 | 1.93%                           |
| <b>MacMine Investments Limited</b>  | N/A  | 3,490,050               | 10.08%                          |
| <b>Christopher Robert Mace</b>  | N/A  | 3,302,501               | 9.54%                           |
| <b>Jarden Custodians Limited</b>  | N/A  | 3,240,000               | 9.36%                           |
| <b>Ashfield Farm Limited</b>  | N/A  | 2,459,652               | 7.11%                           |
| <b>Albany Braithwaite Holdings Limited</b>  | N/A  | 1,934,623               | 5.59%                           |
| <b>Amapur Securities Limited</b>  | Roger Lee Gaskell                          | 1,399,060               | 4.04%                           |
| <b>Hensman Investments Limited</b>  | N/A  | 1,098,007               | 3.17%                           |
| <b>Duncan William Milne &amp; Margaret Clair Campbell (joint holders)</b>                           | N/A  | 446,823                 | 1.29%                           |
| <b>Margaret Claire Campbell &amp; Duncan William Milne (joint holders)</b>                          | N/A  | 446,817                 | 1.29%                           |
| <b>Neil Paviour-Smith</b>   | N/A  | 356,784                 | 1.03%                           |
| <b>Total</b>  |  | <b>23,440,985</b>       | <b>67.73%</b>                   |

8.2 Under the pre-bid agreement each of the above shareholders has undertaken to irrevocably accept the Offer within 3 business days of the Offer being despatched in accordance with the Takeovers Code and it is otherwise restricted from selling, encumbering or otherwise disposing of the shares held by it. The pre-bid agreement provides for the Offeror to use its best endeavours to:

- (a) give a takeover notice in respect of the Offer no later than 15 May 2014;
- (b) despatch the Offer document between 14 and 30 days (such time to pass in accordance with the Takeovers Code) of the takeover notice referred to in (a) above; and
- (c) obtain Overseas Investment Office's consent to the Offer by 30 June 2014 (unless extended under the Takeovers Code).

8.3 The terms of the pre-bid agreement expressly provide that the relevant shareholder is able to exercise and control the exercise of all voting rights relating to Shares held or controlled by it in whatever manner it sees fit up until the time that such Shares are transferred under this Offer.

## 9 Arrangements to Pay Consideration

- 9.1 The Offeror confirms that it is able to issue sufficient ordinary shares to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under rule 49 of the Takeovers Code).
- 9.2 A statement setting out the rights of each offeree under rule 34 of the Takeovers Code, to withdraw its acceptance for non-payment by the Offeror of the consideration, is set out in paragraph 1.5 of the Terms and Conditions above in this Offer document.

## 10 Arrangements Between the Offeror and the Company

The Company and the Offeror have entered into the below agreements:

- (a) **Heads of Agreement (HoA)**, dated on or about 19 December 2013, (as amended on or about 5 March 2014): the HoA was entered into to guide discussions between the Company and the Offeror and to set out the general principles of how an acquisition of the Company could occur. In particular the HoA set out the method by which the price of the Offer was to be determined, how Loan Creditors would be dealt with and how the Company's debt would be managed under the Offeror's credit lines.
- (b) **Loan repayment and share subscription agreement:** the Offeror, the Company and certain shareholders of the Company (**Loan Creditors**) who have loaned funds to the Company in the aggregate sum of \$708,450 (**Loan Amount**) secured over the assets of the Company, have entered into an agreement conditional on the Offer becoming unconditional in all respects whereunder the Offeror will advance to the Company an amount equal to the Loan Amount, the Company will use those funds to repay the Loan Amount to the Loan Creditors and the Loan Creditors will pay those funds to the Offeror as subscriptions for a total of 506,036 new shares in the Offeror at an issue price of \$1.40 each.
- (c) **Agreement regarding costs:** the Offeror and the Company have agreed that the Company will not recover from the Offeror its costs incurred in relation to the Offer as it otherwise could under rule 49(2).
- (d) **Agreement regarding run off insurance:** the Company and the Offeror have agreed that the Company will pay the cost of any 'run-off' insurance premium in respect of the Company's directors.

Other than as described in this paragraph 10 and below in paragraph 15, no other agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Offeror or any associates of the Offeror and the Company or any related company of the Company, in connection with, in anticipation of, or in response to, the Offer.

## 11 Arrangements Between the Offeror, Directors and Officers of the Company

The Offeror and the directors of the Company are parties to the below arrangements:

**Comfort Letter:** the directors of the Company and Geoff Ricketts, consultant to the Company, have given a comfort letter to the Offeror, dated 16 April 2014, representing that there is no material information that has not been disclosed to the Offeror as part of its due diligence of the Company.

Other than as described in this paragraph 11 and paragraphs 8.1 and 15 (Eion Edgar, Roger Gaskell and Duncan Milne being associated with three of the Loan Creditors) of this Appendix, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Offeror or any associates of the Offeror, and any of the directors or senior officers of the Company or of any related company of the Company (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer except as set out in paragraph 10(b) above.

## **12 Financial Assistance**

No agreement or arrangement has been made, or is proposed to be made, under which the Company or any related company of the Company will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer, except as set out in paragraph 10(b).

## **13 Intentions about material changes to the Company**

13.1 The Offeror's intentions regarding the below matters are:

- material changes to the business activities of the Company or its subsidiaries (**Target Group**):

The Offeror does not propose to change the business activities of the Target Group i.e. the Target Group will continue to grow grapes and make wine. The Offeror is however proposing to provide the Target Group's business with significantly greater opportunities to export its wines to the USA and elsewhere utilising the Offeror's existing and planned distribution capabilities.

- material changes to the material assets of the Company or its subsidiaries:

If the Offer is successful, the Offeror proposes to implement a program to maintain, and where appropriate, upgrade certain of the Target Group's assets. Beyond this, further changes are undecided yet. Once the Offeror owns the Target Group, it will become better acquainted with the needs of the vineyards and/or winery and will consider what development is required and when and how to undertake it.

- material changes to the capital structure of the Company (including the target company's dividend policy, raising capital, and taking on debt):

If the Offer is successful, the Target Group will become subsidiaries of the Offeror. Consequently, the funding of the Target Group and the development noted above, is likely to come from the Offeror and/or its available credit lines.

Given the Target Group's financial situation, the Offeror does not propose to support it declaring dividends at this time.

Further capital raisings will depend on the level of control the Offeror achieves over the Target Group.



13.2 The statements made under this paragraph 13 are consistent with the information that has been given by the Offeror to any regulatory body (whether in New Zealand or in an overseas jurisdiction) in relation to this Offer.

**14 No Pre-emption Clauses in Target Company's Constitution**

There are no restrictions on the right to transfer equity securities to which the Offer relates contained in the constitution of the Company as at the date of this Offer, which has the effect of requiring the holders of the securities to offer the securities for purchase to the Company or to any other person before transferring the securities.

**15 Escalation Clause**

With the exception of the agreement referred to in paragraph 10(b) above, there is no agreement or arrangement (whether legally enforceable or not) to which the Offeror or any of its related entities are a party, under which any existing holder of equity securities in the Company will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in the Company will or may receive any consideration or other benefit as a consequence of the Offer.

**16 No Independent Adviser's Report in relation to other classes**

No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than 1 class of securities, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of securities).

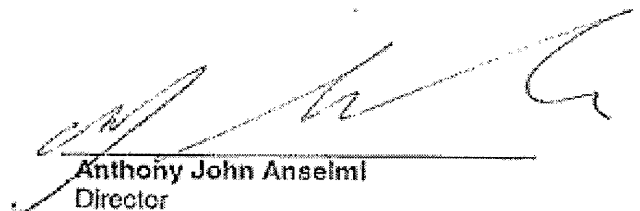
**17 Certificate**

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the offer document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeovers Code.

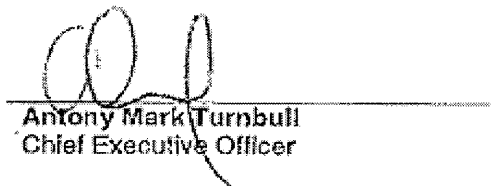
Signed by the persons named below.



William Patrick Foley II  
Director



Anthony John Anselmi  
Director



Antony Mark Turnbull  
Chief Executive Officer



Jane Frought  
Chief Financial Officer

**PLEASE NOTE**

***IF YOU HAVE SOLD ALL YOUR MARTINBOROUGH VINEYARD ESTATES LIMITED SHARES***

Please send this Offer and all enclosures (including the Acceptance Form) immediately to the new Martinborough Vineyard Estates Limited shareholder or the broker through whom you made the sale requesting that they be forwarded to the new Martinborough Vineyard Estates Limited shareholder.

***IF YOU HAVE SOLD SOME OF YOUR MARTINBOROUGH VINEYARD ESTATES LIMITED SHARES AND YOU WISH TO ACCEPT THE OFFER FOR ALL OR ANY OF YOUR SHARES***

Please indicate your total holding on the Acceptance Form to reflect the number of Shares which you have retained and forward the Acceptance Form, in the reply paid envelope supplied, to:

Link Market Services Limited  
Re: MVE Takeover  
PO Box 91976, Auckland 1142  
Level 7, Zurich House, 21 Queen Street, Auckland 1010  
Facsimile: +64 9 375 5990

Upon receipt of the amended Acceptance Form, the Offeror will recalculate the number of shares you will receive pursuant to this Offer.

Please also request the broker through whom you made the sale to advise the purchaser or purchasers of your Shares of this Offer and that copies of it are available from the above address, and advise the Company and the Offeror of the number of Shares sold and the broker concerned (if any).

## Foley Family Wines Limited

26 May 2014

**NZX Limited**  
**Level 1, NZX Centre 11 Cable Street**  
**Wellington**  
**New Zealand**

### Exclusion of disclosure for issue of equity securities

On 9 May 2014, Foley Family Wines Limited (**FFW**) released its notice of intention to make a full scrip takeover offer for Martinborough Vineyard Estates Limited (**MVEL**). Further to that notice, FFW will despatch its takeover offer to MVEL shareholders later today.

The consideration being offered under the takeover offer is one FFW ordinary share (**Foley Share**) for every 27.95 MVEL ordinary shares.

*Notice under clause 17(1)(a), Schedule 1, Financial Market Conduct (Phase 1) Regulation 2014 (**Regulations**)*

FFW is making this offer in reliance upon the exclusion in clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**), and this notice is provided under clause 17(1)(a) of Schedule 1 of the Regulations.

FFW states that as at the date of this notice:

- (a) it is in compliance with its continuous disclosure obligations under the NZAX Listing Rules;
- (b) it is in compliance with its financial reporting obligations under the Financial Reporting Act 1993 and the NZAX Listing Rules; and
- (c) there is no “excluded information”, that is information to which a continuous disclosure obligation would apply but which has not been disclosed by reason of an exclusion in or a waiver given under the NZAX Listing Rules.

If FFW’s offer for MVEL is accepted in full, FFW would issue 1,238,305 Foley Shares under its takeover offer. This would amount to approximately 2.8% of the total number of Foley Shares on issue after these Foley Shares are allotted. Therefore, after the issue is completed no change in control of FFW’s financial or operating policies is expected.

Approved for release by  
**Antony Mark Turnbull**  
CEO and Director