

Attention!!!

[Limitation] One customer can purchase only two casks by each type (total eight casks).

[Essentials] You must read all rules and agree with it.

[Price] The price is a deposit. Not including any tax. You must pay taxes when the time you receive the bottled whisky.

GAIAFLOW SHIZUOKA DISTILLERY 2020 PRIVATE CASK OFFER AND TERMS AND CONDITIONS OF SALE FOR INTERNATIONAL (NON-JAPANESE RESIDENT) CUSTOMERS

Gaiaflow Shizuoka Distillery is pleased to offer private individuals the opportunity to purchase a limited number of Casks of hand-crafted Single Malt Whisky from Gaiaflow Shizuoka Distillery.

Different cask types and maturation periods contribute unique flavours and characteristics to the taste and colour of a whisky. As your cask is maturing you may taste from cask samples in order to decide the when you would like to have your unique cask bottled. (Note-there is a standard charge of JPY 2,000 for drawing a 200ml sample from your cask (See section 22 below).

Additional costs are air shipment of your sample, including the handling and documentation charge in Section 22 below, if you are not collecting from the distillery yourself, together with any local Customs charges you may have to pay when receiving your sample.)

1.CASK OWNER

“Cask Owner” means the person that has ordered and contracted the purchase of the Private Cask. All following services will be concluded between the Cask Owner and Gaiaflow Shizuoka Distillery.

2.SHIZUOKA SINGLE MALT WHISKY

Shizuoka Single Malt Whisky means a whisky produced only from water, malted barley and yeast at Gaiaflow Shizuoka Distillery - by batch distillation in pot stills.

Your spirit will be distilled twice in our distinctive copper pot stills, first in the wash still and then in the spirit still. This spirit as distilled is called “New Make Spirit”. This New Make Spirit will then be filled into your cask, in which it is to mature for a minimum of three years, at which time it will officially become Shizuoka Single Malt Whisky.

You may choose to have your spirit distilled in either of our two different pot stills:

“**Wood-fired**” from our Forsyth’s pot still.

“**Steam-heated**” from our ex-Karuizawa pot still.

Each firing system, together with the shape of the wash pot still, will contribute different and unique characters and flavours to the New Make Spirit. At our distillery we believe that the “**Wood-fired**” still gives a heavy, powerful and sweet spirit while the “**Steam-heated Karuizawa**” still gives a spirit that expresses smooth, fruity and floral flavours.

For our Private Cask 2020 we offer the choice of “Peated” (smoky) New Make or “Unpeated” (not smoky) New Make either from “Wood-fired” still or “Steam-heated Karuizawa” still.

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- Peated Steam-heated Karuizawa wash still
- Unpeated Steam-heated Karuizawa wash still

- Peated Wood-fired wash still
- Unpeated Wood-fired wash still

The malt filled into your cask will be selected by our Master Distiller at Shizuoka Distillery and your cask will lie maturing in one of our warehouses at the distillery until such time as it is bottled, this being a minimum of three years from the date of cask filling.

We will fill your Cask to capacity at 63% ABV.

3.SHIZUOKA SINGLE MALT WHISKY CASKS

The Cask type offered is Octave (50 Bulk Liters) First Fill ex-Bourbon Whiskey Cask. Please note that filling levels are only a guideline as the contents of each individual Cask will vary slightly since no two casks will hold exactly the same liters of spirit.

The Cask used for your whisky will be selected by Shizuoka's Master Distiller.

Please note that the oak Cask itself will remain the property of Gaiaflow Shizuoka Distillery after your whisky is bottled.

4.STORAGE

All Casks will be stored under bond at Gaiaflow Shizuoka Distillery.

The warehouse storage location of your Cask will be decided by Gaiaflow Shizuoka Distillery.

You may request your Octave Cask to be bottled at any time after it reaches three years of age from the date of filling, up to a maximum storage period five years of age.

We will contact to you to discuss your preferred bottling schedule once your cask reaches three years of age and officially becomes Shizuoka Single Malt Whisky.

5.THE FOLLOWING ARE INCLUDED IN YOUR PURCHASE PRICE

The purchase price includes the cost of the spirit together with the cost of warehousing and insurance for the maximum storage period of five years from the date on which the Cask is filled. Gaiaflow Shizuoka Distillery will insure your Cask under its company insurance policy.

6.HOW TO PURCHASE AND PURCHASE PROCEDURES

You should place your order from our website online-shop for overseas buyer cask purchase. Select "Type of whisky", "Type of wash pot still" and then enter this into your "shopping cart".

Complete all the required information and ensure that you have read and understood all the following Terms and Conditions before submitting your completed order. Once payment has been received, we will provide you with notification of receipt by e-mail. As soon as your Cask is filled, we will notify you that filling is completed and issue a "Certificate of Cask Ownership". This Certificate will identify Cask Number, distilling and filling dates and type of spirit filled, together with fill volume in Liters of Alcohol and strength of spirit in Alcohol by Volume.

7. CASK OFFER PRICE

Octave cask (50 Bulk Liters)

	Type of Wash pot still	Type of Whisky	Maximum Storage period	Price (Under Bond Sale)
A	Wood-fired still	Peated	5 years	JPY 328,900
B	Wood-fired still	Unpeated	5 years	JPY 299,000
C	Steam-heated ex-Karuizawa still	Peated	5 years	JPY 328,900
D	Steam-heated ex-Karuizawa still	Unpeated	5 years	JPY 299,000

8. LANGUAGE AND CONTACT CONDITIONS

All necessary information will be provided to you by e-mail in the English language. Any subsequent communications between us will be and must be in the English language.

It is your responsibility to notify us immediately by e-mail of any change to your e-mail address or contact details.

9. CHANGE OF CASK OWNERSHIP

Ownership may be transferred to another owner if requested, but on not more than one occasion per calendar year, excepting for any special reasons such as related to inheritance.

If you wish to transfer the ownership of your Cask you must return the Certificate of Ownership and inform us in writing to Gaiaflow Shizuoka Distillery the full details of the new owner. This must be done in advance of any transfer of ownership taking place. When writing to us requesting the

transfer of ownership the current owner must include a letter from the intended new owner requesting that this cask be transferred and notifying the full contact address details of the new owner. In such case, the new owner must apply for this transfer at our online shop.

As soon as completed, we will advise transfer of the Certificate of Ownership to both parties by email. The new Certificate of Ownership will be sent by mail to the new owner.

The handling charge for Cask Transfer will be borne by new Cask Owner. (see charge information below in Section 22).

10. DISTILLING AND CASK FILLING SCHEDULE

Your spirit will be distilled between October 1st and December 31st 2020. Your cask will be filled between October 1st 2020 and February 28th 2021. Please note that, due to our busy filling schedule, individual cask owners will not be able to attend at the distillery during the cask filling period.

11. CASK VISITS

After you receive your Certificate of Cask Ownership, you are welcome to visit your cask at Shizuoka Distillery as our guest. There is no charge for such visits. All visits must be made strictly by appointment, however, and notified to us by e-mail at least 14 days in advance of your intended visiting date. Please note that, if planning a visit to Japan, we strongly advise that you confirm your visit date with us before making the rest of your travel plans for your visit to Japan. Visits by the owner plus one other person are free of charge as our guests. You may bring additional visitors with you. These will be charged at our usual visitor rate, however. This limit excludes accompanying family aged under 20 years of age.

As we are a working distillery please acknowledge and accept that there will be times when visits are not possible due to our production schedule or annual leave. In such cases we will ask you to reschedule your intended visit as soon as we receive your request to visit.

12. CASK SAMPLES

We will be pleased to provide a 200ml sample from your Cask if requested. There is a handling charge for this service (see Section 22). If you would like to collect this sample at the same time as a visit to your Cask, we require you give a minimum of 14 days' notice prior to your intended visit. You should do this through the Reservation Page on our website. You can order export shipping by air. See also Sections 22 and 23 below.

13. ANGELS' SHARE

Please acknowledge and accept that at least 5% approximately of the cask contents will be reduced through evaporation every year (this is known as the "Angels' Share"). The evaporation rate here in Shizuoka is greater than, for example, in Scotland. This is due to higher year-round temperatures. Except in the case of noted cask leakage, any loss during the five-year period will not be refunded. See Section 20 below.

14. BOTTLING

You may request bottling of your Cask at any time from its reaching three years of matured age up to, and including, reaching five years of maturation. All your cask must be bottled at that time.

There will be no part cask bottling.

We recommend bottling at cask strength in 700ml/750ml bottles, the size depending on that which is permissible in your country of residence. The spirit volume and alcohol strength will vary in line with the age of the whisky, as both will reduce over time. You may, however, ask for bottling at a reduced alcohol strength with a minimum strength of 46% alcohol by volume. The lower the alcohol strength at bottling, the more bottles you will receive in outturn.

15. BOTTLING AND LABELLING CONDITIONS

Our bottling charge includes a standard label designed by Gaiaflow Shizuoka Distillery. This will include the required legal data, cask type and filling date, etc. We will also include any reasonable text as you may wish to have included.

The bottling charges in Section 22 will apply.

Bottling will proceed as soon as payment is received.

Our invoice for bottling charge will be sent to you by e-mail. If you have not paid the full amount of the bottling charge within 14 days of being sent our invoice for payment, we will treat your bottling order as cancelled.

If we have not received your bottling order and payment for bottling within three months of your cask achieving its fifth birthday (FIVE YEARS OF AGE) we will consider that you no longer want to keep your cask. In such case we will return your original purchase price less the cancel charge.

16. DUTY AND LOCAL SALES TAXES ON DELIVERY OF YOUR BOTTLES

Unless your bottled cask is delivered to any one address in Japan, all such charges must be paid locally in your country of import once your cask is shipped. If your bottles are delivered to an address in Japan, you must also pay Japanese alcohol duty and sales tax as applicable on the date of shipping.

17. SHIPPING AND DELIVERY

Once your cask is bottled, your whisky will be shipped to you via our local importer in your country. You may choose air or sea shipment. You will be responsible for all shipping costs, together with your country's alcohol tax and sales tax applicable at the time of shipment, plus any local delivery costs involved in delivering your whisky to you.

There will be a handling fee, chargeable in your local currency, and payable direct to our nominated importer in your country on arrival of your bottles with the importer. This charge will be the equivalent of a maximum of JPY 25,000 in your local currency. See also note in Section 19 below.

We will not ship your bottles to a country other than your country of residence unless you elect to have your bottles delivered Japanese tax and duty paid to an address in Japan. Delivery will usually be between three and six months after bottling, excepting where air shipment is requested and paid for, in which case delivery will usually be within one month.

18. GAIAFLOW SHIZUOKA DISTILLERY BOTTLING CHARGES

The total bottling charge for your whisky will depend on the number of bottles you receive from your cask. Charges will be payable in advance to Gaiaflow Shizuoka Distillery. Charges are as per the table in section 22 below.

19. SHIPPING CHARGES AND PROCEDURES

Your bottles will be shipped to the official importer of GAIAFLOW Co. Ltd. for your country. The delivery to you will be organized by the official importer once your bottles arrive with them.

Charges for shipment to your country, importer handling fee (see Section 17), local taxes, duties and local delivery will usually be payable direct to the official importer. However, in the case of delivery in a state monopoly country, e.g.: Finland, Norway (*Please note for shipment to Norway, under current regulations, your cask may not be bottled at greater than 61% alcohol by volume*) and Sweden these charges may all be payable direct to your state monopoly alcohol sales company on collection. Such charges will include, where applicable, any handling charges

imposed by your state monopoly. Such charges, as we understand, will be payable before collection of your bottles. Our nominated local importer in your country will notify you before shipment of all the payments you will need to make on import as well as when and to whom.

If you do live in a state monopoly country, we strongly recommend you research all terms, conditions and costs with your state monopoly as well as with our nominated local importer.

If your local importer must deliver to you via a local shop stockist, e.g. The Netherlands, all such charges, excepting our appointed importer Handling Charge, may be payable at the point of collection. Our appointed importer in your country will liaise with you to advise the correct procedures in this respect, together with any handling charges payable to the shop at point of collection, when we ship your bottles to you.

20. LIABILITY

Please acknowledge that, although we regularly check our warehoused casks in case of any signs of cask leakage, we are not able to fully guaranty that your cask will not suffer any leakage.

In the unlikely event, however, that your cask is damaged or becomes empty during its period of maturation we will provide you free of charge the nearest possible replacement cask in terms of distillation date and type of wood. (Also, please see our note in Section 13.)

21. FORCE MAJEURE

Neither party shall be liable to the other party for any delay or failure in the performance of its obligations under this Agreement if and to the extent such delay or failure in performance arise from any cause or causes beyond the reasonable control of the party affected (hereinafter called "Force Majeure.")

Force Majeure shall include, but not be limited to, act of God, acts of government or governmental authorities, compliance of with law, regulations or orders, fire, storm, flood, or earthquake; war (declared or not), rebellion, revolution, or riots, delay or failure of delivery from subcontractor, strike, or lockout.

22. BOTTLING AND HANDLING CHARGES AND OTHER COSTS (as of October 1st2019)

Please acknowledge and accept that the following charges may be revised in case of, and if effected by, any changes in Japanese Government regulation as may apply to these costs. In the absence of any such changes the costs will remain unchanged.

COST OF SAMPLES/CASK TRANSFER

Subject	Charge (excluding VAT/SALES TAX)	Remarks
Ownership transfer charge	JPY 10,000 per request	Borne by new Cask owner
Sampling charge (during cask visit)	JPY 2,000 per 200 ml bottle	200ML
Export Shipping Cost for cask sample	JPY 13,000 handling charge plus actual cost for air shipment	These being payable direct to Gaiaflow Shizuoka Distillery, plus any local taxes and charges that will be due payment on delivery.

BOTTLING CHARGE AND CHARGE FOR SHIPPING TO

ANY ONE ADDRESS IN JAPAN OR EXPORT COUNTRY

(as of October 1st2019) until otherwise so notified.

Subject	Charge (excluding VAT/SALES TAX)	Remarks
Duties, taxes and any receiving/handling charges	As fixed by Law in the country of delivery	Dependent on each country's Law
Bottling Charge	JPY 550/bottle	Including bottle, stopper, capsule and standard label
Cancellation charge	30% of purchase amount	In case cancelled by owner during the contract period

23. EXPORT SHIPPING AND OTHER EXPORT COSTS

Export and shipping costs from Japan are as covered in Section 17 above. Before shipping we will advise you of the respective costs of shipping your Cask Sample (by air only) or Bottled Shizuoka Whisky by air or by sea. You should then advise us of your selected shipping method. Our appointed local importer in your country will liaise with you about delivery and any local charges, e.g. taxes, due.