

AVI PAZ

ADDRESS TO NINTH WDC ANNUAL MEETING

TEL AVIV: MAY 6, 2013

Your excellences, ladies and gentlemen,

It is a privilege to address this gathering, which collectively represents the length and breadth of our business community, and well as many of our key stakeholders. There also is a personal sense of pride, since it is being held in Israel, where I and many in this room make our home. Our country has stood at the forefront of the industry's effort to tackle the problem of conflict diamonds, and we are honored to be able to host the WDC General Assembly for the third time.

But it is also a bitter-sweet moment, for this Annual Meeting is the last one that will be presided over by my friend, colleague and mentor Eli Izhakoff. As one of those who has stood alongside him over the years, as he advocated the cause and mission of the World Diamond Council, I can declare without fear of contradiction that our industry would be considerably less robust than it is today, were it not for his hard work and leadership.

It still is premature to speak of Eli's legacy at the WDC in the past tense. First, he will continue on as WDC president for almost two more months, at the end of which we will find the time, place and manner in which to honor him more suitably. And second, the impact of his presence on the organization and the diamond and jewelry industries will be felt for many years to come.

When he took on the role of the founding president of the World Diamond Council, Eli assumed a position that had never before existed in our industry. His mission was to defend the ethical integrity of our business; not through the creation of a sophisticated public relations campaign, but rather by helping establish a robust system of enforceable checks and balances that would prevent any diamonds tainted by conflict from entering our pipeline.

The World Diamond Council, with Eli in the driver's seat, was a key participant in the conception, development, acceptance and implementation of the Kimberley Process Certification Scheme, which was launched in 2003 and has been a fixture of our business ever since. It has few, if any, precedents, especially if one considers that it was introduced not simply with the acceptance of our business community, but at its request and with its encouragement. The fact that the KPCS was embraced so completely by our industry is a testament to Eli's leadership.

The World Diamond Council will continue to develop and succeed well into the future. It is a representative body that serves as the diamond industry's moral compass in matters where our business interfaces with society and humanity. We are concerned not simply with the dollars and cents of the diamond trade, but with its social and human consequences, and we are determined that these should not be harmful, but rather positive and constructive.

Two elements will be essential moving forward.

The one is unity within the World Diamond Council. This does not reject the concept of a variety of opinion. On the contrary, our organization is enriched and strengthened through debate and

discussion, by individuals who care deeply about what they are doing. The only requirement is that we all remain true to the essence of the WDC's mission, and that is to defend and protect the integrity of the diamond and the diamond trade.

The second is that we remain flexible and be ready to adapt to the conditions of the changing business and geopolitical environments. Readiness to reform is not a declaration that our policies of the past were erroneous or ineffective, but rather an appreciation that times and conditions change, and we need to be ready to change along with them. As they say, if you are not moving forward, then you are moving backwards.

But change within the WDC cannot be introduced without the widespread agreement of its members. And to obtain agreement is not necessarily an easy process, but an absolutely essential one. That, ultimately, is what I was referring to when I spoke about the enriching and strengthening qualities of debate and discussion. It is, essentially, why we are gathered together today in Tel Aviv.

I wish us all a constructive and successful WDC Annual Meeting.

Thank you.