

General Supply Conditions of Constantin Wild GmbH & Co. KG.

(as of 31 Aug 2017)

§ 1 General provisions

- (1) All our supplies, performance and quotations are made exclusively on the basis of these General Supply Conditions. They are an integral part of all the contracts we conclude with our customers. They will also apply to all future supply, performance and quotations, even if they have not been separately agreed again, and to sales from travel and exhibition stocks.
- (2) The valid version of our General Supply Conditions is always the one currently applicable at the time when the contract is concluded. We shall send the customer the current version of our General Business and Supply 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 customer 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 Business and Supply Conditions for the first time in our order confirmation, our General Business and Supply Conditions shall be deemed to have been incorporated effectively in the contract as soon as the customer accepts our performance or supply without objection.

§ 2 Quotations, establishment of contract

- (1) Quotations from us are non-binding in all cases. We may accept orders or contracts addressed to us within a period of 10 working days calculated from receipt thereof. The delivery of goods ordered is regarded as implicit acceptance of the quotation.
- (2) Information on the origin and treatment of gemstones sold by us is based on the information received from the previous supplier and previous owner, expert opinions and laboratory examinations and / or our own expert assessment. Such information is given to the best of our knowledge and does not, subject to any other express declarations, constitute any binding assurances or guarantees with regard to the natural quality of the gemstones.

§ 3 Prices, payment

- (1) Subject to other agreement, our prices are in EUR ex our place of business, plus value added tax at the statutory rate, packaging, carriage, customs, fees and other public charges. They only apply to the order concerned; re-orders are deemed to be new orders.
- (2) If circumstances become known as a result of which payment of an outstanding claim under the respective contractual relationship is jeopardised (in particular enforcement measures, applications for the institution of insolvency proceedings, or discontinuation of credit lines on account of default in payment), we have the right to declare all claims for payment from the current business relationship due immediately, the right to make outstanding deliveries only on payment in advance, the right to demand collateral for our claims, and the right to forbid the customer to make any further sale of the goods delivered under retention of title (cf. § 7).
- (3) Offset against counter-claims of the customer or assertion of rights of retention by the customer are only permissible if they relate to pecuniary warranty claims based on the same contractual relationship as our claim for payment, or if the counter-claims are undisputed or have been established as legally binding.

§ 4 Delivery period, force majeure

- (1) Delivery periods and deadlines quoted by us apply subject to our own receipt of correct and timely deliveries.
- (2) Delivery periods and deadlines are deemed to have been met if we have notified the customer within the agreed delivery period or by the agreed deadline that the performance due is ready for despatch.
- (3) In cases of force majeure and other unforeseeable and / or unusual circumstances, and / or circumstances which have come about through no fault of our own, we have the right to

postpone delivery for the duration of the impediment plus a reasonable restart period, or to rescind the contract partly or wholly in respect of the part of the delivery that has not yet been made. Strike, lockout, mobilisation of troops, war, embargo, prohibition of import and export, lack of raw materials or fuel, fire, energy supply problems, traffic closures, disruptions of operation or transport and other circumstances for which we are not responsible are tantamount to force majeure, regardless of whether they arise or occur in our own sphere of activity, that of our suppliers, or that of their subcontractors. We are only entitled to plead the above-mentioned circumstances if we inform the customer of them without delay.

- (4) Neither are we responsible for the circumstances listed in § 4.3 if they arise or occur during a period of default which has already begun. The customer can request us to declare whether we wish to deliver within a reasonable period or rescind the contract. If we fail to make such declaration within said reasonable period, the customer in turn has the right to rescind the contract in respect of the part of the delivery that has not yet been made.

§ 5 Shipping, passage of risk

- (1) Unless any other agreement has been made in writing, we are responsible for making the goods available ex our place of business. Goods which have been notified as ready for despatch must be collected without delay and within 8 days at the latest.
- (2) If we ship the goods on the request of the customer, they are despatched for the account and at the risk of the customer unless any other agreement has been made. The risk in such cases passes over to the customer when the goods are handed over to the transport agent, and this also applies to partial deliveries. The same goes for shipping using agents of our own.
- (3) If we ship the goods on the request of the customer, we will on the customer's request insure the goods on behalf and at the expense of the customer against theft, breakage, transport, fire, damage caused by water and other insurable risks. Having said that, this must be expressly agreed in the order confirmation or in a separate agreement. Loss or damage in transport must in these cases be settled by the customer himself.

§ 6 Transactions involving goods sent for selection and commission

- (1) In transactions involving goods sent for selection, the acquisition of the goods is defined as the final purchase of the goods sent by the customer. Goods sent to the customer for selection are deemed to have been finally purchased if they are not returned to us within an agreed, notified or – in the case of selection periods which are not limited at the outset – reasonable period subsequently set by us. They are also deemed to have been finally purchased if the customer concludes a valid purchase contract for resale with a third party.
- (2) In commission transactions, the goods are sold on behalf of the customer for our account. We are to be notified of the execution of the commission within three working days at the latest. The sale of goods on commission at a price below that which we have fixed is not permitted without express approval from us; it is not necessary for us to make a separate declaration of repudiation as in Section 386 (1) of the German Commercial Code (HGB). All claims arising from the execution of the commission in respect of third parties are already assigned to us hereby. The customer does not have the right to execute the commission on credit or by allowing extra time for payment of the purchase price, and he may only hand over the goods on commission to his customer after payment of the purchase price in full. The customer must warrant and represent to us that the liability of the third party in question will be paid.
- (3) If samples sent for selection or goods on commission (hereinafter referred to as 'goods') are supplied marked 'closed' as an en-bloc consignment, there is to be no removal or purchase of individual stones. Like the sale of individual stones, the removal or purchase of individual stones presupposes the final purchase of all the goods in the consignment by our customer.
- (4) We have the right to rescind the contract until such time as the purchase contract is finally concluded or the commission finally executed. If we do so, the customer must return the goods to us without delay and refrain from any sale thereof.
- (5) On the handing over of the goods to the customer, all risks, in particular that of loss incurred through no fault of our own, pass over to the customer. § 5.2. of these conditions

applies accordingly. The customer bears the risk of accidental loss until such time as the goods are received in their entirety on our premises or those of a recipient appointed by us. This applies in particular when goods are being returned.

- (6) The customer is under obligation to store the goods separately and must mark or label them in such a way as to indicate our rights of ownership in respect of them clearly.
- (7) In accordance with § 3, the customer is under obligation to insure the goods for a sufficient sum such as is usual in our line of business for as long as he bears the risk, in particular against robbery, theft, extortion, fire, and damage caused by water. The customer hereby assigns to us all claims he may have on the insurer as a result of future cases of loss or damage. If we so request, we are to be provided with evidence of effective insurance cover.

§ 7 Defects, warranty

- (1) If the customer notifies us of a defect he must describe it to us in a sufficiently precise way. We must be given the opportunity to examine the defect ourselves at our place of business or to have it examined by an agent.
- (2) The warranty assumed by us is at first restricted to supplementary performance. We have the right to carry out the supplementary performance or attempt to do so within a reasonable period to be set by the customer. The type of supplementary performance (delivery of a defect-free thing or rectification of the defect) is at our own discretion. If supplementary performance is impossible or would involve disproportionately high cost, or if we do not manage to rectify the defect in spite of an attempt at supplementary performance, the customer may call for abatement or rescind the contract and, if appropriate, claim compensation as in § 10 of these conditions.
- (3) Unless any of the cases covered in Section 438 (1) 2 or Section 634a (1) 2 of the German Civil Code (BGB) occur, or unless any other agreement has been made, claims by the customer on account of defects fall under the statute of limitation one year from the time at which the statutory period of limitation begins to run. This does not apply to claims for compensation as provided for in § 10 of these conditions which have their origin in intent or gross negligence.

§ 8 Retention of title

- (1) We reserve ownership of all goods delivered by us until such time as all our claims have been settled in full and any current account balance chargeable to the customer to which we are or may be entitled now or in the future – for whatever cause in law – has been discharged. This will still apply if payment has been made for certain deliveries specified by the customer.
- (2) Resellers may only resell goods supplied in the normal course of business. The reseller assigns to us as collateral any claims arising from the resale of our goods subject to retention of title until such time as all our claims under the business association have been settled and any current account balance chargeable to the customer has been discharged. The setting of goods subject to retention of title in items of jewellery by the customer or their use in the performance of other contracts to produce a work or contracts for work done and materials supplied is tantamount to resale. The customer is also authorised to collect these claims after their assignment until such time as the authorisation is revoked. Our entitlement to collect the claims ourselves remains unaffected by this. It can for example be exercised if the customer has failed to comply with our terms of payment. If we so request, the customer must provide all the information required for collection, hand over the relevant records and documents to us without delay, and notify the additional debtor of the assignment in writing and without delay. In the case of third-party enforcement measures such as may affect our security interests, the customer must draw attention to our rights and inform us immediately. The customer is under obligation to bear the costs of measures taken to combat such interventions, in particular the costs of replevin proceedings, if they cannot be collected by the opposite side. The customer only has the right to assign claims – including their sale to factoring banks – with prior written authorisation from us.
- (3) Goods subject to retention of title are processed on behalf of us as their manufacturer within the meaning of Section 950 of the BGB. The goods processed are deemed to be goods subject to retention of title within the meaning of § 8.1. There shall be no acquisition of

ownership by the customer as in Section 950 of the BGB. When goods subject to retention of title are processed, compounded or mixed with other goods by the customer we are entitled to co-ownership of the new thing in the proportion of the invoice value of the goods subject to retention of title to the invoice value of the other goods used. If our ownership expires as a result of compounding or mixing, the customer now hereby transfers to us the ownership rights to which he would be entitled relating to the new substance or thing in the amount of the invoice value of the goods subject to retention of title and agrees to store it for us free of charge. The co-ownership rights established by this are deemed to be goods subject to retention of title within the meaning of § 8.1.

- (4) The customer assigns to us as collateral all claims arising from the resale of products made wholly or partly from our goods until such time as all our claims have been settled in full and any current account balance chargeable to the customer has been discharged. § 8.3 applies accordingly.
- (5) If the value of the securities held for us exceeds the value of our claims in the long term by a total of more than 20%, we shall if requested release securities of an appropriate value at our own discretion.

§ 9 Confidentiality

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

§ 10 Liability, compensation

- (1) However it comes about, we are only liable for loss or damage in cases of intent or gross negligence on the part of our legal representatives, employees or vicarious agents and in case of breach of material contractual obligations.
- (2) Our liability for breach of material contractual obligations is limited in cases of ordinary negligence to foreseeable personal injury and damage to property and to a maximum of three times the gross purchase price of the goods or 100,000 EUR, whichever is the lower.
- (3) The exclusions and limitations of liability listed in §§ 10.1 and 10.2 above do not apply to loss or damage occasioned by failure to provide assurances, liability under the Product Liability Act or loss or damage involving injury to life, limb or health.
- (4) The exclusions and limitations of liability listed above apply equally to claims asserted by the customer directly against our legal representatives, employees or vicarious agents.

§ 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 customer 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 customer at his own general legal venue.