

General Terms and Conditions of Sale

1. SCOPE

These General Terms and Conditions of Sale apply to all offers for the supply of goods and equipment made by Cornes Technologies Limited or its affiliates including Seki Diamond Systems, Cornes Technologies USA and SEOCAL, Incorporated, (hereinafter "Seller") and all other terms and conditions are hereby excluded and rejected. Save as set out herein, these General Terms and Conditions of Sale may not be varied or amended except by written agreement between Seller and Buyer.

2. QUOTATIONS

Unless otherwise stated, Seller's quotations are open for acceptance for thirty (30) days from date of issuance. Seller's quotations, including but not limited to pricing information, technical details, plans, diagrams and drawings, are confidential to Buyer and shall not be copied or disclosed to any third parties except with the Seller's express permission in writing.

3. PRICES AND TERMS OF PAYMENT

Unless otherwise specified, prices are in US dollars, ex-works (Incoterms 2010) and exclude any taxes and duties and costs for handling, packing, freight, insurance, customs clearance and on-site training, all of which shall be for the account of and borne by Buyer. Seller reserves the right to increase the quoted or agreed prices in the event of an increase in the price of items, raw materials or parts obtained from third party suppliers or an increase in other cost components, shipping, including but not limited to taxes, duties and fluctuations in foreign exchange rates.

Unless otherwise specified, payment terms are: (i) 50% of order value to be paid by Buyer by TT remittance to the designated bank account of Seller within five (5) working days of Seller's confirmed acceptance of Buyer's order; (ii) the balance (50%) of order value to be similarly paid prior to shipment.

4. ORDERS AND TITLE

All orders, once placed by Buyer and confirmed as accepted by Seller, are final and binding. Seller, however, shall retain title to all goods and equipment that are the subject of the order until confirmed payment in full for the order has been received from Buyer.

5. DELIVERY LEAD TIME

Delivery lead times are indicative only and non-binding on Seller and are also dependent on Buyer fulfilling all its obligations to Seller in a timely manner, including but not limited to approval of specifications and readying the site for installation. Seller will provide Buyer with an estimated delivery date after Seller's confirmed acceptance of Buyer's order and receipt of initial payment (see above). In the event of a delay in delivery, Buyer has no right to cancel the order nor to claim payment for damages.

6. FORCE MAJEURE

Force Majeure means any circumstance beyond Seller's reasonable control which permanently or temporarily prevents Seller from fulfilling the order, including war, threat of war, civil war, riot, strike, lockout, transport restrictions, fire, flood, extreme weather conditions, natural disaster, Acts of God, and any similar interruption to the operations of Seller or its suppliers.

If the fulfillment of the order is impeded due to Force Majeure, Seller shall have the right to suspend its operations for up to a maximum of three (3) months or to cancel the order without liability to pay compensation to Buyer.

7. ORDER CANCELLATION

Save as set out herein, orders, once placed by Buyer and confirmed as accepted by Seller, cannot be rescinded. If Buyer subsequently decides that it cannot proceed with the order, Seller shall be entitled to recover from Buyer all costs and expenses it has incurred and/or committed to in respect of the order up to a maximum of 100% of the order value.

8. WARRANTY

Unless otherwise specified, the Seller warrants that the goods and

equipment it supplies shall be free from any defect or malfunction due to design, workmanship or material for a period of 14 months from date of shipment [AWB (Air Waybill) date].

The Final Acceptance Test (FAT) of the system will be performed at the Seller's factory based on the criteria presented in the Seller's System Specification. Upon the successful confirmation of the FAT test results by the Buyer and Seller as indicated by the duly signed FAT test report, all outstanding amounts owed to the Seller shall be paid in full and the warranty shall commence.

This warranty does not, however, cover or apply to:

- Damage to the equipment due to inadequate or substandard facility power, water or gas quality
- Fair wear and tear
- Consumable parts as defined by Seller.
- Damage caused by fire, flood, natural disaster, etc.
- Faults arising from unauthorized modifications or changes to the original system configuration as delivered.
- Failure caused by mishandling or improper operation by Buyer or its designated end user.
- Any other failures not directly attributable to Seller and/or its goods and equipment as supplied.

9. INSTALLATION

Buyer is responsible for the proper preparation of the site of installation, including the furnishing of all necessary hardware and connections for the installation of the system. Onsite installation and operational training may be quoted separately if required upon request.

Seller shall be entitled to recover from Buyer any additional costs and expenses that it incurs as a result of delays caused by Buyer's failure to ready the site for installation of the system prior to the system's scheduled delivery.

It is the responsibility of the Buyer to prepare the facility power, gas, ventilation, and water supply lines within the specifications prescribed by the Seller, and adequate to meet the needs of the Buyer's unique application(s).

Seller is not responsible for system performance or reliability issues arising from inadequate facility electrical power, water, ventilation or gas quality. Seller's equipment must be operated within specified power line voltage levels, free of powerline distortion and harmonics.

Seller recommends the use of external UPS or active line filters for facilities operating multiple high-power systems or where power line quality may be otherwise compromised due to significant fluctuations in line levels, loads, switching power supply noise or harmonic distortion.

The system will be deemed accepted by the Buyer upon completion of the FAT at Seller's factory and return of a signed FAT approval to the Seller.

10. TRAINING

At Buyer's request, Seller will provide training in Japan for Buyer's personnel. Such training shall be quoted for separately and shall be payable in addition to the supply of goods and equipment. Expenses for Buyer's personnel to attend such training (return air fares and other transportation costs, hotel accommodation, meals and incidentals) shall be borne by Buyer.

11. EXPORT, RE-EXPORT

Seller's goods and equipment together with any associated technology and software are subject to Japan Export Regulations and/or controls/restrictions imposed by other governmental authorities in the country of origin and are for civil use only. Use of Seller's goods and equipment in the development and/or manufacture of missiles, nuclear, biological or chemical weapons, or other weapons of mass destruction (WMD) is strictly prohibited. Moreover, Seller's goods and equipment are intended for use at the location/country specified by Buyer at the time of order and any re-sale, transfer, export or re-export of said goods and equipment is expressly prohibited without proper authorization. Buyer hereby agrees to comply strictly with all Export/Re-Export laws that apply.

12. CLAIMS

Any defect apparent on delivery must be reported to Seller without delay; the same applies to possible hidden defects, which only appear later. Otherwise, the delivery is deemed to be accepted by Buyer. Damage that occurs during shipment/transport shall be immediately reported to the shipping agent in order to establish a certified report and protect all rights.

13. ARBITRATION

All disputes in connection with the order or execution thereof shall be settled amicably through negotiations. In the event no settlement can be reached, the case shall be submitted to arbitration under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The place of such arbitration shall be the country of the respondent. The award of the said arbitration shall be final and binding upon the parties concerned. Arbitration fees shall be borne by the losing party. In the course of arbitration, the order shall be continuously executed except that part which is subject to arbitration.

14. INTELLECTUAL PROPERTY

All intellectual property (IP) rights in the goods and equipment sold together with associated technology and software belong exclusively to Seller. Copying or other infringements of Seller's IP rights are strictly prohibited. Nothing in this Agreement will be construed to confer any ownership interest, license or other rights upon Buyer by implication, estoppel or otherwise as to any technology, intellectual property rights, products or biological materials of Seller, or any other entity, regardless of whether such technology, intellectual property rights, products or biological materials are dominant, subordinate or otherwise related to any Licensed Patent.

15. LIMITATION OF LIABILITY

Seller's entire liability to Buyer for damages from any cause whatsoever, and regardless of the form of action or the cause of action, whether in contract or in tort, including gross negligence, and whether in the nature of a fundamental breach or a breach of a fundamental term, shall not exceed the amounts actually received by Seller from Buyer at the time the cause of action arose.

IN NO EVENT SHALL SELLER BE LIABLE FOR GENERAL, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES OR LOSS TO EQUIPMENT, LOSS OF PROFITS OR REVENUE, LOSS OF GOODWILL, INCREASED EXPENSES OF OPERATION, COST OF CAPITAL, OR THE CLAIMS OF THIRD PARTIES, HOWSOEVER CAUSED, REGARDLESS OF WHETHER SELLER HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.