

## ARDNAHOE DISTILLERY CASK SALES OF NEW SPIRIT TERMS & CONDITIONS

**1. CONTRACT OF SALE** - The completed, signed Ardnahoe Distillery Cask Sales of New Spirit Order Form, acknowledgment by Ardnahoe and these Terms and Conditions comprise the contract of sale for a cask ("the Cask") between Ardnahoe Distillery Company Limited, a company registered in Scotland under Company number SC507595 whose registered office is at 16 Park Circus, Glasgow, G3 6AX, Scotland (also referred to as "Ardnahoe, we, our or us") and the customer whose details appear on the Cask Order Form attached (also referred to as "the Customer, the Owner, you or your").

**2. OWNERSHIP** – The casks are available for purchase by individuals or small groups. We require a single point of contact who is of legal age for consuming and purchasing alcoholic beverages and who will be the legal owner of the Cask. An email address must be supplied at the time of purchase and contact between the Owner and Ardnahoe will be solely via email other than the issue of the Certificate of Ownership. It is your responsibility to ensure that we have a current, valid email address for you. Ownership may only be transferred to another single, named individual who is of legal age for consuming and purchasing alcoholic beverages. Upon transfer of ownership, the new owner shall be deemed to be bound by these terms and conditions. A reasonable administration fee shall be payable on each change of ownership.

**3. CASK AVAILABILITY** - Ardnahoe has a limited number of casks which are available for purchase by private individuals. These are sold on a first come first served basis.

**4. PRICE** – The price is £11,000 per Cask. The price includes the cost of the spirit and the cost of warehousing and insurance (for provision of a replacement cask in the event of loss) for a period of ten (10) years from the date on which the Cask is filled. Further storage and insurance can be purchased in one-year blocks at the then prevailing cost. The price includes the cost of repair of the cask should it leak, and replacement of any spirit lost as a result of such leakage but does not include spirit loss due to evaporation.

**5. PAYMENT**- Payment in full of £11,000 will be required prior to the Cask being filled and/or allocated. A further payment for bottling and labelling plus value added tax at the then prevailing industry rates will be due when the spirit is ready for bottling and must be paid prior to delivery of the bottled spirit to you.

**6. DUTY AND VAT** - Duty is the charge made by HM Revenue and Customs based on the percentage of pure alcohol. The current rate in the UK is £28.74 per litre of alcohol (valid at January 2019). UK VAT is currently 20%. This is charged on the purchase price of the whisky together with insurance and rental charges and the Duty rate prevailing at the time of removal from the bonded warehouse. Both Duty and VAT are due after the cask has been bottled and finished goods are removed from the bonded warehouse. Duty and VAT are subject to changes by the UK government.

**7. EXPORT** - Single Malt Scotch Whisky can only be exported from Scotland in bottled form. If it is exported under bond, Duty and VAT can be suspended, but not avoided, subject to the exporter being registered as a bona fide exporter. Duty and VAT would be payable in the country of final destination and they would be subject to that country's Duty and VAT rates at that time. It is the responsibility of the cask owner to find a suitable importer. It is the responsibility of the cask owner to be aware of all taxes and regulations within the country into which they are importing the goods.

**8. THE CASK AND CONTENTS** - Peated new make spirit will be filled into an ex-sherry hogshead cask at our filling strength of 63.5% ABV. During maturation spirit naturally evaporates from the cask at an average annual rate of 2%. You acknowledge that this percentage may vary slightly from year to year. The nominal capacity of the Cask is 250 bulk litres. Each cask will have a slightly different capacity and we cannot guarantee the exact amount of spirit filled. The wooden cask itself will remain the property of Ardnahoe.

**9. CASK SAMPLES** – Cask samples of 100ml are available on request for a fee at prevailing industry rates. Please send all sample requests to [casks@ardnaoedistillery.com](mailto:casks@ardnaoedistillery.com).

**10. STORAGE** - All Casks will be stored under bond at a Hunter Laing bonded warehouse on the Scottish mainland. As a working warehouse, cask visits will not be possible.

**11. BOTTLING** - All bottling will be carried out by Hunter Laing & Company Limited. We offer two bottling strengths – cask strength and 46% alcohol by volume (ABV). Your whisky will not be chill filtered. All casks will be bottled at natural colour. The Cask will be hand bottled at the then prevailing cost. We require a minimum of 3 months' notice to schedule bottling. You may not ask for the Cask to be bottled until it has been matured for at least 8 years. The Cask must be bottled in its entirety. The cost of bottling includes a standard bottle and label design provided by Ardnahoe which will include space for an appropriate design or motif of your choosing and approved by Ardnahoe in writing e.g. a coat of arms or crest. All labelling must comply with the appropriate Scotch whisky legislation and any other relevant legislation prevailing at the time. The label and packaging will record that the product has been distilled by Ardnahoe.

**12. DELIVERY** - On completion of bottling, collection of your whisky should be arranged and paid for by the Owner who is responsible for making the necessary arrangements with Ardnahoe. Ardnahoe will be able to organise collection and delivery on behalf of the Owner depending on the country of destination for an additional fee. Risk shall pass to you at the point of collection by you or your representative or carrier from us.

**13. CHANGE OF ADDRESS** - You must notify us immediately by email of any change to your address or contact details. This will be confirmed in writing via email and the change will not be deemed to have taken place until such confirmation is sent by you and acknowledged by Ardnahoe.

**14. NON PAYMENT OR LOSS OF CONTACT** - In the event that we are unable to contact you within 6 months after (i) the expiry of 10 years from the date when the Cask is filled and/or (ii) any payment due under these terms and conditions is not made when due, we reserve the right to sell the Cask and the spirit and to hold the proceeds on your behalf after deduction of sales costs and any other costs which we may have incurred from warehousing the Cask.

**15. JURISDICTION** - This contract of sale is governed by Scottish Law and you and we agree to and accept the exclusive jurisdiction of the Scottish Courts in respect of any matters arising from it.

**16. UK WAREHOUSE OWNERS AND WAREHOUSE GOODS REGULATIONS** - To comply with the UK Warehouse Owners and Warehouse Goods Regulations ("WOWGR") you are required to confirm that:

- (a) you are a private customer who is purchasing the product for private, non-commercial use; or
- (b) you are a UK based Revenue Trader and are already registered as an Owner of Warehoused Goods in the UK;

(c) you are an overseas Revenue Trader and have appointed, or will appoint, a UK Duty Representative.

Your signing of the Cask Order Form will be deemed by us to be your confirmation of WOWGR compliance.

**17. INTELLECTUAL PROPERTY RIGHTS** - The expression "Ardnahoe Distillery" and all associated logos and devices are the property of Ardnahoe Distillery Company Limited and the copyright, designs and all rights are owned by and intellectual property reserved by Ardnahoe Distillery Company Limited.

**18. LIABILITY** - Nothing in these terms shall exclude the liability of either party for death or personal injury resulting from negligence, fraud, fraudulent misrepresentation, or any other liability which may not be excluded by applicable law. Subject to this and unless otherwise provided in these terms, we shall not be liable for any form of indirect, special or consequential loss whatsoever or howsoever and our entire liability under this contract of sale shall be limited to an amount equal to the price of the Cask.