

◆ Health Care Benefits ◆

Diamond Engineering offers eligible employees comprehensive health care insurance. You have elected the following coverage for 2013:

❖ ❖ ❖	Plan Name	Coverage	Details
Medical	Blue Cross PPO	Family	\$500 annual deductible; \$2,500 annual out-of-pocket maximum; No lifetime maximum
Dental	Delta DMO	Family	\$50 annual deductible; service coverage: preventive 100%, basic 80%, major 50%, orthodontics 50%
Vision	VBA Plan A	Family	Once every 12 months: \$5 vision exam co-pay; \$20 lenses co-pay Once every 24 months: \$200 frames allowance

◆ Income Protection Benefits ◆

Diamond Engineering offers eligible employees income protection benefits should you incur a non-occupational injury or illness. Short term disability (STD) payments will begin on the 8th day of disability, and are paid for up to 13 weeks. In the event that your disability extends over 13 weeks, you may be eligible to receive long term disability (LTD) payments. Benefits are as follows:

Disability Benefits	Percent of Earnings	Benefit Amount
STD	75%	\$425.00 per week
LTD	60%	\$1,622.40 per month

You are also covered with state disability insurance, federal and state unemployment insurance and workers' compensation insurance. Contact your state's offices or Human Resources for more information.

◆ Paid Time Off ◆

You are eligible to accrue the following paid time off in 2013:

Type	Days	Benefit Value
Holidays	10	\$1,732.20
Sick	6	\$1,038.72
Vacation	10	\$1,732.20
Personal	2	\$346.24
Total	28	\$4,849.36

◆ Additional Benefits ◆

Diamond Engineering also offers the following valuable benefits:

- ◆ Service Awards
- ◆ Company Picnic
- ◆ Holiday Party
- ◆ Credit Union
- ◆ Educational Assistance
- ◆ Gym Membership
- ◆ Flu Shots
- ◆ Direct Deposit
- ◆ Free Parking
- ◆ Employee Assistance Program

This benefit statement format is available exclusively from Ebix's Printed Solutions Department. For more information, please contact your Ebix Account Representative at 1-800-533-1388 or visit www.bsiweb.com.

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Diamond Engineering
5500 Riverton Street
San Francisco, CA 94115



Jennifer Nelson
212 Cottage Grove Ave
Santa Barbara, CA 93101

Your 2013 Personal Statement of Total Compensation

Your Total Compensation

Your Bridge to the Future

Dear Jennifer:


We are pleased to provide you with this personal statement, which highlights your projected total compensation from Diamond Engineering for 2013. This statement was developed to show your total compensation package, including your base pay, your benefits coverage and the company's cost to provide this coverage for you.

The Diamond Engineering total compensation plan includes your salary and incentives, and your benefits. In 2013, Diamond Engineering will pay approximately **\$18,223** towards your benefits as described in this statement. Your benefits package, although not as visible as your pay, significantly increases the value of your total compensation from Diamond Engineering.

We feel that the total compensation package provided by Diamond Engineering is an important way the company rewards you for your commitment, loyalty, hard work and dedication. The package is designed to not only help meet your needs today, but also to help you plan for the future.

If you have any questions regarding this statement or your benefits, please contact Human Resources.

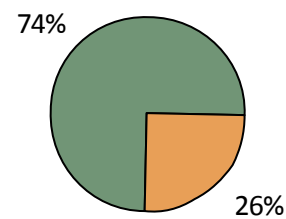
Sincerely,



Gary Riverton
President

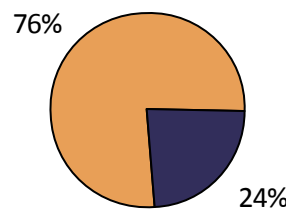
◆ Your 2013 Total Compensation ◆

Total Compensation



■ Earnings
■ Company Paid Benefits

Total Benefits



■ Company Paid Benefits
■ Your Share

Earnings

Annual Base Salary	\$	45,000.00
Commission*	\$	5,500.00
Bonus†	\$	2,500.00

Total Earnings \$ 53,000.00

*Based on target goal
†2012 Bonus paid in January, 2013

Benefit

Benefit	Your Share	D.E.'s Share
401(k) Company Match	\$ 0.00	\$ 2,700.00
Social Security & Medicare	\$ 3,775.28	\$ 3,775.28
Medical Plan	\$ 500.00	\$ 8,000.00
Dental Plan	\$ 500.00	\$ 800.00
Vision Plan	\$ 150.00	\$ 100.00
Wellness Incentive	\$ 0.00	\$ 500.00
Short Term Disability (STD)	\$ 0.00	\$ 200.00
Long Term Disability (LTD)	\$ 0.00	\$ 200.00
Supplemental LTD	\$ 100.00	\$ 0.00
State Disability	\$ 572.40	\$ 572.40
State Unemployment	\$ 0.00	\$ 435.75
Federal Unemployment	\$ 0.00	\$ 42.00
Workers' Compensation	\$ 0.00	\$ 397.50
Life and AD&D	\$ 0.00	\$ 500.00
Supplemental Life and AD&D	\$ 100.00	\$ 0.00
Dependent Life	\$ 40.00	\$ 0.00

Total Benefits \$ 5,737.68 \$ 18,222.93

YOUR 2013 TOTAL COMPENSATION \$ 71,222.93

◆ Your 401(k) Account ◆

Through the 401(k) plan, you and Diamond Engineering work as partners to help build your financial security for retirement. When you participate, your savings grow in three ways:

- ◆ Through your pre-tax contributions
- ◆ Through company provided match contributions
- ◆ Through the investment growth of your total account

As of January 1, 2013, your 401(k) account balance was **\$4,859.89**. You are **100%** vested in your contributions and **80%** vested in Diamond Engineering's contributions.

The maximum amount you can contribute to your account in 2013 is \$17,500 (IRS limit). If you are over the age of 50, you may make an additional catch-up contribution of up to \$5,500. You have elected to contribute **6%** of your direct pay, which totals an annual contribution of **\$2,700.00**. Diamond Engineering's estimated annual match in 2013 is **\$2,700.00**.

◆ Employee Stock Option Plan ◆

In recognition of your commitment and loyalty, Diamond Engineering has granted you employee stock options. A breakdown of your awards granted under the plan as of 12/31/2012 is shown below.

Date	Shares	Value per Share	Vested	Unvested	Total
09/25/2011	4,525	\$0.33	4,525	0	4,525
01/18/2012	909	\$1.65	903	0	903
07/13/2012	4,525	\$6.49	4,525	0	4,525

◆ Restricted Stock Units ◆

You have been granted restricted stock units. A breakdown of your awards granted under the plan as of 12/31/2011 is shown below.

Date	Shares	Value per Share	Vested	Unvested	Total
02/27/2011	306	\$2.25	306	0	306
02/03/2012	1,100	\$4.35	1,100	0	1,100

◆ Employee Stock Purchase Plan ◆

The Employee Stock Purchase Plan allows you to own part of Diamond Engineering by purchasing Company stock at a discount through payroll deductions. A breakdown of your activity in the plan as of 12/31/2011 is shown below.

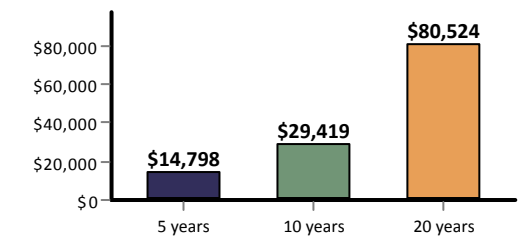
Date	Shares	Purchase Price	Value
02/29/2011	567	\$8,187.33	\$10,531
08/29/2012	703	\$12,564.26	\$17,458

◆ Social Security & Medicare ◆

Each year, you and Diamond Engineering share in the cost of Social Security and Medicare taxes. The FICA entry on your 2013 payroll stub includes Social Security taxes of 4.2% (your share) and 6.2% (Company share) of the first \$113,700 of your total cash compensation, plus Medicare taxes of 1.45% of your total cash compensation. Taxable earnings above \$200,000 are subject to an additional Medicare surcharge tax that varies by filing status. For more information, contact the Social Security Administration at 1-800-772-1213.

◆ Future Value of Your 401(k) ◆

The chart below shows the value of your account in the years ahead if you continue to contribute at your current rate.



Note: These are estimated projections only based on specific assumptions. Neither the projections nor assumptions can be guaranteed. These estimates are based on a 2% average annual increase in base salary, average annual investment return of 5%, current employee and employer percentages, and assume the employee takes advantage of the catch-up provision upon reaching age 50. Potential profit sharing contributions are not included.

