



K&Y DIAMOND LTD. GENERAL TERMS AND CONDITIONS OF SUPPLY

YOU AGREE THAT THE FOLLOWING TERMS AND CONDITIONS CONSTITUTE THE COMPLETE AND FINAL AGREEMENT BETWEEN YOU AS BUYER AND K&Y DIAMOND LTD. ("SELLER") IN RESPECT OF THE APPLICABLE ORDER. NONE OF THE TERMS AND CONDITIONS CONTAINED IN THIS ACKNOWLEDGEMENT MAY BE ADDED TO, MODIFIED, SUPERSEDED OR OTHERWISE ALTERED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER, AND THE PRODUCTS RECEIVED BY BUYER FROM SELLER SHALL BE DEEMED TO BE DELIVERED ONLY UPON THE TERMS AND CONDITIONS CONTAINED HEREIN.

1. Acceptance.

The acceptance of your ("**Buyer**") order by Seller for the products set forth in the Seller's quote or Buyer's purchase order (**the "Products"**) is EXPRESSLY MADE CONDITIONAL UPON BUYER'S ASSENT TO THE TERMS AND CONDITIONS OF THIS ORDER ACKNOWLEDGEMENT, and these constitute the only binding terms and conditions between the parties, even if these terms and conditions differ from or are in addition to those on any purchase order or other document sent to Seller by Buyer. Any terms of sale requested by Buyer which are in any way inconsistent with or in addition to these terms and conditions are rejected and will not be binding upon Seller. In the event that a written sales agreement between the parties applies to the Products, such agreement shall control and supersede any terms or conditions hereof in conflict therewith, but all other terms and conditions hereof shall apply.

2. Prices.

Except as expressly set forth herein, all prices are F.O.B., Seller's shipping point, are exclusive of taxes and subject to correction for error. Seller may change pricing without notice, and the applicable price for an order will be the price in effect at the time of shipment. Price quotations are valid for thirty (30) days unless otherwise noted by Seller. Buyer shall pay each invoice within thirty (30) days of the date of invoice. Buyer shall make all payments when due without offset, deduction or counterclaim regardless of any claim by Buyer. Amounts not paid when due will bear interest from the invoice date at the rate of 1.5% per month (18% annually) or the maximum rate allowed by law, whichever is less. Buyer shall pay to Seller all costs and expenses (including reasonable attorneys' fees) incurred in collecting any amounts due hereunder. If the financial responsibility of Buyer becomes impaired or unsatisfactory to Seller, advance cash payments or satisfactory security shall be given by Buyer upon demand by Seller, and shipments may be withheld until such payment or security is received.

3. Taxes.

The amount of any sales, use ad valorem, property or other tax or duty, however designated, levied or based on the Products, or the sale or delivery thereof, shall be added to the price quoted and billed to and paid by Buyer. If Seller is required to pay any such tax or duty, Buyer shall reimburse Seller therefor, or provide Seller with an appropriate exemption certificate or other documents acceptable to the taxing or customs authorities.

4. Shipping.

All Products shall be shipped via a carrier designated by Seller at Buyer's expense. Buyer shall pay all costs incurred by Seller in connection with shipping such Products, including, without limitation, all insurance, freight, cartage, warehousing, and all other charges in connection with loading and shipping the Products to Buyer. All shipping dates are approximate and tentative,

and are based on prompt receipt from the Buyer of all necessary information. Requests for proof of delivery must be made within sixty (60) days of the date of shipment. If Buyer fails to accept delivery, Buyer shall nonetheless make payment to Seller. Claims for shortage, damage or non-delivery shall be made directly to carrier. Seller's responsibility ceases upon delivery to the carrier at the stated shipping point, and risk of loss, damage, injury or destruction to any of the Products shall pass to Buyer upon such delivery to the carrier. In no event shall any loss, damage, injury or destruction operate in any manner to release Buyer from the obligation to make payments required herein. Seller reserves the right to make partial shipments and to submit invoices for partial shipments. Seller reserves the right to allocate available Products among its customers in its discretion.

5. Delays in Delivery.

Seller shall be excused for delay in delivery, may suspend performance and shall under no circumstances be responsible for failure to fill any order or orders, or any portion thereof, when due to: acts of God or the public enemy, fires, floods, riots, strikes, freight embargoes or transportation delays, inability to procure labor, fuel, material supplies, or power at current prices or on account of shortages thereof, any existing or future law or governmental act affecting the conduct of Seller's business, or any cause beyond the reasonable control of Seller.

6. Order Size and Variation.

Orders for Products (other than specially manufactured products) must be for a quantity that is a whole-number multiple of Seller's standard lot-size for such products. Any order for a quantity that is not a whole-number multiple of Seller's standard lot-size will be deemed to be for a quantity that is the nearest whole-number multiple of such lot size. In the case of orders for altered or modified products, the quantity actually shipped may be less than the quantity ordered based on products that are damaged in the alteration or modification process. In the case of orders for special products, or products ordered by weight or length, the quantity of products actually shipped and invoiced by Seller may be up to ten percent (10%) higher or lower than the quantity ordered. Without limiting the foregoing, all products furnished by Seller shall be subject to Seller's standard manufacturing variations and practices with the limits and sizes that Seller produces, and all products purchased are subject to customary quality variations and tolerances recognized within the trade.

7. Limited Warranty.

Seller warrants that the Products will conform to Seller's published specifications therefor, or such other specifications as the parties may agree in writing, provided that the Products are subjected to only the usage for which they were intended. The warranty shall commence on the date of shipment and continue for a period of ninety (30) days. In the event that any Product fails to comply with the foregoing limited warranty, Buyer must promptly (but no later than expiration of the applicable warranty period) contact Seller to obtain a return materials authorization. Products must be returned to Seller, freight prepaid by Buyer, for determination by Seller that such Products are defective. Such Products shall be accompanied by a written description of the circumstances under which the applicable Products purportedly failed. Seller shall replace or repair, at its sole option and expense, any defective Products or parts thereof that prove to be defective during the warranty period, and return such repaired/replacement Products to Buyer, freight prepaid by Seller, or refund the purchase price paid, therefor. **THIS REMEDY IS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO BUYER FOR DEFECTIVE PRODUCTS.** If Seller determines in its sole discretion that the defect is attributable to any cause other than poor

workmanship or defective materials supplied by Seller, then Seller shall have no obligation whatsoever with respect to repair or replacement of the defective Products. Seller shall return the Products to Buyer, freight to be paid by Buyer, and the warranty described herein shall be void. This limited warranty does not cover defects caused by normal deterioration and wear and tear, and does not apply if Products have been subject to modification, or to misuse, mishandling, misapplication, operation outside rated capacities, negligence (including, without limitation, improper maintenance), or accident or if any adjustments or repair has been performed by anyone other than Seller or an authorized service representative of Seller.

THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES, AND SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR LOSS OF PROFITS, WHETHER BASED ON TORT, WARRANTY, CONTRACT OR ANY OTHER LEGAL THEORY, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE LIABILITY OF SELLER SHALL BE LIMITED TO THE PRICE ALLOCABLE TO THE PRODUCTS WHICH GAVE RISE TO THE CLAIM AND SHALL TERMINATE ONE YEAR AFTER SHIPMENT OF THE APPLICABLE PRODUCTS TO BUYER. THE FOREGOING LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

8. Indemnification.

Buyer agrees to indemnify and hold harmless Seller, its officers, agents, employees and authorized representatives from and against any and all costs or damages arising out of or related to any claim or lawsuit alleging personal injury or death to any person which may result from or arise in connection with its use of Products in any products of any kind.

9. Cancellation.

Any order for specially manufactured products, or altered or modified versions of standard products that is cancelled after such order is accepted by Seller shall be subject to a cancellation fee determined appropriate by Seller based on the work performed and expenses incurred as a result of such order.

10. Drawings and Technical Documents.

All drawings and technical documents delivered by either of the parties to the other party remain the property of the delivering party, and the receiving party may not improperly use, reproduce, or otherwise disclose such materials to third parties. Tooling, setup, drawing, design information and partial preparation charges, when invoiced to Buyer, cover only part of the cost thereof of Seller. Buyer does not acquire any right, title or interest in any tooling, setup, drawings, design information, or invention resulting therefrom. All drawings, techniques, inventions or improvements (whether or not patentable) made or conceived in the course of fulfilling any order, including any intellectual property rights pertaining thereto, shall be the sole property of Seller.

11. Quality.

Seller shall manufacture all Products in accordance with Buyer specifications and applicable ISO 9001 quality assurance requirements. Upon reasonable notice and during normal business hours, Buyer may conduct quality audits at Seller's facilities to ensure compliance with these

specifications and requirements. Buyer agrees that it will share all results of quality audits of Seller's facility or facilities with Seller.

12. General Provisions.

Buyer may not assign its order, these terms and conditions or any right or interest therein or any other obligation arising hereunder without the prior written consent of Seller. The contract resulting from Seller's acknowledgement and acceptance of Buyer's order shall be governed by the laws of the Province of Quebec, Canada. Buyer hereby consents to the jurisdiction of such province for all disputes arising hereunder. Buyer further consents that service of process may be made upon Buyer by certified mail, return receipt requested, at Buyer's last known address and that such service shall be deemed valid personal service. No failure of Seller to insist upon strict compliance by Buyer shall impair Seller's rights in case Buyer's default continues or in case of any subsequent default by Buyer. Waiver by Seller of any breach shall not be construed as a waiver of any other existing or future breach(es).

13. Limitation of Liability

No claims of any kind whatsoever by Buyer, regardless of the theory on which a claim may be made including, without limitation, negligence, breach of contract, breach of warranty, absolute liability in tort, misrepresentation or otherwise, with respect to any Products delivered or for failure to deliver any Products, shall be greater in amount than the purchase price attributable to such Products in respect of which damages are claimed.

SELLER WILL NOT BE LIABLE TO BUYER FOR ANY INDIRECT, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR LOSSES, BUSINESS INTERRUPTION, LOSS OF PROFIT, LOSS OF REVENUES, AND PRODUCTION LOSS, HOWSOEVER CAUSED, REGARDLESS OF WHETHER SUCH DAMAGES OR LOSSES ARISE OR RESULT, IN WHOLE OR IN PART, FROM NEGLIGENCE (WHETHER SUCH NEGLIGENCE BE SOLE, JOINT AND/OR CONCURRENT, ACTIVE OR PASSIVE), STRICT LIABILITY, CONTRACT BREACH, BREACH OF WARRANTY, OR ANY OTHER THEORY OF LEGAL LIABILITY ATTRIBUTABLE TO SELLER, UNLESS SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE, FRAUDULENT CONDUCT OR WILLFUL MISCONDUCT OF SELLER.

Global Trade Compliance and End Use/User Assurance

i. For the purpose of these conditions "**Global Trade Laws and Regulations**" means customs, import, export, re-export, trade control and economic or financial sanctions laws, regulations and orders, always including such laws, regulations and orders of the UN, US, EU and UK, but also, as applicable, such laws, regulations and orders of any country in which the goods are manufactured, received, used, exported from, imported to, or as otherwise applicable.

ii. For the purpose of these conditions "**Prohibited Countries**" means Afghanistan, Belarus, Iran, North Korea, Russia, Syria, Crimea and non-government-controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts of Ukraine. The Seller reserves the right to amend the list of Prohibited Countries by written notice to Buyer.

iii. For the purpose of these conditions "**Listed Person**" means any person or entity, specially designated, blocked or otherwise individually listed or targeted under Global Trade Laws and Regulations.

iv. Buyer represents and warrants that:

a. neither Buyer nor any of its affiliates or any of their respective officers or directors is a Listed Person, or is owned to 50% or more, directly or indirectly, individually or in the aggregate, or is otherwise controlled by one or more Listed Person(s);

b. Buyer has not engaged in, is not engaged in, and will not engage in any business involving a Listed Person, or any entity owned to 50% or more, directly or indirectly, individually or in the aggregate, or otherwise controlled by one or more Listed Person(s); and

c. Buyer has not engaged in, is not engaged in, and will not engage in any transaction that circumvents, evades, or avoids, or has the purpose or effect of circumventing, evading, or avoiding, or attempts to violate, any Global Trade Laws and Regulations.

v. Buyer hereby agrees to observe and comply fully and use the goods in full compliance with all Global Trade Laws and Regulations. The Buyer agrees that no goods provided by the Seller shall be, directly or indirectly, sold, exported, re-exported, transferred, retransferred or otherwise released or disposed to any person or entity, legal or natural, in breach of Global Trade Laws and Regulations. Buyer shall not take any action in furtherance of these conditions that would cause the Seller to violate any Global Trade Laws and Regulations to which the Seller is subject.

vi. Without limitation to the generality of the foregoing, Buyer shall not, directly or indirectly, sell, export, re-export, transfer, retransfer or otherwise release or dispose of any goods:

a. without securing all licenses and/or authorizations necessary under the Global Trade Laws and Regulations from the relevant governmental authority;

b. to, or for the benefit of, a Listed Person;

c. to, via, or otherwise for use in Prohibited Countries;

d. for any purpose connected with chemical, biological or nuclear weapons, or missiles capable of delivering such weapons, or for any nuclear explosive or unsafeguarded nuclear fuel cycle activity; or

e. for military end-use or to a military end-user, including military intelligence end-uses and end-users, without obtaining the Seller's prior approval.

vii. Buyer shall impose the obligations above in this Section in all subsequent transactions involving the goods. Further, Buyer shall establish and maintain adequate internal controls and mechanisms to (i) detect conduct by third parties in its downstream commercial chain, including possible resellers, that violates, or frustrates the purpose of, Global Trade Laws and Regulations; and (ii) ensure it obtains sufficient knowledge about the end-user to determine whether, for each contract, the goods could be destined for an end-use which is not permitted under these conditions.

viii. Buyer agrees to, as promptly as possible and in any event within five (5) business days, notify the Seller in writing of actual or suspected breaches of any of the obligations above in this

Section and shall, to the best of its abilities, cooperate with the Seller to facilitate compliance with Global Trade Laws and Regulations and will, upon request, provide the Seller with copies of all documentation relating to any business dealings involving the goods, including, but not limited to, end-user certifications. Further, Buyer shall provide all information relating to requests for any goods that Buyer suspects could violate or circumvent Global Trade Laws and Regulations, or where the provision of goods would breach Buyer's commitments under the obligations above in this Section, including requests from or on behalf of a Listed Person or attempts to acquire any goods in violation of Global Trade Laws and Regulations.

ix. If Buyer, in whole or in part, breaches any of the obligations above in this Section or (to the furthest extent permissible under applicable law) in the Seller's reasonable opinion any such breach is likely to occur, the parties agree that: (i) the Seller shall be under no obligation to fulfil outstanding payments, deliveries, orders or alike; (ii) the Seller shall not be liable toward Buyer or any third party for any subsequent non-performance by the Seller under these conditions; and (iii) Buyer shall indemnify and hold the Seller harmless from any claims or losses relating to such non-performance. Any failure by Buyer to comply, in whole or in part, with this Section is to be considered a material breach of these conditions which will entitle the Seller to terminate the contract with immediate effect. Further, the Seller is entitled to terminate the contract with immediate effect upon written notice if either party's ability to fulfil an obligation under this contract is materially affected by the imposition of restrictions in Global Trade Laws and Regulations.