

161^e Vente des Vins des Hospices de Beaune

FREQUENTLY ASKED QUESTIONS



Sotheby's EST. 1744



What is the Hospices de Beaune?

HISTORY

Founded in 1443 by the Chancellor of the Duke of Burgundy, the Hospices de Beaune's first vocation was to provide care for the poor and most destitute.

Nicolas Rolin, founder of the Hospices de Beaune, made the hospital a permanent institution by endowing it with vines, freeing it from all royalties and providing it with a masterpiece of Flemish art, the Triptych of the Last Judgment by Rogier Van der Weyden.

THE DOMAINE

The first donation of vineyards to the Hospices de Beaune was made in 1457: this marked the beginning of a long tradition of successive donations and bequests that have enabled the hospital to build up a large wine-growing estate over the centuries, which today covers more than 60 hectares, 80% of which are classified as Grand Cru and Premier Cru.

Of these 60 hectares, about 50 are cultivated with **Pinot Noir** for the red wines (including the prestigious appellations Pommard, Cordon, Mazis-Chambertin, Clos de la Roche), and the remaining 10 are planted with **Chardonnay** (appellations Chablis, Meursault, Puligny-Montrachet, etc.). The parcels are mainly located in the Beaune region and its surroundings, but some parcels are located in Chablis in the North of Burgundy and in Pouilly-Fuissé in the Mâconnais.

Throughout the centuries, the 'Wine Making Hospital' has developed to become what is now a modernized and unique institution, both in its functioning and in its history. The domain has undeniably evolved and adapted itself to the modern sustainable cultivating practices: when cultivating the vineyards of the Domaines, an environmentally friendly approach is taken which eschews any application of chemical supplements.



What is the Hospices de Beaune auction?

THE AUCTION

Each year, the harvest of the vineyards of the Hospices de Beaune is auctioned off, the proceeds of which are dedicated to improving the hospital's care facilities as well as to the conservation of the Hotel Dieu museum. The funds raised allow for the adaptation and necessary investment to provide the best possible care for patients.

A major annual event throughout Burgundy and more broadly in the wine world, the Hospices de Beaune wine sale is part of a weekend of festivities, punctuated by street shows, folk parades, exceptional tastings, cellar visits, ... The high point of the weekend is undoubtedly the charity auction, which for the first time ever, is organized and hosted by Sotheby's in 2021.

A CHARITY BARREL

During the auction, a special barrel, called the Presidents' Barrel, is sold separately for the benefit of one or more charities represented by a celebrity coming from Arts or Entertainment. In 2020, the €780,000 raised at the auction of this barrel was used to set up an exceptional aid fund for the benefit of hospital workers and their families hard hit by the Covid crisis.

The previous year in 2019, the charities ***Autour des Williams*** and ***L'institut du Cerveau et de la Moelle épinière*** were awarded 230,000€ which allowed them to develop new research projects.

Participating in the Hospices de Beaune Wine Sale is a great opportunity to acquire a great Burgundy wine, and additionally contributing to the work of the Hospices and supporting the selected charities.



How does the sale work?

WINE EN PRIMEUR

The wine is sold en primeur: the harvested grapes are freshly vinified and ready to be aged. The wine is sold in 228 liters barrels (called pièces). After the sale, the buyer must entrust the barrels to a Burgundian négociant-éleveur for maturing. 12 to 24 months later, the wine is ready to be bottled and consumed.

PARCEL BIDDING

Each Cuvée on sale at auction is subdivided into a series of several barrels. All the barrels of the same Cuvée are identical and each barrel constitutes one lot.

With parcel bidding, when the buyer purchases the first lot of a specific Cuvée, they will have the opportunity to acquire one or more of the remaining lots of the Cuvée, at the same hammer price.

How to participate in the auction?



1. SELECTION

About 50 different Cuvées are offered on sale each year, offering a vast choice of Burgundy wines en primeur.

The Hospices de Beaune's domain covers 60 hectares throughout Burgundy and includes appellations such as Corton, Mazis Chambertin, Meursault, Corton-Charlemagne or Bâtard-Montrachet.

A list of Cuvées and their characteristics will be published on our website, as well as the tasting notes by Jasper Morris MW. Our team of specialists is happy to advise you on the wines offered for sale.

2. REGISTRATION & BIDDING

There are four ways to bid at Sotheby's:

- in the room
- by phone
- online
- by leaving a written bid

Please contact : hospicesdebeaune@sothebys.com prior to the sale in order to arrange your registration in advance (necessary to be able to bid).

Please note that seating is limited in the Great Hall, and that a proof of vaccination will be required to physically attend the sale.

3. AGEING & CUSTOMIZATION

After the auction, your barrel will have to be aged for 12 to 24 months by a Burgundian négociant-éleveur. An indicative list of négociants-éleveurs is available on www.sothebys.com

You will be able to choose the négociant to whom you will entrust the maturation of your wine, the type of bottle and the personalization of the label.

We invite you to contact the négociant-éleveur of your choice for more information on the methods and costs of maturation.

You can **personalize** your bottles with your name on the label, or the name

of a club, a company, an institution... Your project will have to respect some graphic rules (black text, harmonious font, respect of the given area).

Your personalized label must be approved by the Hospices Civils de Beaune before printing.

We invite you to get in touch with the wine négociant-éleveur of your choice for more information on the modalities and costs of ageing.

4. TRANSPORT & COLLECTION

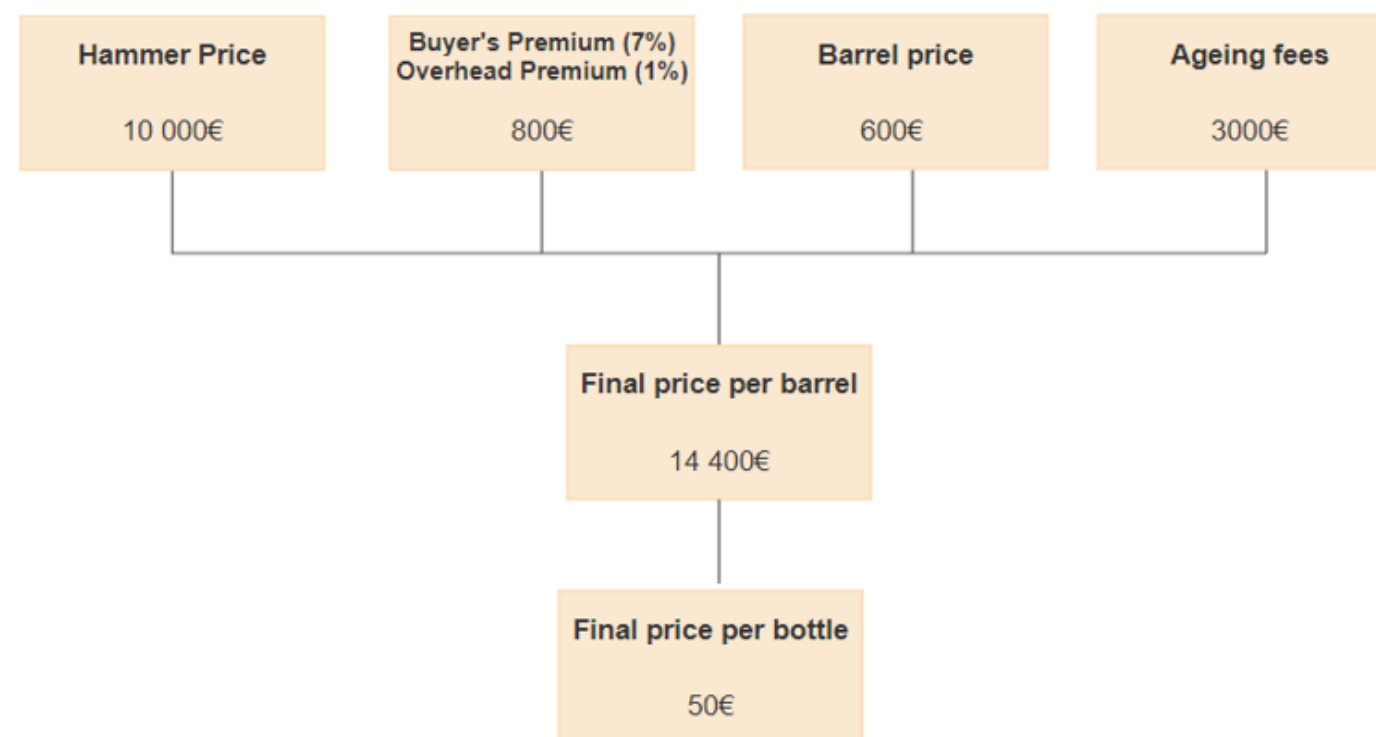
Once bottled, your wine can be collected from your négociant in Burgundy or delivered to the place of your choice.

How much will I pay in total?

Example for the purchase of a barrel of €10,000 (hammer price, with a fixed ageing price of €3,000. In this example, the sale is made without VAT.

On top of the **hammer price**:

- **Sotheby's Buyer's Premium** is set at 7% of the hammer price
- In addition, **Sotheby's Overhead Premium** will be charged at 1% of the hammer price
- The **wooden barrel** will also have to be paid for (price depends on the type of wine)
- The hammer price and all the above fees are subject to **VAT at 20%**. If you wish to apply for a VAT exemption scheme, please refer to the following section of this document
- **Aging fees** will be charged depending on the vintage purchased and the designated éleveur. Finally, **additional options** can be added such as personalized labels or different bottle sizes



Example: purchase of a barrel at 10 000€ (hammer price) and a fixed ageing price of 3000€.

Please note that ageing prices vary drastically from one négociant-éleveur to another, and from one Cuvée to another. The price set in this example is entirely hypothetical and shows the case of a purchase without VAT.



Discounts

Two discounts of 2% each can be granted by the Hospices Civils de Beaune on the hammer price, under certain conditions.

These discounts will be granted to you directly by the Hospices Civils de Beaune, once the total invoice has been paid and the barrel collected.

- A **payment before 31 December 2021** allows you a 2% discount
- A second discount of 2% is granted if the **collection** of the barrel at the Hospices de Beaune winery takes place **before 31 January 2022** (or February 28 2022 if Hospices de Beaune decides otherwise - based on wine analysis)

What taxes are applicable on the wine purchased at the Hospices de Beaune auction?

VAT is applied on the sale of goods and services, therefore on the total price (hammer price and Premium) **at the rate of 20%.**

Sale under suspension of VAT: the Suspensive Export Tax System (Régime Fiscal Suspensif à l'Exportation or RFSE)

If the wines are to be **exported** outside the European Union, a **VAT suspension procedure** (known as RFSE) may apply and a tax representative responsible for completing the tax formalities on your behalf must be appointed.

Sotheby's can assist you in your choice for this step and guide you through the process.

VAT EXEMPTION: STEP-BY-STEP PROCESS

- Sotheby's issues an invoice including VAT, for your records
- You designate your négociant-éleveur and opt for the RFSE system
- The tax representative (or tax agent) is appointed
- Sotheby's sends you an invoice, exclusive of VAT, to be paid
- Your négociant-éleveur collects the wines from the Hospices de Beaune winery for ageing.
- After bottling, closure of the RFSE regime by your tax representative, tax agent or wine négociant-éleveur
- Bottles are then necessarily exported

SALE UNDER SUSPENSION OF VAT: THE SUSPENSIVE EXPORT TAX SYSTEM (RÉGIME FISCAL SUSPENSIF À L'EXPORTATION OR RFSE)

A VAT registered company

EU resident	Outside of the EU
<p>To export your wines without VAT, you shall appoint a tax agent who will carry out the customs formalities related to the RFSE on your behalf.</p> <p>This agent becomes responsible for filing the administrative and tax formalities on your behalf and is responsible for completing the tax suspension at the end of the ageing period.</p> <p>This designation is mandatory, as well as the export of the entirety of the bottles at the end of the ageing process.</p> <p>After maturing and bottling, the agent will edit a new invoice exempt from VAT as well as a necessary customs declaration for the export of your bottles.</p> <p><i>Article 262 I French Tax Code</i></p>	<p>Same principle. This time, a tax representative will have to be appointed and will take care on your behalf of the administrative and customs formalities that are required for the placement under RFSE.</p> <p>After ageing and bottling, the representative will establish a new invoice exempt from VAT as well as a necessary customs declaration for the export of your bottles.</p> <p><i>Article 262 ter-1 French Tax Code</i></p>

An individual

EU resident	Outside of the EU
<p>he sale includes all taxes.</p>	<p>For a private client outside of the EU, the tax suspension process is the same, except that an individual does not appoint a tax representative or an agent.</p> <p>The designated négociant-éleveur will <u>be in charge of</u> the customs and administrative formalities on your behalf.</p> <p>If your négociant-éleveur does not have RFSE authorization, the company Hillebrand can assist you with this process. Bottles still must be exported at the end of the ageing process.</p> <p><i>Article 277-A-1 French Tax Code</i></p>

Benefiting from the RFSE scheme does not exempt the buyer from paying taxes in his destiation country.

A photograph of a historic building courtyard, likely a monastery or university hall. The image shows multiple levels of buildings with steep, colorful tiled roofs in shades of red, orange, yellow, and green. The architecture features Gothic elements, including pointed arches, ribbed vaulting, and decorative stone tracery. The central part of the image is dominated by a large, light-colored wall with a small window. The text "Sotheby's" is overlaid in a large, black, serif font, with "EST. 1744" in a smaller font to its right.

Sotheby's EST. 1744