

STONEHOUSE 7 LUXURIES LIMITED - TERMS of BUSINESS Cask Whisky purchase and related industry services

These Terms of Business are designed to prevent ambiguity and provide transaction transparency during the purchase process.

DEFINITIONS

The following words and expressions have the meaning.

Bonded Facility: means an HMRC regulated bonded storage facility used to store alcoholic goods under (Duty and VAT Suspended status) within a secure and controlled environment.

Cleared Funds: means funds that are treated as cash that have cleared any banking recall and not pending or encumbered by any banking conditions.

Client: means the Customer, You, or Your, and refers to the purchaser or private individual giving instruction to purchase alcoholic goods in bond.

Company: means Stonehouse 7 Luxuries Limited, Stonehouse 7, Stonehouse, SH7, Our, We, Us.

Conditions: means and refers to these Terms of Business (and any additional Terms or Conditions agreed between you and Stonehouse 7 Luxuries Limited in writing).

Contract: means the Contract between you and Stonehouse 7 Luxuries Limited for the purchase or procurement of alcoholic goods and or alcohol related industry services as per these Terms of Business.

Delivery Date: means the date the stock is delivered to a Bonded Facility by a Supplier to a Storage Provider or bonded facility as provided for in these Terms of Business.

Duty Representative: means an HMRC registered and approved entity that is appointed to represent the Client for the purposes of the legal management of any alcoholic goods held under bonded Conditions with duty and VAT suspended.

Payment: means the receipt of 'Cleared Funds' by Stonehouse to the full value of the goods being purchased.

Purchase Invoice: means the invoice issued by Stonehouse in accordance with your purchase instruction.

Service: means the service Stonehouse provide to source and procure stock on your behalf from a trade supplier in accordance with your signed purchase instruction.

Stock or Goods: means goods offered to you the Client by Stonehouse 7 Luxuries Limited.

Storage Provider: means an HMRC authorised Storage Provider that acts as a HMRC Duty Representative for the Client in order to store alcohol under (Duty and VAT suspended status) within a UK bonded facility.

Supplier: means the person, persons, merchant, or trader that supplies goods in conjunction with Stonehouse 7 Luxuries Limited to the Client.

Title of Ownership: means a 'Certificate of Title' a document that details the beneficial owner of the alcoholic goods, cask(s) or other liquid asset that is issued by the Storage Provider or HMRC approved Duty Representative.

1. ORDERS

1.1 By signing this Purchase Invoice, you confirm you have read, understand, and agree to purchase the goods as described in the attached Purchase Invoice under these Terms of Business.

1.2 A Contract will only be formed once we receive a Client signed and dated copy of the Purchase Invoice which shall define the date of instruction formally and trigger the purchase process, at which time both parties shall be bound by these Terms of Business.

1.3 As part of the AML and KYC legislation Stonehouse 7 is required to obtain confirmation of a buyer's details. This shall include proof of identity and residence and account details for the source bank account to verify the origin of funds being used to make a purchase.

1.4 Once AML checks are complete and Stonehouse confirm receipt of 'Cleared Funds' within their bank account; Stonehouse shall place an irrevocable order with a supplier for the stock and request transfer of stock title into the Client's name as detailed in the signed Purchase Invoice.

1.5 A bonded storage application will be forwarded to the client to complete registration with an approved HMRC Duty Representative, Bonded Warehouse, or facility, who will act as the Client's representative in respect of goods held under bond with duty suspended status in regulated bonded storage facility.

1.6 Once an appointed Duty Representative confirms the Client is registered within their system the trade supplier or Bonded Storage Provider will arrange for physical transfer of stock or update the records of the change in beneficial title ownership. (Note, physical transfers of stock can take up to 120 days and subject to the Duty Representative or Storage Provider, availability of bonded transfer, and location of Bonded Facility).

1.7 Stonehouse 7 Luxuries Limited reserves the right to decline any instruction by third party representatives, regardless of any relationship to you, or if this party is the beneficiary of the goods purchased.

1.8 Due to the nature of the stock, once you return a signed Purchase Invoice an undertaking is made by both

parties. Stonehouse 7 Luxuries Limited undertake to arrange the supply of stock as described at the price stated, and the Client undertakes to purchase the said stock as detailed in the Purchase Invoice.

2. PRICE

2.1 Unless otherwise stated all stock is offered "In Bond" in Pounds Sterling per cask and is exclusive of Duty and VAT whilst the stock remains under HMRC regulated bonded conditions and Duty suspension.

2.2 Should you wish to remove your stock from the Bonded Facility you will be liable for the payment of Duty and VAT at the prevailing rate to the Storage Provider or Bonded Facility based on the purchase price and alcohol strength, payment shall become payable before the release or transfer of your stock from a bonded facility.

2.3 All prices are determined in-house and subject to a commercial mark-up. This includes sourcing, based on availability, demand and global open market prices that vary and dependent on geographical location. We acknowledge the same goods may be available elsewhere at a lower or higher price.

3. TITLE DOCUMENTATION

3.1 Title will only pass to you upon receipt of funds by SH7 equal to the Purchase Invoice and following the allocation of your goods by the Supplier, when a 'Certificate of Title' shall be issued by your Duty Representative, the Storage Provider, or Bonded Facility. This will detail the stock including the brand, the content, volume in litres, alcohol spirit strength and the unique cask or case identification number together with the location of goods in storage.

3.2 The Storage Provider, Duty Representative or Bonded Facility can only issue a 'Certificate of Title' for the goods following registration with a UK Duty Representative.

3.3 A 'Certificate of Title' is not a delivery order as the goods are held under suspended duty status by your Duty Representative who is legally responsible to ensure storage is maintained in accordance with suspended Duty status under HMRC regulations and legislation.

3.4 Certificate of Title is non-transferable and any change in title can only be made through and by your Duty Representative, who can issue a new 'Certificate of Title' should this be necessary or should the goods be sold on.

4. BONDED STORAGE AND REMOVAL

4.1 Your goods will be delivered to an HMRC regulated Bonded Facility that complies to industry standards, within a secure controlled environment by a HMRC approved and authorised Storage Provider or Duty Representative that acts as an HMRC agent to maintain regulatory compliance.

4.2 You are directly responsible for the storage and insurance costs for your goods held within a Bonded Facility from the time of Title Ownership of transfer. Payment for this facility is charged annually in advance and invoiced directly to you by the bond, Duty Representative or Storage Provider, facility, or warehouse at the prevailing rates as per their Terms and Conditions.

4.3 The risk of any damage or loss to the goods will pass to you at the time of purchase and you become responsible for insuring the stock against damage or loss from this time and charged by the bonded Duty Representative or Storage Provider directly.

4.4 Should stock be removed from Bond at any time, you will be personally liable for any costs attributed to such handling, transfer, transport, or removal, including Duty and VAT at the prevailing rates as determined by HMRC at the time of removal.

5. DELIVERY

5.1 The Storage Provider will notify you of delivery of your goods into a Bonded Facility.

5.2 Stonehouse 7 Luxuries Limited shall be excused for any delay or failure to deliver stock within the contractual time scale caused by the occurrence of Force Majeure.

5.3 For purposes of this Contract, Force Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by, or under the control of the Party claiming Force Majeure.

6. CANCELLATIONS

6.1 Although the purchase of bonded alcoholic goods is not subject to cancellation rights under Consumer Contracts Regulations or Distant Selling legislation. Stonehouse 7 Luxuries Limited offer Client's a cooling off period of 7 working days from the date of signing the Purchase Invoice. Any cancellation notice must be in writing and delivered to our main place of business by post or email within this period.

6.2 Upon receipt of such notification, we will return any Payment received after the receipt of a cancellation notice, subject to 6.1

6.3 Receipt of funds by Stonehouse shall initiate the purchase of goods from a trade supplier and shall waive any cancellation rights regardless of the lapse of time between Client instruction or the signing of the Purchase Invoice.

6.4 As Stonehouse purchase stock from a trade supplier on your behalf, following the receipt of a signed and dated Purchase Invoice and receipt of 'Cleared Funds', any notice of cancellation must be received within the prescribed period as in 6.1 and before any funds are received by Stonehouse as in 6.3.

6.5 Should the Client cancel an order within the prescribed period as in 6.1, Stonehouse reserve the right to make an administration charge of 2.5% of the Purchase Invoice value.

6.6 Due to limited availability of some stock, we may need to acquire stock from an alternative source, it is therefore possible the availability or price of the stock may change between the issue of the Purchase Invoice and submitting an order to a trade supplier. In this event, we will notify you and; a) offer you an alternative stock of the same quality as substitute stock or b) a full refund should you prefer.

7. LIABILITY & WARRANTY

7.1 Stonehouse 7 Luxuries Limited does not give any warranty, undertaking or make any representations as to: (a) the suitability of the stock for any purpose whether for consumption or as an asset for you or otherwise; (b) guarantee or predict the future value of goods or stock, should the goods or stock be chosen as an investment instrument or vehicle this use of the goods or stock is made at the sole discretion of the buyer; (c) be obliged or undertake to sell or resell stock purchased through Stonehouse 7 Luxuries Limited.

7.2 Stonehouse 7 Luxuries Limited warrants that:

- (a) we will only utilise or recommend suitably qualified and reputable third parties to supply goods provide Storage or Bonded Facilities;
- (b) we undertake to perform the Service described in these Terms of Business with reasonable skill, care and diligence;

7.3 Our total aggregate liability to you for claims arising out of loss, damage or in connection with the Contract shall not exceed the price paid by you for the goods or stock which gives rise to such claim or liability.

7.4 Except as set out in these Terms of Business we will have no liability to you arising out of this Contract, whether the liability arises in Contract, tort (including negligence) from statute or otherwise.

8. GOVERNING LAW

8.1 The Contract between you and the Company will be governed by and interpreted in accordance with English law.

9. ABBREVIATIONS

AML: Anti-money laundering laws and regulations.

HMRC: Her Majesty's Revenue and Customs

KYC: Know Your Client

ABV: Alcohol by Volume

OLA: Original Litres of Alcohol

These Terms and Conditions form our Terms of Business with specific reference to the purchase of goods, stock, or services and should be read in conjunction with our Purchase Invoice attached to this email or secure electronic mailing facility.

Stonehouse 7 Luxuries Limited is a limited Company with registered offices at Suite 5, 1-2 Leonard Place, Westerham Road, Keston, Kent, United Kingdom, BR2 6HQ. Company Reg no. 15418291.