

BYLAWS OF THE AMERICAN GEM SOCIETY

A nonprofit corporation organized under the laws of the State of Nevada, April 26, 1996.

ARTICLE I – NAME

The name of the organization shall be the AMERICAN GEM SOCIETY (the “Society”).

ARTICLE II – OBJECT

This Society was organized for the purposes stated in its Articles of Incorporation. Its primary mission is to set, maintain, and advance the highest standards of ethical conduct and professional excellence within the fine jewelry industry. This is achieved through education, accreditation, recertification, gemological standards, and research. The Society also develops educational resources and standards to inform and protect consumers, foster ethical practices, and support the credentialing of industry professionals. Additionally, it provides services designed to benefit and enhance its membership.

ARTICLE III – MEMBERSHIP

SECTION 1 - ELECTION OF MEMBERSHIP

Applications for membership shall be submitted to the Society in a format and manner as determined by the Membership Committee. Notification of approval or denial of membership shall be made to the applicant by the Society. Memberships must be renewed annually pursuant to the policies adopted by the American Gem Society International Board of Directors (referred to herein as the “Board”).

SECTION 2 - CLASS OF MEMBERSHIP

There shall be two classes of membership in the Society: Business and Individual. The Board may further define and revise the membership class(es) or establish other such classes and criteria of membership as it deems appropriate, including assigning voting rights, determining subclasses, imposing fees and dues, and establishing the manner of suspension, termination, or reinstatement of membership.

SECTION 3 - VOTING PRIVILEGES

(a) *Member Votes.* Members of the Society in Good Standing shall only have the right to vote on such matters as set forth in these Bylaws or as submitted to them by the Board. Each member shall be entitled to one vote on such matters as set by the Board.

(b) *Good Standing.* A member is in “Good Standing” if such member is current on Society dues and/or fees, and has successfully completed all required exams and/or recertifications necessary to maintain membership.

SECTION 4 - DUES

Members shall pay annual dues as specified by the Finance/Audit/Legal Committee and subject to approval by the Board. Any member who fails to pay dues as outlined in the Society’s terms and conditions shall be subject to loss of membership. Resignation, suspension, forfeiture, or expulsion from membership shall not relieve the business or individual from liability for any unpaid dues or other duly assessed fees or charges. To reapply for membership, all back dues must be paid in full before membership may be approved, except as may be otherwise determined. Membership in the Society shall be non-assessable except for annual dues.

SECTION 5 - TERMINATION OF MEMBERSHIP

(a) *Resignation.* Any member may resign from the Society by giving notice of their intention to do so and paying any dues outstanding as of the effective date of such resignation.

(b) *Expulsion, Probation or Suspension.* Any member who is the subject of expulsion, probation or suspension shall be given written notice of such action by the President or CEO at least thirty (30) days prior to the effective date of such action and such notice shall state the cause for such proposed expulsion, probation or suspension. Such notice shall be given in writing sent to the contact of the member as shown on the Society's records via a trackable method as selected by the Society.

(c) *Member Response.* Members shall be afforded a reasonable opportunity to be heard before the Grievance and Review Subcommittee.

(d) *Action Review.* Any proposed action by the Membership Committee or Grievance and Review Subcommittee, other than admission of a new member, shall be subject to review by the Board, which shall have the final decision on such proposed action. The Membership Committee shall implement any action approved by the Board.

ARTICLE IV – CORPORATE OFFICERS

SECTION 1 - CORPORATE OFFICERS

The officers of the Society shall be a President, President-Elect, Senior Advisor, Secretary, Treasurer, Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"). Voting members of the Board are set forth in Article V, Section 1.

SECTION 2 - COMPENSATION OF OFFICERS

All officers shall serve without compensation except the CEO and the CFO.

SECTION 3 - ELECTION/APPOINTMENT OF OFFICERS

Elected Officers. The President, President-Elect, and Secretary shall be elected for a term of one (1) year, and the Senior Advisor shall be elected for a term of two (2) years, by the members of the Society at their annual meeting, from a list of nominees presented by the Nominating Committee and approved by the Board. The President, President-Elect, and Secretary may not be elected to serve in the same office for more than two (2) consecutive terms. The Senior Advisor may not be elected to serve in that position for more than three (3) consecutive terms. The President, President-Elect, and Secretary must be members in Good Standing.

Appointed Officers. The Chair of the Finance/Audit/Legal Committee shall be the Treasurer of the Society. The Treasurer must be a member of the Board. The Treasurer shall serve a term of two (2) years, with a maximum of three (3) consecutive terms. The CEO of the Society shall be appointed by the Executive Committee, subject to approval by the Board. The CFO of the Society shall be appointed by the Executive Committee upon the recommendation of the CEO.

SECTION 4 - DUTIES, POWERS AND QUALIFICATIONS OF OFFICERS

(a) *President.* The President shall serve as Chair of the Board. The President shall preside at all meetings of the members of the Society. In the event of the absence of the President at any meeting of the members or Directors, the President-Elect shall preside at such meeting.

(b) *President-Elect.* The President-Elect shall serve as Vice-Chair of the Board. The President-Elect shall perform such duties as are delegated or assigned by the President or Board and shall perform the duties of the President in the event that individual is unable to act.

(c) *Senior Advisor.* To be qualified for this position, the Senior Advisor shall have served no less than four (4) years on the Board prior to his or her election. In the event of the resignation, removal, death, or inability to serve as the Senior Advisor, the President shall appoint a non-officer member of the

Board to serve as Senior Advisor, subject to approval by the Board, until the next annual meeting of the membership.

(d) *Secretary.* The Secretary shall serve as Secretary of the Board. The Secretary shall have the usual duties of corporate Secretary and shall perform such duties as shall be assigned by the President or the Board.

(e) *Treasurer.* The Treasurer shall be familiar with the investment policies and accounting procedures of the Society. The Treasurer shall consult with the CEO and CFO on such matters as he or she deems desirable in order to make a full and complete report at such times as the Board may desire.

(f) *CEO.* The CEO shall be in general charge of the conduct, execution, and management of the affairs of the Society, subject to the control of the Board.

(g) *CFO.* The CFO shall be responsible for the day-to-day custody and control of all funds belonging to the Society and shall perform all duties and exercise all powers assigned to him or her by the CEO.

(h) *Delegation of Duties.* The officers of the Society shall assume, as necessary, those duties which may be authorized by the Board, any Committee of the Board, or any higher-ranking officer.

SECTION 5 - REMOVALS

The CEO may be removed from office by the Board. The CFO may be removed from office by the Executive Committee upon a recommendation of the CEO. The removal of the CEO shall be subject to contract restrictions, while the removal of the CFO shall be subject to contract restrictions if applicable. The Treasurer may be removed from office by the President (but shall remain a Director). All other officers may be removed from office by the Board (but shall remain Directors).

ARTICLE V – AMERICAN GEM SOCIETY INTERNATIONAL BOARD OF DIRECTORS

SECTION 1 - PERSONNEL

The Board shall consist of not less than sixteen (16) nor more than twenty (20) voting members, consisting of (i) the President, President-Elect, Secretary, Senior Advisor, and (ii) Chair of the Young Titleholders Committee and (iii) and the remaining positions to be filled with members elected by a vote of the membership.

SECTION 2 - ELECTION

With the exception of the Chair of the Young Titleholders Committee, the members of the Board shall be elected by a vote of the membership of the Society at their annual meeting, from a slate of nominees presented by the Nominating Committee. The term and term limits of a Director (i) serving as an officer shall be as set forth in Article IV, (ii) appointed to Chair of the Young Titleholders Committee by the President shall be two years, and (iii) not acting as an officer or as Chair of a standing Committee shall be two (2) years, with a maximum of three (3) consecutive terms.

SECTION 3 - MEETINGS OF THE BOARD

The Board shall hold a regular meeting each year, with such meeting to be held at such a time and place as determined by the Board. All other meetings of the Board shall be special meetings. Special meetings shall be called by the President or by any five (5) members of the Board. At any meeting of the Board, a majority of the Directors shall constitute a quorum, and at any meeting where there is a quorum the affirmative vote of a majority (except for actions specifically requiring a greater percentage pursuant to these Bylaws or by applicable law) of those Directors present shall be necessary to take any action; provided, however, with respect to any action for which Directors recuse themselves from voting on a matter as a result of a financial interest or other conflict of interest (a “Conflict”), no Board action shall be

valid on such matters unless approved by a majority in number of all Directors who do not have a Conflict (irrespective of whether all such Directors are at the meeting or not). At any meeting of the Board, each Director shall have one (1) vote.

SECTION 4 - MEETINGS BY CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT

Unless otherwise restricted by the Articles of Incorporation, members of the Board, or any Committee designated by the Board, may participate in a meeting of the Board or Committee by means of telephonic or similar electronic communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

SECTION 5 - INFORMAL ACTION BY DIRECTORS AND COMMITTEES

Any action required or permitted to be taken at any meeting of the Board or of any Committee thereof may be taken without a meeting, if a majority (except for actions specifically requiring a greater percentage pursuant to these Bylaws or by law) of the members of the Board or Committee, as the case may be, sign a written consent setting forth the action so taken, and such written consent is filed with the minutes of proceedings of the Board or Committee. A member's affirmative response to any action by electronic mail originating from the member's electronic mail address on file with the Society shall constitute a member's signed consent; provided, however, that no such consent shall be effective until notice of such proposed action(s) is provided to all members of the Board by mail or electronic mail.

SECTION 6 - DUTIES AND POWERS

The affairs of the Society shall be managed by the Board. The Board shall supervise, control, and direct the affairs of the Society and its Committees. It shall determine the general policies of the Society, actively promote the Society's objectives, and shall supervise the disbursement of its funds. The Board will also be responsible for annually electing the officers of the Society. The Board may adopt rules and regulations for the orderly conduct of its business.

SECTION 7 - QUALIFICATIONS

The Nominating Committee shall nominate Directors so the composition of the Board shall (i) first, represent expertise in various business areas of the industry (including, but not limited to, human resources, finance, legal, accounting, and strategic planning), and (ii) second, represent a cross-section of the membership as a whole, including such factors as geography, company size, and sector of the industry.

SECTION 8 - REMOVAL

A director shall be automatically removed as a director in the event such director is no longer a member in Good Standing. Otherwise, directors may be removed in accordance with applicable law.

SECTION 9 - VACANCIES

In the event of the resignation, removal, death, or inability to serve as a member of the Board, the President shall appoint a successor until the next annual meeting, with the advice and recommendation from the Executive Committee, and subject to approval by the Board.

ARTICLE VI – EXECUTIVE COMMITTEE

SECTION 1 - PERSONNEL

There shall be an Executive Committee of the Board consisting of five (5) voting positions, being the President, President-Elect, Senior Advisor, Treasurer, and Secretary, and two (2) non-voting positions, being the CEO and CFO.

SECTION 2 - POWERS AND DUTIES

Except (a) when the Board is in session, (b) as its powers may be otherwise changed or limited by the Board, or (c) as limited by applicable state law, the Executive Committee shall have and may exercise the powers of the Board concerning trade and public relations and such duties and authority as shall be set forth in these Bylaws and as may be delegated by the Board.

SECTION 3 - PROCEDURES

A majority of members of the Executive Committee may determine the Executive Committee's rules of procedure unless the Board shall otherwise provide. The Secretary shall keep or cause to be kept the minutes of the Executive Committee, who shall forward to the CEO for distribution to the Board and for permanent filing.

SECTION 4 - ADVISORY MEMBERS

The CEO and the CFO shall be required to attend (except with an absence excused by the President) and participate in all meetings of the Executive Committee.

ARTICLE VII – STANDING COMMITTEES

SECTION 1 - STANDING COMMITTEES

In addition to the Executive Committee, there shall be standing Committees, as set out in Section 5 below, which shall have jurisdiction over matters to be assigned them by the Board and these Bylaws. In addition, the President may designate and appoint additional non-standing Committees and task forces.

SECTION 2 - MEMBERS OF COMMITTEES

(a) *Board Committees.* Except as set forth in these Bylaws, the President of the Society shall appoint the Chair of each standing Committee from the elected members of the Board who are not officers after a recommendation from the Executive Committee and subject to Board ratification. The Chair of the Membership Committee and the Chair of the Gemological Sciences Committee must be credentialed members. The Chair of each standing Committee (other than the Membership Committee) shall appoint the members of their respective Committee after a recommendation from the Executive Committee. The President of the Society shall appoint and remove the members of the Membership Committee, whose names shall remain private to the membership of the Society and the public at large. The Chairs of each Committee shall serve for a term of two (2) years, with a maximum of three (3) consecutive terms.

(b) *Non-Board Committees and Task Forces.* The President shall appoint the Chair of any task force or non-standing Committee at the President's discretion.

(c) *Removal and Composition.* The Chair shall set the number of members of his/her Committee provided that the number of members of the Membership Committee must be either eleven (11), thirteen (13) or fifteen (15), which membership composition shall represent a cross-section of the membership as a whole, including such factors as geography, company size, and sector of the industry. The President shall have the power to remove any Chair of any Committee. The Chair shall have the power to remove a Committee member at any time (except for the Membership Committee, where only the President can remove a member).

SECTION 3 - OFFICERS

The officers of each standing Committee shall be the Chair and Vice-Chair. The Chair shall preside at all meetings of the Committee. The Vice-Chair of the Committee shall keep accurate records of all Committee meetings and forward the same to the Society.

SECTION 4 - DUTIES

The standing Committees of the Society shall consider and make recommendations to the Board and

develop Standards in regard to all matters initiated by individual members of the Board concerning the subject over which they have jurisdiction. All policies, programs, and Standards recommended or developed by any standing Committee shall be subject to the approval of the Board; provided, however, nothing in this Section shall be deemed to impair the Membership Committee's power to make the final decision as to applicants for membership or a disciplinary action against a member as set forth below.

SECTION 5 - LIST OF COMMITTEES AND JURISDICTION

Members of each standing Committee shall be appointed as set forth in the Committee's policies. The standing Committees of the Society are as follows:

Membership. The Membership Committee shall have such powers as set forth by the Board and as set forth in the Membership Committee's policies.

Education. This Committee shall have such powers as set forth by the Board and as set forth in the Education Committee's policies.

Finance/Audit/Legal. This Committee shall have such powers as set forth by the Board and as set forth in the Finance/Audit/Legal Committee's policies.

Gemological Sciences. This Committee shall have such powers as set forth by the Board and as set forth in the Gemological Sciences Committee's policies.

Young Titleholders. This Committee shall have such powers as set forth by the Board and as set forth in the policies of the Young Titleholders Committee.

Partners. This Committee shall have such powers as set forth by the Board and as set forth in the policies of the Partners Committee.

SECTION 6 - MEETINGS

All standing Committees may hold meetings in connection with the annual meeting of the members, and at such other times as may be necessary, upon the call of the Chair of the Committee or the President.

ARTICLE VIII – NOMINATING COMMITTEE

SECTION 1 - PERSONNEL

The Chair of the Nominating Committee shall be the Senior Advisor. If the Senior Advisor will not or cannot serve as Chair of the Nominating Committee, the Board shall select the Chair of the Nominating Committee.

SECTION 2 - MEMBERS

The number of members on the Nominating Committee shall be ten (10), consisting of nine (9) voting members, being the Chair of the Nominating Committee, Chair of the Finance/Audit/Legal Committee, Chair of the Membership Committee, Secretary, President-Elect, President, Chair of the International Guild Council, the immediate past President, and a non-Board member in Good Standing selected by the Chair of the Nominating Committee and one (1) non-voting member, being the CEO. Each voting member shall have one (1) vote on all matters that come before the Committee.

SECTION 3 - DUTIES AND POWERS

The Nominating Committee shall prepare the slates of nominees for election of the President, President-Elect, Senior Advisor, and Secretary and all other voting members of the Board. The Nominating Committee shall solicit suggestions for such nominees from the Executive Committee and the membership of the Society. All nominations and slates of candidates, which are to be voted on by the

members, must originate from the Nominating Committee, no nominations from any other source being allowed. All slates of nominations shall be subject to the approval of the Board.

ARTICLE IX – MEETINGS OF MEMBERS

SECTION 1 - ANNUAL MEETING OF MEMBERS

There shall be a meeting of all members of the Society annually, the time and place of such meeting as set by the Board.

SECTION 2 - SPECIAL MEETINGS OF MEMBERS

Special meetings of all members of the Society may be called at any time by a majority of the Board, or by not less than five percent (5%) of all voting members of the Society.

SECTION 3 - NOTICE OF MEETINGS OF MEMBERS

Notice of any meeting of the members shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote thereat. Such notice shall state the place, date, and time of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, or, in the case of the annual meeting, those matters which the Board, at the time the notice is given, intends for action by the members, and shall include a “Valid Proxy” (as defined in Section 6 below) in the event the Board determines to solicit a proxy. A proper matter may be presented at the meeting for such action, provided that such matter is presented to the Executive Committee at least ninety (90) days prior to the meeting. Notice of a members’ meeting shall be given either personally or by mail or other means of written communication, addressed to the member at the means of contact of such member appearing in the books of the Society. Upon request in writing to the President, by any group (other than the Board) entitled to call a special meeting, the President forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board not less than ten (10) nor more than sixty (60) days after receipt of the request.

SECTION 4 - QUORUM

Ten percent (10%) of all voting members in Good Standing attending a meeting of members either in person or by a duly executed “Valid Proxy” shall constitute a quorum.

SECTION 5 - ACTION BY MEMBERS

At any meeting of the members where there is a quorum, the affirmative vote of a majority of those members present shall be necessary to take any action, unless the issue is one upon which by express provision of the applicable laws or of the Articles of Incorporation, a different vote is required, in which case, such express provision shall govern and control the decision on such issue.

SECTION 6 - PROXIES

No proxy voting shall be permitted except as expressly set forth in this Section 6. The Board may solicit a proxy from members with respect to any matter scheduled to be voted on at a meeting of the members for which the Board is recommending approval. Such proxy shall grant to the CEO (or designated successor) the right to vote to approve any such specific matter(s). A proxy pursuant to these requirements is referred to as a “Valid Proxy.”

SECTION 7 - RECORD DATE

Subject to the determination by the Board, the record date for the purpose of determining the members entitled to notice of any meeting of the members and the right to vote at such meeting shall not be more than ninety (90) nor less than ten (10) days before the date of the meeting. Furthermore, subject to the determination of the Board, the record date for the purpose of determining the members entitled to vote by written ballots when the matter is to be determined by voting shall not be more than ninety (90) days

before the day on which the matter is solicited.

ARTICLE X – BALLOT VOTING

SECTION 1 - BALLOT VOTING REQUIREMENTS

Whenever it shall be necessary to conduct a member vote on any matter and it is deemed impractical to call a meeting, the vote may be taken by mail or electronic ballot.

SECTION 2 - CALL FOR BALLOT VOTE

A ballot vote of the members shall be conducted at the direction of the President of the Society, at the request of the majority of the Board, as provided in Section 2 above, or, in the event of member votes only, at the written request of not less than five percent (5%) of all voting members of the Society, if such vote by ballot is allowed by applicable law.

SECTION 3 - PROCEDURE

As soon as reasonably practical after a vote is authorized, written ballots shall be sent out by the CEO to the member's address on file with the Society. Ballots shall be returned as designated in the ballot. Any ballot shall comply with applicable law. A member's affirmative response by electronic mail to any vote initiated by electronic mail shall constitute a member's approval of the action being voted on.

SECTION 4 - QUORUM/ACTION FOR BALLOT VOTING

Except as specifically set forth in these Bylaws to the contrary, all ballot votes shall require a ballot response of five percent (5%) of all eligible voters, with an affirmative vote of a majority of those voting required for passage. If a ballot response of at least five percent (5%) of all eligible voters is not received on any question, the vote on such question shall not be valid.

ARTICLE XI – STANDARD FOR MEMBERSHIP

SECTION 1 - DEFINITION

Regulation for the business conduct of Society members, and for the utilization of Society privileges and property, shall be designated "Standards." Standards of the Society shall be binding upon all its members, and violations of any Standard may be considered as grounds for expulsion, probation, or suspension from membership.

SECTION 2 - VOTING

Each proposal for adopting, amending, or repealing a Standard shall be adopted by a two-thirds (2/3) vote of all voting members of the Board.

SECTION 3 – TITLES, DESIGNATIONS, AND ACCREDITATIONS

The Board shall determine the requirements for Titles, Designations, and Accreditations as provided by the Society.

ARTICLE XII – INTERNATIONAL GUILD COUNCIL AND REGIONAL GUILDS

SECTION 1 - INTERNATIONAL GUILD COUNCIL

There shall be established an International Guild Council ("IGC"), consisting of the Chair appointed by the President, the presidents of each regional Guild (defined below), and such other members as authorized by the Board.

SECTION 2 - REGIONAL AND VIRTUAL GUILDS

There shall be organized from time to time, as approved by the Executive Committee of the Board, various regional Guilds, to consist of members of the Society located in various geographical locations

(“regional Guilds”) and virtual Guilds for those members that are not located near a regional Guild. Each regional Guild shall have a president, a secretary, a treasurer (which shall be the shared national Guild treasurer), and such other officers as the Guild may appoint. It shall organize and conduct its activities in keeping with the Bylaws and Standards supplied by the Society.

SECTION 3 - RULES AND REGULATIONS

The IGC and each regional Guild shall operate pursuant to rules and regulations promulgated by resolutions of the Board, including, but not limited to, qualifications for membership and officer positions, terms of office, dues, and meetings, which rules and regulations may be changed from time to time by resolution of the Board.

SECTION 4 – TERMINATION OF GUILD

The authority of a regional Guild to operate may be revoked by the Executive Committee of the Board for any reason, provided that the regional Guild is given the opportunity by the Executive Committee of the Board to show cause why such action should not be taken. Any decision as to revocation of a regional Guild’s authority to operate by the Executive Committee shall be final. Upon written notification of revocation, the regional Guild shall immediately surrender all regional Guild records, funds, and properties to the Society, and shall immediately discontinue operations as a regional Guild.

ARTICLE XIII – AMENDMENTS

The Bylaws may be amended or they may be repealed and new Bylaws adopted, or any part of them repealed, by affirmative vote of the Board. All amendments to the Bylaws shall be recorded in the Society’s minutes.

ARTICLE XIV – DISSOLUTION

In the event of the dissolution of this Society, the assets shall be distributed to one or more state education institutions, or to other nonprofit organizations provided such organizations exist for the furtherance of education in gemstones or for the elevation or maintenance of ethics among dealers in gemstones or kindred merchandise, in such proportion and manner as may be determined by the Board.

ARTICLE XV – INDEMNIFICATION

Any present or former director, officer, employee, or agent of the Society, or other such persons so designated by the discretion of the Board, or the legal representative of such person, shall be indemnified (including advances against expenses) by the Society against all judgments, fines, settlements, and other reasonable costs, expenses, and counsel fees paid or incurred in connection with any action, suit, or proceeding to which any such person or his legal representative may be made a party by reason of his or her being or having been such a director, officer, employee, or agent, to the extent authorized by the Board and to the extent allowed by applicable law. No indemnification or advance against expenses shall be approved by the Board or paid by the Society until after receipt from legal counsel of an opinion concerning the legality of the proposed indemnification or advance.