

ASSOCIATE PURCHASE POLICY

One of the benefits of employment at Daniel's is our Associate Purchase Program. Company managers and associates have the opportunity to buy Daniel's merchandise at substantial savings (For details see pages titled DISCOUNT PRICING FOR EMPLOYEES in this section). Any item purchased at this discount price should only be for the employee's personal use or for a gift the employee gives to someone that is not an employee. No Spiff may be paid for an employee discount purchase.

STORE EMPLOYEE

- The Store Manager must be paid & personally do all of the Purchase paperwork (Sales ticket, transfer, Credit approval, etc.) before an item is removed from the store.
- The Company Has Two Different Employee Purchase Discount Programs:

Cash Purchases

- 1) Any purchase paid by cash, check, 3rd party credit vendors (i.e. GE Luxury) or national credit cards is considered a 'cash' purchase. Larger employee discounts are offered for a cash purchase.
- 2) For Cash Money purchase details, see Associate Purchase with Cash Money page in this section.

In-House Charge Accounts

- 3) Subject to approval by Central Credit and the district manager (store) or department manager (SMC), Daniel's associates may pay for merchandise by using a Daniel's charge account. Daniel's associate charge accounts are processed through the SMC Payroll Department, and payments are made by payroll deductions, with a payment deducted from each paycheck until the unpaid balance is paid.
- 4) Finance charges are not added to associate charge accounts as long as associate remains employed with the company. However, the purchase price is higher than for a cash purchase.
- 5) While we welcome immediate family members or others living at the same address as a Daniel's associate or manager to have Daniel's accounts, such accounts may not be in the same store in which the associate works. It is the associate and manager's responsibility to see that all such accounts are transferred to another store.

Should employment terminate while an employee has an account balance, the associate's account will become a non-employee account based at a store. Charges including finance, late payment, or bad check will apply. The former employee will receive a monthly statement and make a monthly payment.

If an associate has a Daniel's account open, with an existing balance, prior to employment with the company, the account must be transferred to SMC immediately upon hire. If the account is a joint account, it must be transferred to another store where the co-applicant can use it to charge a purchase. Employees may not make purchases using this joint account or on any store account.

- Registry & Repair Charges Policy

Registry

- 1) While associates may purchase Diamond and/or Fine Jewelry Registries, they are NOT discounted and should be calculated on the full retail ticket price. No spiffs or commissions are permitted for this.

Repair Charges

- 2) Associate Discounted repair charges are calculated the same as a 500 & 600 Class/SKU (see Associate Purchase Procedure chart) for all employees. Ring sizing and other repairs are not included in the purchase price of an item. Any ring sizing or other repairs must be listed on a separate line on the sales slip with its separate charge.

ASSOCIATE PURCHASE TRANSFERS

Following the required procedures (*indicated on following page*), associates may take associate purchase merchandise home once this merchandise is paid for. However, a merchandise transfer must be completed for all associate purchases, regardless of how the associate is paying for the merchandise.

Pictured below is an accurately completed Associate Purchase Merchandise Transfer.

CHECK CAREFULLY - YOU ARE RESPONSIBLE FOR THIS MERCHANDISE									
FROM:		STORE #	STORE NAME		S149404				
119			MONTERED PARK		PREPARED BY EMPLOYEE #	CHECKED BY EMPLOYEE #	SHIPPED	DATE	
TO: 1 EM			SMC		CHRISTY	CORY	A-BOX	2/5/07	
LINE	QUAN.	✓	SKU #	DESCRIPTION	RETAIL	ATTENTION			
1	1		204-05678	LOS. CITIZEN WATCH	495 -	1EM			
						SPECIAL COMMENTS			
						EMPLOYEE PURCHASE FOR CORY DAVIS			
TOTAL PIECES		RECEIVED BY							
1									

SEND WITH MERCHANDISE
AFTER RECEIVED, SEND TO MAIN OFFICE

ASSOCIATE PURCHASE SALES BOOK

- Each store should have a separate sales book used only for associate purchases.
- This Associate Purchase Sales Book should be kept in the store Operation Drawer (*file #1*).

ASSOCIATE PURCHASE PROCEDURES

All employee purchases must be approved by the store or department manager and transactions completed when the manager is in the store/office.

Managers complete associate purchase procedures for their store associates and a keyholder should process associate sales for the store manager.

- 1) The manager writes up associate purchase item(s) on a sales slip from the associate purchase sales book, located in the Operations Drawer, file #1. Price is figured based on discounts indicated on the "Associate Purchases Discount" chart (p.5) or by following the procedures to determine employee pricing for managers and 3 year plus employees on p. 6. Tax is computed at the Los Angeles County sales tax rate.
- 2) Follow directions indicated for the appropriate transaction type:
 - a) CASH SALES – see following page for instructions.
 - b) DEBIT CARD – Can only be used by an employee that personally enters their pin at the SMC Verifone when the purchase is made.
 - c) CREDIT CARD PURCHASES (INCLUDING MasterCard, Visa, Discover, American Express, Synchrony, Genesis and other tender that is not cash, check or debit) - An additional 3% must be added for MasterCard, Visa, Discover, American Express to the discounted cash price and 4% must be added for Synchrony and Genesis.
 - 1) Applications for Synchrony, Genesis or other third party credit should be processed through Central Credit in the normal manner.
 - 2) For Synchrony, Genesis or other third party credit, only standard payment terms will be used, i.e., NO extended terms.
 - 3) Do *NOT* run any Credit Card Purchase transaction through the store VeriFone or POS System
 - 4) The manager imprints a manual draft of the associate's credit card
 - 5) The manager completes the manual draft and the associate signs it.
 - 6) For MasterCard, Visa, Discover, American Express or Debit (must "Debit as Credit", i.e., NO PIN), the manager obtains a telephone approval from the voice authorization center (see Credit Card Procedures chapter).

NOTE: Associate who has a JA account cannot run their JA account payment through POS!

- d) DANIEL'S CHARGE PURCHASES
 - 1) The associate completes a Daniel's charge application, which is faxed to Central Credit, along with the written sales slip. In-house associate charge purchase approval occurs only Monday through Friday, during business hours, and may take up to 24 hours. Merchandise is not released until the sale is approved by Central Credit and the regional or district department manager.
 - 2) Approval and down payment requirements are faxed back to the store or given to the Payroll Dept. (for SMC employees), and the manager then collects any down payment money due on the purchase.
 - 3) After the merchandise has been paid for, the manager removes all tags from it. Tags are taped to the white copy of the handwritten sales slip.
 - 4) The associate receives their merchandise and the pink handwritten copy of the sales slip.
 - 5) Manager must complete a merchandise transfer form to SMC, Dept. 1EM.
 - 6) The following items are sealed in an envelope and sent in A-box to SMC, Attn. 1EM
 - White handwritten sales slip copy.
 - Merchandise payment (i.e. cash, check, down payment, credit card draft, JA application and draft).
 - Staple the white and yellow transfer copies to the outside of the envelope and list transfer number on shipping manifest (Attn. 1EM).
 - 7) Pink copy of transfer goes in separate envelope addressed to SMC, Attn. Distribution.

ASSOCIATE PURCHASE TRANSACTIONS ARE NOT RUN THROUGH POS.

ASSOCIATE PURCHASE PROCEDURES

CASH MONEY ONLY

Listed below are the detailed instructions for Store Employee paying for an Employee Sales with Cash Money.

Steps for the Store Manager to complete an Employee Sale paid for with **Cash Money**:

- 3) *Complete a sales slip from the associate purchase sales book for this purchase; and*
- 4) *Put the employee's cash into the Manager's cash drawer; and*
- 5) *Record the receipt of this cash on POS (see following page on how to process EMPLOYEE CASH MONEY SALE on the POS)*
- 6) *Properly handle the paperwork by doing the following.*



- 1) **Give to Associate**

- The purchasing associate receives the pink POS receipt.

- 2) **Send to SMC in A-Box**

- The original white POS and handwritten receipts are attached to the transfer (made out to 1EM) and sent on the next A-Box.

- 3) **Put in Store's Daily Work Bag**

- Make a copy of the white POS receipt for the SMC Daily Work Bag.

- 4) **Put in SMC's Daily Work Bag**

- The pink handwritten receipt is given to the associate

Reminder: Only the Manager can complete these procedures for an associate's purchase and a keyholder should do them for the store manager.

POS INTRUCTIONS

MISCELLANEOUS PAID OUT - EMPLOYEE CASH MONEY SALE

Use this transaction to record CASH MONEY received from an employee for an employee purchase.

Select: #40 from menu

Enter: **EMP SALE** for customer ID (enter)
 LAST NAME FIRST NAME of the associate making an employee sale
 (enter)
 Approval# (employee number of MANAGER OR associate who
 is recording this entry of employee CASH purchase through POS
 (enter)**DONE**

Enter: **RCA** for transaction type (enter)

 C for cash (enter)
 Amount of petty cash being collected for the purchase and added
 to drawer(enter)

Verify: **Net receipt amount (this will always be negative)**
 DONE

Leaving the terminal? Be sure to escape & log off.

Handling the paperwork -

- 1) Give to Associate**
 - The purchasing associate receives the pink POS receipt.
- 2) Send to SMC in A-Box**
 - The original white POS and handwritten receipts are attached to the transfer (made out to IEM) and sent on the next A-Box.
- 3) Put in Store's Daily Work Bag**
 - Make a copy of the white POS receipt for the SMC Daily Work Bag.
- 4) Put in SMC's Daily Work Bag**
 - The pink handwritten receipt is given to the associate

DISCOUNT PRICING FOR EMPLOYEES WITH 3 OR LESS YEARS OF EMPLOYMENT

The chart below indicates associate purchase discounting guidelines.



ASSOCIATE PURCHASE PROGRAM

EFFECTIVE 10/19/22

Special Notes:

- There are 2 different charts. The top chart list the associate discount from the Ticket Price. The lower chart lists the associate discount from the Advertised Price and it only applies to items that on the date of the purchase, are in the Black Book, Trunk Inventory or in the CURRENT Mailer.
- Credit Card Purchase. Add 3% to the total price including tax for CC (Visa, MasterCard, A.E., etc.) & 4% for J.E. (not free interest).
- Sales Tax should be charged at the current rate in Culver City, CA.

THESE DISCOUNTS ARE FROM THE TICKET PRICE (TKT)						
CLASS/SKU	DESCRIPTION	DISCOUNT FROM TICKET PRICE	LENGTH OF SERVICE			
			30 TO 90 DAYS	3 MONTHS TO 1 YEAR	1 YEAR TO 3 YEARS	MANAGER OR OVER 3 YRS
ALL 100 excluded	Diamond	Cash Discount - TKT	65%	70%	75%	Call for price
130-189-190-192-193-194		Chg Discount - TKT	N/A	60%	65%	Call for price
190-192-193-194 UP TO 1.45 CT.	Diamond Certificate	Cash Discount - TKT	50%	60%	65%	Call for price
		Chg Discount - TKT	N/A	50%	55%	Call for price
190-192-193-194 over 1.45 CT.	Diamond Certificate	Cash Discount - TKT	Call for price	Call for price	Call for price	Call for price
		Chg Discount - TKT	Call for price	Call for price	Call for price	Call for price
Memo Call Diamond	Diamond Certificate	Cash / Cost Plus	45%	35%	30%	Call for price
		Charge / Cost Plus	N/A	45%	40%	Call for price
130-189-303-389-489	Diamond	Cash Discount - TKT	80%	82%	85%	Call for price
	Color & Chain	Chg Discount - TKT	N/A	80%	82%	Call for price
All 200	Watches	Cash Discount - TKT	25%	30%	35%	Call for price
		Chg Discount - TKT	N/A	20%	25%	Call for price
All 300 excluded	Rings	Cash Discount - TKT	60%	66%	70%	Call for price
303-389		Chg Discount - TKT	N/A	56%	60%	Call for price
400's excluded 400	14kt Merchandise	Cash Discount - TKT	50%	60%	65%	Call for price
SKU's Below		Chg Discount - TKT	N/A	50%	55%	Call for price
401-403-404-406-411-412	Anklets	Cash Discount - TKT	70%	75%	80%	Call for price
413-415-416-422-471-473	Bracelets	Chg Discount - TKT	N/A	70%	75%	Call for price
474-475-489	Chains/Necklaces					
500 and 600 excluded	Misc. Merchandise	Cash Discount - TKT	30%	50%	55%	Call for price
Perfume		Chg Discount - TKT	N/A	40%	45%	Call for price
621	*Perfume - Tesoros	Cash Discount - TKT	25%	30%	35%	Call for price
622	De Amor & SMC	Chg Discount - TKT	N/A	20%	25%	Call for price
623 and 624	*Perfume - Daniel's Store Mgr/Assoc	ArtCarved, Bogarz, Perfume & any Other WEB Purchase - Enter Discount code				At WEB Checkout Enter Discount Code
Class Ring, Mothers Items & Any WEB DanielsJewelers.com		SMC3MINUS at WEB Purchase Checkout				SMC3PLUS
Jay-Aimee	Special Orders	See Procedures on Page 12 in this chapter				

THESE DISCOUNTS ARE FROM THE CURRENT ADVERTISED PRICE						
CLASS/SKU	DESCRIPTION	DISCOUNT FROM TICKET PRICE	LENGTH OF SERVICE			
			30 TO 90 DAYS	3 MONTHS TO 1 YEAR	1 YEAR TO 3 YEARS	MANAGER OR OVER 3 YRS
Current Mailer SKUs	Current Mailer	Cash Discount	10%	30%	35%	Call for price
excluded watches	Advertised items	Charge Discount	N/A	10%	15%	Call for price
Black Book SKUs	Black Book	Cash Discount	5%	15%	25%	Call for price
		Charge Discount	N/A	5%	15%	
Trunk SKUs	Trunk Merchandise	Cash/Chg Discount	Call for price	Call for price	Call for price	Call for price

WHO TO CALL FOR PRICE: Store Associates & Managers - See next page for details

SMC Staff - Call Payroll Wednesday through Friday

* In addition to the above discounts, a Special Watch Manufacturer's Accommodation Discount Price is available for one watch purchase between Jan & Nov 15 to an associate after probation. See the following page for details.

Last Revised. 10/19/2022

DISCOUNT PRICING FOR MGRS & EMPLOYEES WITH OVER 3 YEARS OF EMPLOYMENT

ASSOCIATE PURCHASE PRICE REQUEST FORM
(For ALL Managers and Associates employed at Daniel's over 3 years;
if employed 3 years or less consult the Operations Manual for Assoc. Purchase Program)

DIRECTIONS:

1. Please refer to Operations Manual for the Associate Purchase Program Chapter
2. Fill out this form and attach your payment authorization. Do not call your SMC.
3. Fax the form to SMC at 1-800-665-6666 or at 1-248-665-6666.
4. SMC Special Order Coordinator will fax you this form with your employee price on the next business day after receipt of this form. Expect 2 business days during peak times.
5. Associate must wait for SMC to quote 3+ year price, use the pricing chart below for Associates employed less than 3 years.

Associate Name _____ Employee # _____ Store # _____
(Print name clearly)

Method of Payment:	1	2 *	3 *	4 *	Reminder: Daniel's charge, you must get credit department approval before making purchase.
Cash	Credit Card	GE (old JE/ JA)	Daniel's Charge		
CHECK only	Visa/MC/AE				
✓ ONE →					

Authorized price to be completed by SMC

1		\$
2		\$
3		\$
4		\$
5		\$
6		\$
effective 1/1/17 9.25% sales tax		\$
* 3% will be included for Credit Cards (Visa, MC, AE, GE/JA/JE), 10% will be included for Daniels Charge. ONLY 90 days same as cash for GE/JA/JE.		\$
* 3% or 10% for charge purchase		\$
Grand Total Due		\$

Store Manager's Signature _____ Employee # _____ Date _____

Special Order Coordinator Signature _____ Employee # _____ Date _____

WHEN MAKING A PURCHASE, PLEASE SEND TO SMC:

1. White copy of the Sales Receipt with this form attached.
2. A transfer from your store to 1EM listing all items being purchased.
3. Your payment or credit authorization.
4. A Shipping Manifest with this 1EM transfer form number written on it.

M/forms/Assoc Purch Request Form.doc
LAST REVISED 5/24/2017

EMPLOYEE WATCH ACCOMMODATION

A current employee that has completed probation may purchase one watch per year from certain manufacturers at a special low accommodation price between January and November 15.

- Employees can expect that the approximate accommodation price that they will pay for a particular watch, including tax and shipping, will be 50% of the retail ticket price.
- A purchase must be paid for in advance and it can take approximately six weeks from when the watch is paid for and when it is received.

PURCHASE PROCEDURE

1. When an employee decides on a watch they want to purchase, their Manager must complete an Employee Watch Accommodation Order form and fax it to the Special Order Department at the main office, x5210.
 - a. A sample order form is on page 11 in this chapter.
 - b. A blank form can be obtained from Fax-On-Demand (see Supply Order Chapter, page 5 for instructions).
2. This form will be faxed back to the store with the exact total accommodation purchase price for this watch.
3. The employee must follow the watch manufacturer's requirements on the following page regarding how to submit payment for this watch (for example, Citizen requires a money order made out to Citizen while Movado requires a Mastercard or Visa).
4. A store employee should have their Manager send the full accommodation purchase price with the order form that was faxed to the store in a sealed envelope addressed to SMC Special Order Dept. in the A-Box to the main office. The envelope should be listed on the Shipping Manifest as "Employee Watch Order". A main office employee should have their Manager deliver the form and payment to the Special Order Department.

ACCOMODATION PURCHASE REQUIREMENTS

The following are each manufacturer's requirements that an employee must follow in order to purchase a watch using the accommodation purchase program.

ACCUTRON, BULOVA (*including 14K*) & WITTNAUER:

- 1) Allow 6 weeks from the date your order and payment are received at SMC.
- 2) Your initials must be engraved on the back of the watch.
- 3) Payment must be made by money order payable to Bulova or credit card (Visa, Mastercard, Discover, or American Express). Enclose a copy of the front and back of the charge card with your order. The manager must complete an Employee Watch Bulova Payment form to record the payment method. This form is available from the main office x 5210.
- 4) The watch will be shipped directly to your store.

CITIZEN:

- 1) Allow 6 weeks from the date your remittance and order are received at SMC.
- 2) Payment must be made by money order payable to Citizen Watch Co.
- 3) The watch will be shipped directly to the employee's store.

MOVADO & ESQ SWISS:

- 1) Allow 6 weeks from the date your remittance and order are received at SMC.
- 2) Payment must be made with a MasterCard or Visa. Enclose a copy of the front and back of your charge card with your order.
- 3) The watch will be shipped directly to the employee's store.

Sherwood Management Co. Inc.
EMPLOYEE WATCH ACCOMMODATION ORDER FORM

(Please print legibly)

		Date _____
		Daniel's Store # _____
Employee Name _____	Employee # _____	
() _____		Store address _____
Store Phone # _____		City, State, Zip _____
Brand _____	Style # _____	Sku # _____

If you are ordering Accutron, Bulova, or Wittnauer
specify 2-3 initials to be engraved on the back of the watch.

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	SMC price quote	Date of quote		
Retail Price	<table border="1"><tr><td></td></tr></table>		<table border="1"><tr><td></td></tr></table>	
Employee Total	<table border="1"><tr><td></td></tr></table>			

<table border="1"><tr><td></td></tr></table>		<table border="1"><tr><td></td></tr></table>		<table border="1"><tr><td></td></tr></table>	
Store Manager's Signature	Employee #	SMC approval signature			

FAX THIS FORM FOR A PRICE QUOTE TO:

0) 1-800-222-2222

If you want to place an order, please fax the form to the vendor. If you are not sure of the price, please fax the form to the vendor. If you are not sure of the price, please fax the form to the vendor. If you are not sure of the price, please fax the form to the vendor.

Movado & Seiko will **ONLY** accept Mastercard, Visa or American Express. You must complete the form & fax it directly to the vendor. Movado orders must be e-mailed to vendor.

Bulova will **ONLY** accept Mastercard, Visa or American Express. You must complete the form & fax it directly to the vendor.

Citizen will accept Mastercard, Visa, American Express, Discover (NO CHECKS). You must provide your personal e-mail address. Citizen will then contact you by e-mail requesting credit card information to pay for the sale.

Seiko, Puser will **ONLY** accept Visa, MC, Discover, American Express. You must complete the form & fax it directly to the vendor.

M/forms/employ watch accom.xlsx
revised 12/15/17

ASSOCIATE TRADE-INS & RETURNS

In order to offer such low merchandise purchase prices to associates, merchandise may not be traded-in or returned except for the following:

AUTHORIZED ASSOCIATE TRADE-IN

No trade-in is allowed with an associate purchase except for a loose diamond that is a current core item and being traded-in toward the purchase of an upgraded loose diamond for at least double the price that the associate originally paid for the diamond being traded-in. The trade-in diamond must have been purchased from Daniel's as an employee purchase by the employee trading it in. If the diamond is part of a ring, then the V.P. of Distribution must provide the trade-in price before the purchase is made.

AUTHORIZED RETURN

No merchandise purchased with an associate discount may be returned unless the item has a manufacturer's defect.

PROCEDURE FOR RECORDING A TRADE-IN OR RETURN

In the rare instance when an associate purchase involves a trade-in or when a defective item is being returned, the below steps are to be followed:

- 1) Manager or Keyholder should fill out a return sales ticket.*
- 2) Record the trade-in or return on POS for \$0.00.*
- 3) Enter "Employee Purchase Return" as reason for return.*
- 4) Give pink POS receipt to associate.*
- 5) Fax a copy of the return form to SMC Attn: Payroll Department.*
- 6) List POS return form on Shipping Manifest and send with returned merchandise in the next A-Box shipment to SMC.*
- 7) All return refunds will be made by check issued from SMC, or credited to the outstanding balance on the Employee's Daniel account. No cash refunds.*

JAY-AIMEE SPECIAL ORDER PROCEDURES

Like customers, Daniel's associates are welcome to Jay-Aimee special order merchandise in our stores as long as proper guidelines are followed.

- Special Order merchandise must be paid for in full before it is ordered and all sales are final. It takes 6 - 8 weeks for most items to be received after being ordered.
- A store associate or main office employee notifies their manager when they want to make a special order purchase, as the manager is the person who completes the following procedures.
- The store or SMC department manager should complete and fax an Associate Purchase Price Request Form with the Jay-Aimee Style # to receive the employee discount purchase price for the item. This form will be faxed back to the store manager or given to the SMC Department Manager.
- **FOR A STORE ASSOCIATE**
 - A. The Store Manager uses this Special Order Quotation Form received from the main office to complete the following (*see "Special Order" chapter*):
 - Sales Ticket
 - Special Order Envelope
 - Special Order Log Entry
 - Payment draft if payment is made by credit card or Jewelry Express (see p. 4, this chapter)
 - B. Store manager sends the original sales ticket, a copy of the Special Order Envelope, a copy of the Special Order Quotation Form, and payment in full for this order in the next A-Box to SMC, Attn: IEM.
 - C. When this paperwork and payment are received, the Payroll Manager (1EM) will notify the Special Order Coordinator who will place the order and a Special Order Transmittal Form will be faxed to the store (*see sample on the following page*).
 - D. When merchandise arrives at the store, the store manager must deliver it after verifying that the associate has signed the Special Order Log and envelope.
- **FOR AN SMC EMPLOYEE**
 - A. The employee receives the Special Order Quotation Form from the department manger and takes it to the Payroll Dept. Manager on Wednesday - Friday and pays for the merchandise.
 - B. Payroll Dept. Manager gives a copy of the paid sales ticket and the Special Order Quotation Form to the Special Order Coordinator in the Distribution Department x5210. The merchandise will then be ordered.
 - C. When merchandise is received in Distribution Department, employee signs for it and it can then be released to the employee.

SPECIAL ORDER TRANSMITTAL FORM

SPECIAL ORDER TRANSMITTAL

FAX (310) 665-2123 (with POS receipt for this order)

POS CORRECTION NEEDED: This sale was entered into the POS system using <i>Sku #</i> _____ Please do a SKU change in the POS correcting the sku # to: <i>Sku #</i> _____	(Top of envelope)
CONFIRMATION OF ORDER: <input type="checkbox"/> Merchandise will be shipped from vendor to SMC & forwarded to store – estimated store arrival date _____ <input type="checkbox"/> Merchandise will be shipped direct from vendor to store – estimated arrival date _____ Date Faxed: _____ Trf. # _____ SMC RECEIVING INFORMATION: Date rec'd SMC _____ Key Rec # _____ Invoice # _____	(Bottom of envelope)

Date _____ **ORDER #** _____
Vendor Name _____ Vendor contact _____
Phone # _____ Phone ext. _____ Fax # _____
Style # _____ Quantity _____ Cost \$ _____
Description _____
Ship Via UPS Ground/US Mail Estimated Arrival Date: _____
Buyer _____ Date Mdse. Rec'd @ SMC _____

M/forms/Spec Order fax.doc

ARTCARVED, BOGARZ, PERFUME & ANY OTHER WEB ITEMS - PURCHASE PROCEDURES

Here are the Employee Discount Purchase procedures for buying ArtCarved, Bogarz, perfume or any other item on Daniel's Jewelers.com.

PERFUME

DANIEL'S STORE PERSONNEL

As perfume is not stocked at a Daniel's store, each store associate discount purchase of perfume should only be made at the www.danielsjewelers.com website.

- When making a WEB purchase, enter your employee Discount Code in the Promotional Code space on the Daniel's Jewelers.com page (see sample on next page).
- The 2 employee WEB purchase Discount Codes are for:
 1. Associates employed for less than 3 years-use code "SMC3MINUS"; or
 2. Store Manager or associate employed for over 3 years uses code "SMC3PLUS".
- Each purchase must be:
 3. Made with the proper Discount Code; and
 4. Paid for on the WEB Site by credit card, check, or money order; and
 5. Shipped to the purchasing employee's address that is on file with the company.

SMC & TESORO DE AMOR PERSONNEL

As perfume is stocked at these locations, perfume that is in stock can be purchased using the same procedure as other employee discount merchandise purchases.

PURCHASING ARTCARVED, BOGARZ, OR ANY OTHER ITEMS FROM DANIEL'S JEWELERS.COM

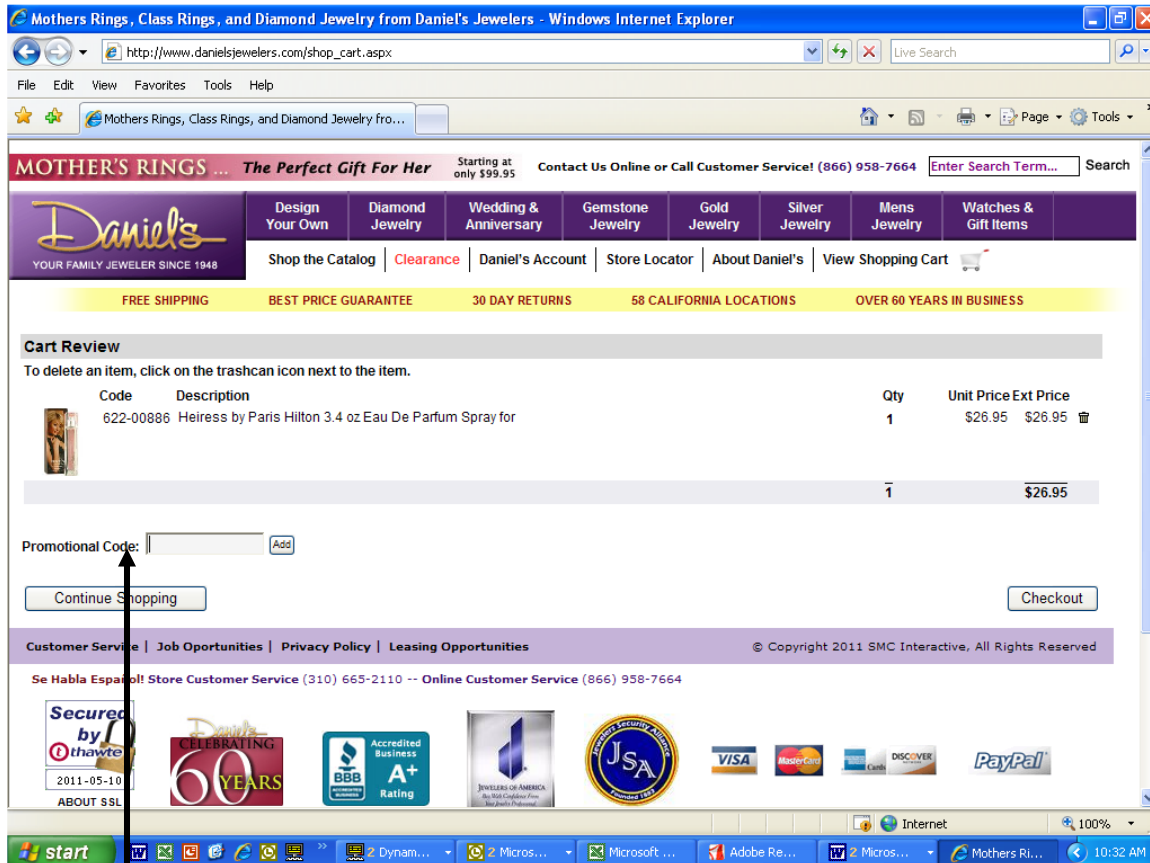
DANIEL'S, SMC, & TESORO DE AMOR PERSONNEL

You can purchase any item at Daniel's Jewelers.com at your Employee Discount by using the same procedures as above to purchase perfume on Daniel's Jewelers.com. For assistance with special Class Ring symbol contact Customer Service from Web page.

Reminder: Making a purchase with the wrong Discount Code or for anyone other than yourself or to give (not sell or be reimbursed by) someone, or giving this code to any non-employee is a policy violation that could result in disciplinary action and discharge.

PERFUME & WEB ITEMS - PURCHASE PROCEDURES (Cont.)

The following is an example of where to enter the 'Discount Code' when making a purchase at Daniel's Jewelers.com.



For employees with less than 3 years of employment, enter code **SMC3MINUS**

For Managers & employees with 3+ years of employment, enter code **SMC3PLUS**