

DE BEERS
GROUP OF COMPANIES

AUCTION SALES

A global leader in auctioning rough diamonds online



ABOUT THE DE BEERS GROUP OF COMPANIES

De Beers is a member of the Anglo American group. Established in 1888, De Beers is the world's leading diamond company with expertise in the exploration, mining and marketing of diamonds.

Together with its joint venture partners, De Beers employs more than 20,000 people across the diamond pipeline, and is the world's largest diamond producer by value, with mining operations in Botswana, Canada, Namibia and South Africa. As part of the company's operating philosophy, the people of De Beers are committed to *Living up to Diamonds* by making a lasting contribution to the communities in which they live and work, and transforming natural resources into shared national wealth.



De Beers sells its rough diamonds through two channels – Global Sightholder Sales and Auction Sales. Global Sightholder Sales currently sells around 90% of De Beers’ rough diamonds, by value, via term contracts. Auction Sales accounts for around 10% of De Beers’ rough diamond sales by value.

THE DE BEERS GROUP OF COMPANIES’ ROUGH DIAMOND SALES



ABOUT DE BEERS AUCTION SALES

De Beers Auction Sales is a global leader which has pioneered the use of online auctions to negotiate the sale of rough diamonds to an international customer base. We act as a catalyst for change towards a more efficient diamond auction sector in which greater value for customers and shareholders can be delivered.

Originally established in Antwerp in 1964, our network of offices has progressively expanded to include Tel Aviv (1969), Hong Kong (1989) and Dubai (2011). With the combined expertise of our teams around the world, we aim to develop unique and compelling products to meet the evolving needs of our customers, providing all with an equitable opportunity to purchase the Auction Sales products they require.

We have consistently been at the forefront of developments in diamond auctions. In January 2008, we successfully ran our first online auction sale of rough diamonds involving bidders from around the world and in December 2013 we spearheaded the launch of Forward Contract Sales. Both of these events were the first of their kind in the diamond industry.

De Beers Auction Sales, wholly owned by De Beers, currently has over 600 registered customers. The diversity of the customer base reflects our ability to meet the needs of all types of diamond businesses.





OUR CUSTOMERS

Auction Sales aims to provide its international customer base with convenient access to inspect its products, providing opportunities for buyers to purchase the products they require, when they require them and in the quantities they desire – all at market-determined prices.

Traditionally, the majority of our customers have been privately-held and family-owned manufacturing and trading businesses. In recent years our customer base has diversified and now includes a growing number of vertically-integrated businesses.

HISTORY



1964	1969	1989	2008	2010	2011	2013	2014	2015
Antwerp office opens	Tel Aviv office opens	Hong Kong office opens	Launch of Single-Unit online auctions	Country representative for Belgium in the European Business Awards	Launch of Multiple-Unit online auctions Dubai office opens Receives Ruban d'Honneur in the European Business Awards	Headquarters relocates to Singapore Acquires 25% equity stake in online auction service provider, Curtis Fitch Soft launch of Forward Contract Sales	Opens up registrations to US-based businesses Concludes first full year of Forward Contract Sales events	Held first viewings in the Special Notified Zone in Mumbai, India





PRODUCT LINE

De Beers Auction Sales presents an evolving range of products, derived from the full range of the De Beers Group of Companies' mining production.

Our product line has been developed to serve the interests of our global, diverse customer base more effectively. Using our rough diamond expertise and feedback from our customers, we constantly endeavour to improve our product line to meet the industry's developing needs.

Our products are assorted into four basic categories that reflect our customers' rough diamond utilisation: -

Premium – Rough diamond products that tend to produce polished diamonds ranging from IF to VS quality and D to J colour. High-end material typically destined for the luxury segment.

Program – Rough diamond products that tend to produce polished diamonds ranging from VS to I quality in all colours. Mid-range material typically destined for branded jewellery and chain or independent retail.

Standard & Workable – Rough diamond products that tend to produce polished diamonds ranging from SI to I quality in all colours. Requires multiple processes typically destined for fashion and mass-market retail.

Industrial – Rough diamond products that tend to produce polished diamonds ranging from VS to I quality in all colours, typically destined for industrial applications.

These products are made available in the following auction sales blocks: Exceptional & Special Stones; +2 Cts; Grainers; Smalls; and Near Gem.

The full product line is available to view by all registered customers on www.debeersgroup.com/auctionsales

OUR AUCTIONS

Our auctions have been designed to cater to all our customers' requirements, irrespective of the scale and scope of their business. Together with Curtis Fitch, a leading negotiations software company, all of De Beers Auction Sales' events are independently managed in a secure, informative and customer-oriented environment. Curtis Fitch holds ISO 27001 certification, a globally recognised management system for information security.

SPOT SALES

These auctions provide customers with a one-off opportunity to purchase rough diamonds.

- **'Single-Unit' spot auctions:** Customers may purchase a single unit of rough diamonds at each event.
- **'Multi-Unit' spot auctions:** Customers may purchase multiple homogeneous units of rough diamonds at the same price, at each event.

FORWARD CONTRACT SALES (FCS)

These auctions provide customers with the opportunity to purchase short and medium-term supply contracts of multiple homogeneous units of rough diamonds for delivery at future pre-determined dates.

This combination of Spot and FCS provides our customers with industry-leading flexibility to construct their own bespoke supply arrangements with us.



PLEASE NOTE THAT DEMAND DEMONSTRATED AT DE BEERS AUCTION SALES (INCLUDING FORWARD CONTRACT SALES) WILL BE TAKEN INTO ACCOUNT BY DE BEERS GLOBAL SIGHTHOLDER SALES FOR THE PURPOSE OF ITS INTENTION TO OFFER (ITO) ALLOCATION PROCESS.



HOW TO PARTICIPATE IN OUR AUCTIONS

To bid for rough diamonds at our auctions, please visit www.debeersgroup.com/auctionsales and navigate to the registration section. You will be required to provide the following information:

- Full company details
- Scanned copies of the official company registration documents
- A complete list of all directors of the company
- Scanned copies of all directors' passports; passports should be valid for at least another 6 months at the point of registration
- Details of company ownership for each owner with a beneficial interest greater than 50 percent
- Scanned copies of company registration documents or passports for all owners with a beneficial interest greater than 50 percent

You will then be contacted by a De Beers Auction Sales representative to confirm that your registration form has been completed accurately.

Once your registration has been successfully processed, we will arrange for you to start viewing products and participating in the online auctions.

NB: Subject to meeting the De Beers Best Practice Principles standards and certain exceptions, all registered customers are eligible to participate in our auctions.





BEST PRACTICE PRINCIPLES

De Beers is dedicated to upholding best practices in all of its business dealings and has developed a set of Best Practice Principles to help support the diamond industry in operating in an ethical and professional manner.

De Beers is committed to abiding by these principles and requires its customers to agree to comply with them as a condition of supply. Moreover, the Best Practice Principles have been formulated to ensure that De Beers and its customers encourage adherence to them at all levels of the supply chain down to the consumer. De Beers also supports initiatives that encourage the adoption of high standards of ethical conduct in the industry.

The implementation and monitoring of the Best Practice Principles helps to maintain the confidence of consumers on the ethical standards of the industry when buying diamond jewellery.

For more information, please visit www.debeersgroup.com

CONTACT US

Please feel free to contact us at any of our sales offices listed below or email auctionsales@debeersgroup.com should you wish to obtain more information regarding our online auctions.



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* For India's Special Notified Zone (SNZ) enquiries, please contact our Dubai office. For viewings in the United States, please contact our Antwerp office.

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