

DIAMOND'S GENERAL PURCHASING CONDITIONS

1. General

- ▶ These General Purchase Terms are applicable for all our orders at our suppliers; deviating Terms of the suppliers shall not apply without our written consent and shall be binding to the extent only as they are not in contradiction to these General Purchase Terms. Special written agreements between us and our suppliers are reserved.

2. Orders

- ▶ Our orders are given in writing or orally. Order confirmations must be in our possession not later than 3 days after the order.

3. Delivery dates

- ▶ The delivery dates agreed upon are binding. If the supplier defaults with regard to a delivery, we reserve ourselves to refuse the delivery on supplier's costs and eventually to withdraw from the contract. Any withdrawal will be immediately notified in writing to the supplier. Suspect to any other declaration of Diamond SA, the supplier remains obliged to perform even after expiration of the agreed delivery dates. The supplier shall immediately notify any foreseeable delays in delivery. Damage claims for delays in delivery are reserved in any case. Deliveries before the delivery dates are possible only upon agreement. If necessary for technical reasons of manufacturing or because of a changed market situation, Diamond SA reserves itself the right to change the delivery dates, especially regarding longer-term delivery agreements.

4. Risk

- ▶ The supplier takes over all additional costs (insurance, taxes, acquisition of documents) for the delivery to our business domicile in Losone, and he bears up to this point of time the risk for the damage or the loss of the delivered goods.

5. Warranty

- ▶ The warranty period shall be 18 months from the day of acceptance. The supplier shall eliminate all repairable defects immediately after our notification, free of charges for Diamond SA. The warranty period will be extended automatically for the time between the notification and the elimination of the defects. In urgent cases, or when the supplier is in default, we shall have the right to obtain replacement or repair elsewhere, on supplier's costs. The legal warranty and other claims are reserved. Moreover, we reserve ourselves the right to claim warranty for defects that are detected after the acceptance of goods.

6. Payment terms

- ▶ All invoices of the supplier shall declare our order number and shall be addressed to us in duplicate immediately after delivery respectively after performance. Unless otherwise agreed upon, we have the choice to pay the invoice either within 30 days after receipt with deduction of 2% discount, or within 60 days net.

7. Material

- ▶ All material we have placed at supplier's disposal (especially drawings, models, calculations, specifications, tools etc.) remain our property. They shall be returned immediately after our written request, or at the latest upon termination of the contractual relation, i.e. together with the last delivery, without request.

8. Confidentiality

- ▶ During the term of the contractual relation and also therefor, the supplier is obliged to keep secret and not to make available to any third party any material named in Section 7 and any other information regarding the business of Diamond SA, that come to his knowledge in connection with the order, especially also information about the extent and the object of the delivery.

9. Place of performance; jurisdiction and applicable law

- ▶ Place of performance is Losone, Ticino, Switzerland. Place of jurisdiction for the legal relationship is at the domicile of Diamond SA. Swiss law is applicable.



Losone, December 2007

Hans Gerber
President, General Director