

## General Terms and Conditions

By receiving the goods listed on a delivery note (Lieferschein) or selection note (Auswahl-Nota), the recipient accepts the following terms and conditions as binding for this delivery and for future business transactions. The offer indicated on the delivery note or selection note is non-binding unless indicated otherwise in specific cases. It requires written acceptance. Upon the recipient's receipt of a reclamation for a selection shipment, our offer is rescinded. Delivery lists are non-binding unless other agreements have been explicitly made.

If increases in the prices of wages or materials or other additional costs are incurred before a purchase agreement has been settled, we reserve the right to decline the agreement. Goods may not be given to third parties without our approval before a purchase agreement has been settled. In addition, third parties shall have no rights to the goods.

Customer complaints must be promptly communicated in writing, no later than one week after the goods have been received. After a notice of defects has been acknowledged, we may decide whether to deliver an equivalent substitute or, if this is not possible, to accept the goods for return. The customer may exercise no other claims. Attributions of origin and appraisals are made based on our best knowledge and belief, but establish no promised attribute (zugesicherte Eigenschaft) as covered by §§ 459 ff BGB (German Civil Code), which addresses guarantees.

Almost every gemstone is subject to special methods of handling. Methods that are required by law to be identified, and which are not designated as a general practice by Cibjo, are identified specifically on the delivery note or selection note.

The recipient of a selection shipment is obligated to store the delivered goods with the care of a prudent businessperson, and to sufficiently insure the goods to our benefit against theft, robbery, loss and damage (fire, breakage, water). In any case, the risk is transferred to the recipient of the goods indicated on the delivery note or selection note, upon receipt. Goods valued at over 25,000.00 euros must be stored in a locked, multi-walled safe outside of business hours. Insurance claims resulting from a case of damage are to be transferred to us. The recipient is additionally obligated to inform us promptly of the sale of any goods delivered for selection.

Gemstones may not be set or exposed to any kind of hazard, unless they are first acquired. Antique pieces of jewelry may not be polished, washed or modified.

With the finalization of a sale, the goods are to be paid in net cash, unless other agreements have been made. We reserve the right to retain ownership of the goods we have sent until such time as full payment has been made for all accounts involved in our business relationship, including future accounts and all secondary claims, up to the time a bill of exchange or check has been fully redeemed.

Our retention of title also extends to any new items produced through modification, processing or combination, which are duly deemed to have been manufactured for us and over which we require ownership or co-ownership according to proportional value of the goods under retention at the time of the modification, processing or combination, without this requiring any separate legal negotiation and without

us incurring any associated liabilities. We agree with the buyer about this accrual of ownership by way of security, as well as that the buyer keeps the new items created as a result of transformation safe until such time as this has been canceled. To the extent that new goods have been created as a result of handling, processing, connecting or combining, for which the buyer acquires sole ownership, we and the buyer agree that we also acquire ownership until such time as complete payment has been made on all accounts involved in our business relationship, including those accounts first accruing in the future. Transfer of the new goods to us is herewith substituted by this agreement that the buyer keeps the new goods safe for us until such time as we recall them. The buyer transfers to us, in advance, his rights of ownership or co-ownership to the newly created items as well as any entitlements to payments from his customer arising due to the processing of the delivered items in accordance with the proportional value of the processed goods.

When paying a portion of the balance of accounts, the goods subject to retention of ownership serve as security for the payments on the account balance. The purchaser may only resell the goods subject to retention of ownership in the context of orderly business operations. Other provisions, particularly the pledging of the secured items, are not permitted without written approval. The buyer today surrenders to us all payments due to it as a result of resale, in the full amount and regardless of whether the items under retention will be resold without or after modification, processing or combining. The buyer is authorized to obtain the receivables owed or owing to us as a result of these conditions on a trust basis, insofar as he meets with his payment conditions agreed with us in an orderly manner and does not become illiquid. The buyer must transfer the payments received immediately to us, to the extent that our accounts are due.

We undertake to release any securities available to us per our preference and according to the preceding conditions where their value exceeds the receivables for which they provide security by 25%. This applies under the condition that – with the exception of deliveries in actual current account transactions – in individual cases approval shall only take place for those deliveries that have been fully paid for. In every case of forced sale of collaterals for the goods under retention or receivables assigned to us, the buyer is obligated to promptly inform us, as well as to provide a copy of the garnishment record or garnishment order.

If it is determined, following delivery of the selected goods or settlement of the purchase agreement, that the party placing the order is not credit-worthy or if its credit-worthiness is diminished during processing of the agreement, we have the right to take back the selected goods or demand prepayment, as well as demand payment for goods already sold or to partially or completely rescind the purchase agreement. Bills with later due dates become due immediately.

The places of fulfillment and jurisdiction for all activities involved in the business relationship, including actions on bills and checks, is for both parts the location of our main office. We may also choose to deem the place of jurisdiction as the location of the offices of the buyer. If any of the preceding terms should become ineffective then this shall not affect the validity of the remaining terms. German law is the applicable law.