

General Purchasing Conditions of Constantin Wild GmbH & Co. KG

(as of 31.08.2017)

§ 1 General provisions

- (1) All our orders, enquiries and purchase offers are made exclusively on the basis of these General Purchasing Conditions. They are an integral part of all the contracts we conclude with our suppliers. They will also apply to all future orders, enquiries and purchase offers, even if they have not been separately agreed again.
- (2) The valid version of our General Purchasing Conditions is always the one currently applicable at the time when the contract is concluded. We shall send the supplier the current version of our General Purchasing Conditions at any time on request. They can also be viewed at any time on the Internet at www.constantinwild.com/agb/. The sole legally binding version is the German one.
- (3) Purchasing conditions or other business terms of the supplier do not have any validity. This is, furthermore, still the case if no express reference is made to the fact during conclusion of the respective contract.
- (4) If our conditions have not already been effectively incorporated in a contract on the basis of the above provisions, and if on the way to concluding a contract we have drawn attention to the applicability of our General Purchasing Conditions for the first time in our order, our General Purchasing Conditions shall be deemed to have been incorporated effectively in the contract as soon as the supplier makes a delivery without objection.

§ 2 Quotation, acceptance

- (1) The supplier is under obligation to accept the order within a reasonable period and at the latest within a period of two weeks.
- (2) In respect of the gemstones to be delivered, the supplier guarantees that
 1. all the information furnished on their origin (such as relates to the mine and country of origin and to subsequent production and trade transactions) is correct, and that said information can be retraced over a period of 10 years on the basis of verifiable and uninterrupted documentation
 2. we are provided with all the information on the origin of the gemstones together with the relevant documentation without delay and on the first request
 3. information provided about the treatment of gemstones (in particular physical, chemical or thermal) is complete and correct, and that the information is provided in accordance with the specifications of the ICA and the CIBJO
 4. the gemstones do not come from regions of conflict in which war or warlike conditions prevail
 5. the gemstones come only from officially approved mines
 6. the gemstones have been mined and processed in an environmentally sound way
 7. all the national and international laws and regulations have been complied with during the mining of the gemstones and subsequent production and trade transactions, in particular those designed to prevent child labour, safeguard workers' rights and eliminate money-laundering
 8. all other features of the gemstones such as the supplier has quoted to us or about which we have enquired have been reported completely and correctly.
- (3) If so requested, the supplier is under obligation to provide us with further information on the aspects referred to here in § 2.

§ 3 Prices, payment

- (1) Unless any other express agreement has been made, prices include delivery carriage paid, including statutory value added tax at the currently applicable rate and the costs of packaging.
- (2) The purchase price is payable within 30 days as from the receipt of a correct and proper invoice.

§ 4 Delivery

- (1) All delivery deadlines quoted in the order or otherwise agreed are binding.
- (2) The supplier is under obligation to notify us immediately of any failure to meet a delivery deadline that appears imminent or has actually occurred, the cause(s) of said failure and

the likely duration of the delay. The establishment of a status of default of delivery remains unaffected by this.

§ 5 Passage of risk, shipping

Subject to § 6.3, the risk of accidental loss or accidental deterioration of the goods passes over to us on correct and complete delivery carriage paid to the destination named.

§ 6 Transactions involving goods sent for selection and commission

- (1) In transactions involving goods sent for selection, acquisition of the goods is subject to our finally purchasing the goods sent. Goods sent for selection are deemed to have been finally purchased if they are not returned by us within a period subsequently set by the supplier, whereby the timeliness of the return is defined by our despatch of the goods. The supplier is under obligation to insure the goods sent to us for as long as we have them on trial for a sufficient sum such as is typical in our line of business, in particular against robbery, theft, extortion, fire, and damage caused by water.
- (2) In commission transactions, any sale of the goods is on our behalf but for the account of the supplier. Instructions from the supplier are only binding if sent to us in text form. We are to provide notification of transactions carried out within two weeks. Repudiation as in Section 386 (1) of the German Commercial Code (HGB) must be declared to us within three working days. For the duration of the commission, the supplier is under obligation to insure the goods sent to us for a sufficient sum such as is typical in our line of business, in particular against robbery, theft, extortion, fire, and damage caused by water. We are not under obligation to inspect goods on commission or give notice of defects. We have the right to allow extra time for payment of the purchase price to the extent usual in our line of business. We do not have to warrant and represent to our supplier that the liabilities of the third party in question will be paid. We have the right to offset our commission and other remuneration and reimbursement of expenses against purchase price payments received from other transactions.
- (3) In the case of transactions involving goods sent for selection, the risk of accidental loss passes over to us when we declare that we are finally purchasing the goods. In commission transactions, our supplier bears the risk of accidental loss alone until such time as the risk passes over to the third party on execution of the commission.

§ 7 Liability for defects, warranty

- (1) We are entitled to statutory warranty rights without restriction. In particular we have the right at our own discretion to call for rectification of the defect or delivery of a defect-free thing or, as the case may be, to claim compensation.
- (2) In cases of imminent danger we have the right, having notified the vendor as appropriate, to remedy the defect ourselves at the latter's expense. The same applies in cases in which the extension period set by us expires or the supplier's attempt at supplementary performance is unsuccessful.
- (3) Claims under warranty for defects fall under the statute of limitation 36 months after the passage of risk.

§ 8 Product liability, insurance

- (1) The supplier is under obligation to indemnify us on the first request against all and any liability in respect of third parties or, as the case may be, third-party claims such as arise from the manufacture, delivery, storage or use of the goods supplied. This obligation to indemnify does not apply if the claim has its origin in a grossly negligent or intentional breach of obligation on our part.
- (2) The supplier is under obligation to take out and maintain product liability insurance with an adequate minimum insured sum as is typical in our line of business. Any further entitlements to claim compensation remain unaffected by this.

§ 9 Legal defects

- (1) The vendor guarantees that the goods are supplied free of third-party rights and that no third-party rights are violated by said supply. To that extent, the vendor will indemnify us against any third-party claims on the first request.
- (2) Claims resulting from legal defects fall under the statute of limitation as stated in § 7.3.

§ 10 Confidentiality

- (1) The parties undertake to treat as business secrets all commercial and technical details which are not publicly known (incl. drawings, sketches, models, templates, samples and similar items) but become known to them in the context of the business relationship.
- (2) The copying of commercial and technical details is only permissible to the extent required for the performance of the contract or the fulfilment of the purpose envisaged in the contract. Otherwise they are to be treated confidentially and must not be made accessible to third parties without our approval. For the rest, we reserve rights of ownership and intellectual property rights.

§ 11 Concluding provisions

- (1) If any individual provisions of the contract or these Standard General Terms and Conditions should be or become invalid, this shall not affect the validity of the remaining provisions. In an attempt to interpret the contract in a way that restores its wholeness, the invalid provision should be replaced by a provision which comes as close as possible to the economic purpose that the parties can be seen to have been pursuing. The same applies to the rectification of any omissions that may be found.
- (2) German law shall prevail exclusively in respect of the contractual relationship. There shall be no recourse to the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) or to foreign law.
- (3) Place of performance for all obligations under this contract is Idar-Oberstein.
- (4) If the supplier is a merchant, a legal entity under public law or separate assets in public law, the exclusive legal venue is Idar-Oberstein. We also have the right to take legal proceedings against the supplier at his own general legal venue.