



July 28, 2019

Mr. Yoram Dvash  
President  
Israel Diamond Exchange (IDE)  
Ramat Gan  
Israel

RE: Shlomi Cohen – Impending Infringement of Sarine Patents

Dear Mr. Dvash,

It has recently come to the attention of the Sarine Group of companies ("Sarine") that Shlomi Cohen, a member of the Israel Diamond Exchange, has imported into Israel the Lexus/Octonus system called "M-Box Immersion Glass" for the purpose of providing diamond mapping and other services to customers at the Israel Diamond Exchange and/or elsewhere in Israel.

Kindly be advised that Sarine has legal opinion that the M-Box Immersion Glass system violates and infringes patents owned by the Sarine Group that are currently in force in Israel. It is Sarine's intent to commence legal action in Israel against Mr. Cohen for infringing Sarine's intellectual property (IP) rights, and similarly against any others who are involved in such infringement.

Sarine has already undertaken legal actions against Lexus (and other entities) in India (and Belgium) regarding additional various infringements of Sarine's IP and will not hesitate to take further actions in Israel against any entity involved in infringing our additional IP, as well.

We are providing the IDE advance notice of this in order to prevent any unnecessary confusion or disturbance in this regard, and to avert the need to involve the IDE in any actions that may be necessary to protect Sarine's IP rights in Israel.

As you are aware, Sarine has a long history of protecting its intellectual property rights both in Israel and abroad. It considers the impending infringement by Mr. Cohen to be serious and Sarine will take actions to prevent and stop such infringement accordingly.

Sincerely,

A handwritten signature in blue ink that reads "DBlock".

David Block  
CEO