

STONEHOUSE JEWELLERY LIMITED
(Registered No: 08650107) whose registered office is at 44 Hockley Street, Birmingham, West Midlands, England, B18 6BH ("Stonehouse")

TERMS AND CONDITIONS OF SALE

1. Definitions and Interpretation

1.1. In these Conditions the following words have the following meanings:

"Bespoke Products" means any custom designed products agreed in the Order to be supplied to the Customer by Stonehouse;

"Contract" means any contract between Stonehouse and the Customer for the sale of Products, incorporating these Conditions;

"Customer" means the person(s), firm or company named in the Order;

"Customer Materials" means any items and materials provided by the Customer to Stonehouse for the production of any Bespoke Products, including but not limited to metals, gemstones and/or packaging;

"Design Work" means the design process carried out by Stonehouse in relation to any Bespoke Product, including but not limited to computer-aided design (CAD) drawings and models and the design and production of any moulds.

"Order" means the Customer's order for Products and/or Design Work as accepted by Stonehouse in accordance with these Conditions or the Customer's acceptance of Stonehouse's quotation;

"Products" means any Bespoke Products and/or Standard Products agreed in the Order to be supplied to the Customer by Stonehouse;

"Specification" means any specification for the Products agreed by the Customer and Stonehouse;

"Standard Products" means any off-the-shelf products or any products not specially made or designed for the Customer.

2. Basis of Contract

2.1. Subject to any variation under Condition 2.4 the Contract will be subject to these Conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Customer purports to apply under any purchase order, confirmation of order, Specification or other document whatsoever and whenever).

2.2. Any samples, drawings, or advertising produced by Stonehouse and any illustrations contained in Stonehouse's catalogues or brochures are produced for the sole purpose of giving an approximate idea of the Products referred to in them. They shall not form part of the Contract nor have any contractual force.

2.3. Each Order for Products by the Customer from Stonehouse shall be deemed to be an offer by the Customer to purchase Products subject to these Conditions. It is the Customer's obligation to ensure that the terms of its Order and any applicable Specification are complete and accurate.

2.4. Any variation to these Conditions and any representations about the Products shall have no effect unless expressly agreed in writing and executed by Stonehouse.

2.5. No Order placed by the Customer shall be deemed to be accepted by Stonehouse until a written acknowledgement of the Order is issued by Stonehouse or (if earlier) Stonehouse commences production of the Products, the Products are allocated to the Customer's Order or the Products are despatched to the Customer. Any Order shall be accepted entirely at the discretion of Stonehouse.

2.6. Any quotation or estimate made by Stonehouse is given subject to these Conditions. Without prejudice to Stonehouse's right not to accept an Order, and subject to Condition 2.7, Stonehouse reserves the right to alter any quotation or estimate until such time that an Order is placed by the Customer and if that Order includes Design Work for Bespoke Products, until such time that Stonehouse has provided any quotation or estimate for the Bespoke Products following completion of the Design Work.

2.7. The Customer agrees that due to the nature of the Products, the actual price of the Products is subject to market

fluctuations, changes in the applicable price indices, costs of materials and factors beyond Stonehouse's control ("Fluctuations"). Stonehouse reserves the right to adjust the price of the Products to reflect any Fluctuations on notice to the Customer. In the case of such price adjustment due to Fluctuations, the Customer shall be entitled to cancel the Order provided that the Customer reimburses Stonehouse in full for any expenses or losses incurred by Stonehouse up to that point.

- 2.8. Subject to Condition 2.7, the Customer can only cancel an Order (or any part of an Order) which Stonehouse has already accepted, with Stonehouse's prior agreement in writing and provided that the Customer reimburses Stonehouse in full for any expenses or losses incurred by Stonehouse in relation to Stonehouse's acceptance and commencement of the Order.

3.Design Work

- 3.1 If the Customer's Order includes any Bespoke Products such Order shall automatically include Design Work.
- 3.2 If following completion of the Design Work, the Customer does not wish to proceed with that Order of the Bespoke Products, the costs incurred by Stonehouse in the Design Work shall be charged to the Customer in accordance with Condition 6.4.
- 3.3 The Customer shall have no rights to any part of the Design Work and all designs, drawings, models, moulds and any other part of the Design Work shall belong to Stonehouse only.
- 3.4 Design Work may not be used by the Customer for any other purpose other than in accordance with the Contract or any other contract between the Customer and Stonehouse.

4.Delivery and Acceptance of Products

- 4.1. Delivery of the Products shall be agreed between Stonehouse and the Customer and shall be:
- (a) at the cost (including insurance) of the Customer, when delivered to the Customer's agreed premises; or

(b) take place at Stonehouse's place of business in normal business hours, in which case the Customer shall take delivery of the Products within 7 days of Stonehouse giving the Customer notice that the Products are ready for delivery.

- 4.2. Any dates specified by Stonehouse for delivery of the Products are intended to be an estimate only and time for delivery shall not be of the essence. The Customer shall have no right to cancel the Contract due to failure by Stonehouse for any reason to meet any delivery dates specified by Stonehouse, including but not limited to any delays caused by the Customer.
- 4.3. The Customer agrees that where the Customer is to provide Customer Materials to Stonehouse, it shall be solely responsible for providing such Customer Materials and shall provide such Customer Materials promptly. Stonehouse shall not be liable for any failure to complete an Order where this is due to a failure by the Customer to provide the Customer Materials.
- 4.4. Subject to Condition 4.2, Stonehouse at the request of the Customer, but at Stonehouse's sole discretion, may agree to expedite the Customer's Order, to provide the Products to the Customer within an agreed period of time. Such request shall be subject to an additional cost which shall be charged to the Customer in the price of the Products.
- 4.5. Stonehouse will use reasonable endeavours to deliver in the agreed quantities but shall have no liability whatsoever for any reduction in quantity. For the avoidance of doubt, any reduction in quantity will be reflected in the price.
- 4.6. Stonehouse may deliver the Products by instalments. Each instalment shall constitute a separate contract. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.
- 4.7. If for any reason the Customer does not accept delivery of any of the Products when they are ready for delivery or Stonehouse is unable to deliver the Products on time because the Customer has not provided appropriate instructions then the Products will be deemed to have been delivered, risk passing to the

Customer (including for loss or damage caused by Stonehouse's negligence) and Stonehouse may:

- (a) store the Products until actual delivery whereupon the Customer will be liable for all related costs and expenses (including without limitation storage, re-delivery and insurance); or
- (b) sell the Products at the best price readily obtainable and (after deduction of all reasonable storage and selling expenses) charge the Customer for any shortfall below the Contract price.

4.8. The Customer shall examine the Products immediately on delivery and will be deemed to have accepted the Products as being in accordance with the Contract unless the Customer notifies Stonehouse promptly following such examination of any defect or other failure of the Products to conform with the Contract, failing which the Customer shall not be entitled to reject the Products and Stonehouse shall have no liability for such defect or failure, and the Customer shall be bound to pay the price as if the Products had been delivered in accordance with the Contract.

5. Passing of Risk and Legal Title

5.1. The Products shall be at the risk of the Customer from the time of delivery.

5.2. Full legal, beneficial and equitable title to and property in the Products shall remain vested in Stonehouse (even though they have been delivered and risk has passed to the Customer) until payment in full, in cash or cleared funds, for all the Products has been received by Stonehouse and all other money payable by the Customer to Stonehouse on any other account or under the Contract or any other contract has been received by Stonehouse.

5.3. Until full legal, beneficial and equitable title to and property in the Products passes to the Customer:

- (a) the Customer shall hold the Products on a fiduciary basis as Stonehouse's bailee;

(b) the Customer shall store the Products at its premises in a proper manner in conditions which adequately protect and preserve the Products separately from any other products (whether or not supplied by Stonehouse) and ensure that they are clearly identifiable as belonging to Stonehouse and shall insure them, without any charge to Stonehouse;

(c) Stonehouse may at any time, on demand and without prior notice, require the Customer to deliver the Products up to Stonehouse and Stonehouse may repossess and resell the Products if any of the events specified in Conditions 11 or 12 occur or if any sum due to Stonehouse from the Customer under the Contract or on any other account or under any other contract is not paid when due;

(d) for the purposes of this Condition 5 Stonehouse, its employees, agents and sub-contractors will be entitled to free and unrestricted access to any premises owned, occupied or controlled by the Customer and/or any other location where any of the Products are situated at any time without prior notice;

(e) Stonehouse shall be entitled to maintain an action against the Customer for the price of the Products notwithstanding that legal, equitable and beneficial title to and property in the Products has not passed to the Customer; and

(f) Stonehouse hereby authorises the Customer to use and/or sell the Products in the normal course of the Customer's business and to pass good title in the Products to its customers, if they are purchasers in good faith without notice of Stonehouse's rights. This right shall automatically cease on the occurrence of any event set out in Condition 12 and/or if any sum owed to Stonehouse by the Customer is not paid when due. If the Customer sells the

Products prior to paying the full price thereof the Customer shall hold the proceeds of sale on trust for Stonehouse and shall immediately pay the proceeds of the sale into a separate bank account. At Stonehouse's request, the Customer shall assign to Stonehouse all claims that the Customer may have against purchasers of the Products from the Customer.

6.Price and Payment

- 6.1. Unless otherwise agreed by Stonehouse in writing the price for the Products shall be the price as confirmed by Stonehouse in accordance with Conditions 2.6 and 2.7.
- 6.2. Stonehouse shall be under no obligation to provide any breakdown of the price of the Products to the Customer, including but not limited to individual prices for the materials used in the Products, labour and overheads.
- 6.3. Unless otherwise agreed in writing the price for the Products and/or Design Work shall be exclusive of any value added tax and all costs or charges in relation to packaging, labelling, carriage, freight and insurance all of which amounts the Customer will pay, where appropriate, in addition when it is due to pay for the Products.
- 6.4. Stonehouse shall have the right to raise an invoice at any time. Payment of the price for the Products and/or Design Work is due within 30 days of the date of invoice or within such period confirmed by Stonehouse to the Customer, at Stonehouse's sole discretion. Stonehouse shall be under no obligation to grant the Customer any credit terms. Time for payment shall be of the essence.
- 6.5. The Customer shall make all payments due under the Contract without any deduction whether by way of set-off, withholding, counterclaim, discount, abatement or otherwise.
- 6.6. Stonehouse may apply any payment by the Customer to any sums owed to Stonehouse by the Customer under the Contract or any other account or under any other contract.

6.7. If any sum due from the Customer to Stonehouse under the Contract or any other contract is not paid on or before the due date for payment then all sums then owing by the Customer to Stonehouse shall become due and payable immediately and Stonehouse shall be entitled to:

- (a) cancel or suspend its performance of the Contract or any order including suspending deliveries of the Products;
- (b) require the Customer to pay for Products prior to their despatch or collection from Stonehouse's place of business; and
- (c) charge the Customer any interest accrued on all overdue amounts and any recovery costs and expenses.

7.Warranty of Quality of Products

7.1. If the Customer establishes to Stonehouse's satisfaction that there is a defect in the materials provided by Stonehouse or in the workmanship of the Products made by Stonehouse or there is some other failure by Stonehouse in relation to the conformity of the Products with the Contract, then provided the Customer has returned the Products to Stonehouse together with written notification of such alleged defect within 7 days of the time when the Customer discovers or ought to have discovered the defect and in any event within 3 months of the delivery of the Products to the Customer, Stonehouse shall at its option, at its sole discretion and within a reasonable time:

- (a) repair or make good such defect or failure in such Products free of charge to the Customer (including all costs of transportation of any Products or materials to and from the Customer for that purpose); or
- (b) issue a credit note to the Customer in respect of the whole or part of the Contract price of such Products as appropriate having taken back such Products or materials relating to such Products,

provided that the liability of Stonehouse under this Condition 7 shall not exceed the purchase price of such Products and performance of any one of the above options shall constitute an entire discharge of Stonehouse's liability under this warranty.

7.2. Stonehouse shall be under no liability under the warranty at Condition 7.1 above:

- (a) in respect of any defect arising from fair wear and tear, wilful damage, misuse or alteration or repair of the Products without Stonehouse's approval;
- (b) if the total price for the Products has not been paid by the due date for payment;
- (c) for any Products made or appropriated to the Contract in accordance with any design, Specification, instruction or recommendation made to Stonehouse by the Customer;
- (d) in respect of any type of defect, damage or wear arising from any materials including but not limited to any metals or gemstones, provided by the Customer for use in the Products;
- (e) in respect of any type of repair work carried out by Stonehouse for the Customer to any products not originally made by Stonehouse;
- (f) in respect of any type of defect, damage or wear specifically excluded by Stonehouse by notice in writing; or
- (g) if the Customer makes any further use of the Products after giving notice in accordance with Condition 7.1.

7.3. The warranties set out in this Contract are the only warranties which shall be given by Stonehouse and all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.

8. Bespoke Products

8.1 The Customer shall indemnify Stonehouse against all costs and expenses suffered or incurred by Stonehouse in connection with any claim made against Stonehouse for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with any Bespoke Products and/or Stonehouse's use of the Specification and/or Customer Materials in relation to any Bespoke Products. This Condition 8.1 shall survive termination of the Contract.

8.2 Stonehouse shall have no liability whatsoever in respect of:

(a) any Specification, design, instruction, recommendation, and/or Customer Materials provided by the Customer to Stonehouse for production of the Bespoke Products; and

(b) any type of repair work carried out by Stonehouse for the Customer to any products not originally made by Stonehouse.

9. Exclusion and Limitation of Liability

9.1. Nothing in these Conditions shall exclude or limit Stonehouse's liability for death or personal injury caused by Stonehouse's negligence or for fraudulent misrepresentation or for breach of the terms implied by section 12 of the Sale of Goods Act 1979 or for defective products under the Consumer Protection Act 1987.

9.2. Stonehouse shall not be liable for any economic loss or loss of profit (direct or indirect), or any indirect, special or consequential loss or damage howsoever caused, or any liability arising to any third party.

9.3. The total aggregate liability of Stonehouse in connection with this Contract whether for negligence or breach of contract or otherwise shall not exceed the total cost incurred by Stonehouse in the labour and workmanship of the Design Work and/or Products under the Contract.

10.Subcontracting, Assignment and Third Party Rights

- 10.1. The Customer shall not be entitled to assign, charge, subcontract or transfer the Contract or any part of it without the prior written consent of Stonehouse. Stonehouse may assign, charge, subcontract or transfer the Contract or any part of it to any person.
- 10.2. No third party shall have the benefit of or the right to enforce these Conditions under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

11.Force Majeure

Stonehouse reserves the right to suspend or cancel the Contract in whole or in part (without liability to the Customer) if it is prevented from or delayed in the carrying on of its business and its obligations under the Contract due to any circumstances beyond the reasonable control of Stonehouse. If the event of force majeure continues for a continuous period in excess of 3 months, either party shall be entitled to give notice in writing to the other party to terminate the Contract.

12.Breach of Contract or Insolvency

- 12.1. Stonehouse may immediately suspend performance of the Contract, cancel any outstanding delivery of the Products or by notice in writing to the Customer terminate the Contract without liability to Stonehouse if:
- (a) the Customer commits a material breach of any of its obligations under the Contract which is incapable of remedy or fails to remedy a breach of its obligations under the Contract which is capable of remedy, or persists in any breach of any of its obligations under the Contract after having been requested in writing by Stonehouse to remedy or desist from such breach within a period of 14 days; or
 - (b) the Customer enters into bankruptcy, individual voluntary arrangement, liquidation, receivership, administration or into a corporate voluntary

arrangement as defined by the Insolvency Act 1986.

- 12.2. Termination of the Contract for any reason shall be without prejudice to the rights and remedies of either party which may have accrued up to termination.

13.General

- 13.1. Any intellectual property rights belonging to or created by Stonehouse in the course of the performance of the Contract or otherwise in the design, creation and manufacture of the Products and/or Design Work, shall be and remain Stonehouse's property.
- 13.2. The waiver by either party of any breach of the Contract shall not prevent the subsequent enforcement of that breach and shall not be deemed to be a waiver of any subsequent breach of that or any other provision.
- 13.3. If any condition is held to be invalid for any reason, such invalidity will not affect the rest of the Contract which will remain valid and enforceable in all respects.
- 13.4. The Contract sets out the entire agreement and understanding between the Customer and Stonehouse in connection with the sale of the Products and shall supersede and replace all documentation previously issued by Stonehouse purporting to set out its terms and conditions of sale of the Products.

14.Law and Jurisdiction

- 14.1. This Contract shall be governed by and be construed in all respects in accordance with English law and all disputes or claims arising out of or relating to this Contract shall be subject to the exclusive jurisdiction of the English courts to which the parties irrevocably submit.