

§ 1 General Terms, Scope

(1) These terms and conditions of sale apply exclusively to entrepreneurs, legal entities under public law or special assets under public law as defined in § 310 (1) BGB (German Civil Code). Any terms and conditions of the customer that contradict or deviate from our terms and conditions of sale are only recognized if we expressly agree to their validity in writing.

(2) These terms and conditions of sale are also applicable to all future transactions with the customer, insofar as such transactions are of a related nature (the terms and conditions of sale should therefore always be included with the order confirmation).

§ 2 Contractual arrangements, Conclusion of contract

(1) Contracts shall be concluded between STI GmbH and the buyer (party to the contract). Buyers can be natural or legal entities.

(2) An order can only be made in written form (e.g. letter, fax, email). The contract becomes binding following STI GmbH's written (e.g. letter, fax, email) declaration of acceptance (order confirmation). Confirmation will generally be given within two weeks of receiving the order.

(3) The buyer is required to provide personal data prior to conclusion of the contract. The buyer knows and consents to the fact that identifying information which is necessary for the handling of the order is stored on STI GmbH's data carriers. The buyer hereby expressly consents to the collection, processing and use of his personal data. The stored data will be treated confidentially by STI GmbH. Collection, processing and usage are in compliance with the Federal Data Protection Act and the German Telemedia Act and will not be passed on or sold to third parties for advertising purposes.

§ 3 Prices, Delivery Time and Terms of Payment

(1) Prices quoted by STI are ex works plus packing and shipping charges and plus currently valid VAT where applicable.

(2) Payments are to be made free of charge and without deductions to STI GmbH's account. Unless otherwise agreed in writing (e.g. letter, fax, email), payment is due within 14 days within receipt of the invoice.

(3) In the event of late payment, STI GmbH is entitled to charge default interest at the current statutory rate of 5 % above the prevailing base rate. As far as the buyer is not a consumer as defined by the German BGB, the statutory default interest rate is currently 8 % above the base rate. STI GmbH reserves the right to make further claims for damages.

(4) Delivery times and deadlines are always non-binding. Partial deliveries are permissible.

(5) Unless a fixed price has been agreed, we reserve the right to make reasonable price changes due to changes in wage, material and distribution costs for deliveries made 3 months or more after conclusion of the contract.

§ 4 Offset and rights of retention

Offset on behalf of the buyer is only approved insofar as the counterclaim is undisputed or has been legally established. The buyer is only entitled to exercise his right of retention when the counterclaim is based on the same contractual relationship.

§ 5 Scope of services

(1) The contents and scope of the product are defined in STI GmbH's individual specifications which are subject of the agreement.

§ 6 Rights to licenced material, rights of usage

All other rights to the product such as trademarks, copyrights, other intellectual property rights, trade secrets etc. are not transferred to the buyer but remain solely and exclusively those of STI GmbH, with reference to §§ 11, 12 of these terms.

§ 7 Buyer's obligations

(1) On STI GmbH's request the buyer is obliged to supply all necessary information in due time, data, documents, permits, official authorisations or clearances and to inform STI GmbH about the equipment used (hardware, software, operating system etc.). The equipment must be in accordance with STI GmbH's specifications.

(2) If the buyer breaches the obligations stipulated above and if as a result delays and additional expenses occur, STI GmbH is entitled to demand both a corresponding increase in compensation and adjustments to the schedule, if such a schedule for the delivery of services has been agreed. The right is reserved to enforce claims for compensation. Likewise the rights arising from § 10 (1) and (2) remain unaffected.

§ 8 Transfer of risk

If the goods are shipped to the customer at its request, the risk of accidental loss or accidental deterioration of the goods shall pass to the customer upon dispatch, at the latest upon leaving the works/warehouse. This applies irrespective of whether the goods are shipped from the place of performance or who bears the freight costs.

§ 9 Retention of title

(1) We reserve the proprietary rights to the delivered item until all claims arising from the delivery contract have been paid in full. This also applies to all future deliveries, even if we do not always expressly refer to this. We are entitled to take back the

purchased goods if the customer acts in any way contrary to the contract.

(2) The customer is obliged to treat the purchased goods with care as long as ownership has not yet been transferred to him. In particular, it is obliged to adequately insure them at its own expense against theft, fire, and water damage at replacement value (N.B.: only permitted for the sale of high-quality goods). If maintenance and inspection work has to be carried out, the customer must carry it out in good time at its own expense. As long as ownership has not yet been transferred, the customer must inform us immediately in writing if the delivered item is impounded or otherwise subjected to the intervention of any third parties.

Insofar as the third party is not able to reimburse us for the judicial and extrajudicial costs of a lawsuit pursuant to § 771 ZPO (German Code of Civil Procedure), the customer shall be liable for any losses we incur.

(3) The customer is entitled to resell the reserved goods in the normal course of business. The customer herewith assigns to us in the amount of the value of the reserved goods agreed upon with us (including value added tax) all claims against the buyer resulting from the resale of the reserved goods. This assignment shall apply irrespective of whether the purchased goods are resold without or after processing. The customer remains authorized to collect the claim even after the assignment. Our authority to collect the claim ourselves remains unaffected by this. However, we will not collect the claim as long as the customer fulfils its payment obligations from the collected proceeds, is not in default of payment and, in particular, has not filed a petition for the opening of insolvency proceedings and payments have not been suspended. [N.B.: This clause is not applicable if no extended reservation of proprietary rights is requested.]

(4) The treatment and processing or modification of the purchased goods by the customer shall always be carried out in our name and on our behalf. In this case, the customer's expectant right to the purchased goods shall continue with regard to the modified goods. Insofar as the purchased goods are processed with other items not belonging to us, we shall acquire co-ownership of the new goods in the ratio of the objective value of our goods to the other processed items at the time of processing. The same applies in the event that our goods are combined with goods of a third party. Insofar as the combination is carried out in such a way that the customer's item is to be regarded as the main item, it is agreed that the customer shall transfer co-ownership to us on a pro rata basis and shall detain the resulting sole ownership or co-ownership for us. In order to secure our claims against the customer, the customer shall also assign to us any receivables from third parties which arise for the customer as a result of the combination of the reserved goods with real property; we hereby accept this assignment.

(5) We undertake to release the securities to which we are entitled at the request of the customer, if their value exceeds the

value of the claims to be secured by more than 20 %.

§ 10 Warranty and Notice of Defects, Recourse/ Manufacturer's Recourse

(1) Warranty rights of the customer require that it has properly fulfilled its duties of inspection and complaint according to § 377 HGB (German Commercial Code).

(2) Warranty claims become statute-barred 12 months after delivery of the goods to the customer. The statutory limitation period shall apply to claims for damages in the event of willful intent and gross negligence as well as in the event of injury to life, limb and health resulting from an intentional or negligent breach of duty by the user. [N. B.: in the case of the sale of used goods, the warranty period can be completely excluded with the exception of the claims for damages specified in § 9 Paragraph 2 of these terms and conditions].

(3) Insofar as the law prescribes longer periods of limitation in accordance with § 438 Paragraph 1 No. 2 of the German Civil Code (buildings and items for buildings), § 479 Paragraph 1 of the German Civil Code (right of recourse) and § 634a Paragraph 1 of the German Civil Code (construction defects), these periods of time shall apply. Our consent must be obtained prior to any return of goods.

(4) If, despite all the care taken, the delivered goods contain a defect which already existed at the time of the transfer of risk, we will either repair the goods or deliver substitute goods at our discretion, subject to notification of defects within the specified time. We shall always be given the opportunity of subsequent fulfilment within a reasonable period of time. Claims for recourse shall remain unaffected by the above regulation without restriction.

(5) If the subsequent fulfilment fails, the customer can - without prejudice to any claims for damages - withdraw from the contract or reduce the remuneration.

(6) Claims for defects shall not apply in the event of merely insignificant deviations from the agreed quality, of only minor impairment of usability, of natural wear and tear or in the event of damage occurring after the transfer of risk as a result of faulty or negligent treatment, excessive stress, unsuitable equipment, defective construction work, unsuitable building ground or due to special external influences which are not presupposed as per the contract. If the customer or third parties carry out improper repair work or modifications, claims for defects shall likewise not apply for these and the resulting consequences.

(7) Claims of the customer for expenses necessarily incurred for the purpose of subsequent fulfilment, in particular transport, travel, labor costs and costs for material, shall be excluded insofar as the expenses are increased because the delivered goods were subsequently transported to a location other than the customer's branch office, unless such relocation is in keeping with their intended use.

(8) The customer's right of recourse against us shall only exist insofar as the customer has not entered into any agreements with its buyer that go beyond the statutory mandatory warranty claims. Paragraph 6 shall also apply accordingly to the scope of the customer's right of recourse against the supplier.

§ 11 Cancellation/Termination

(1) STI GmbH reserves the right to cancel the contract if the buyer does not provide the necessary information, data, documents, permits, official authorisations or clearances, or if the buyer does not adhere to the agreed terms of payment or other obligations as defined in § 7 of these Terms and Conditions within a set time period despite being requested to do so.

(2) The right to extraordinary termination for good cause remains unaffected.

§ 12 Industrial property rights, property rights

(1) All products and/or STI GmbH publications such as technical specifications, data, (product) documentation etc. are protected by copyright laws. The buyer has the right to use the information and materials which he receives in the course of the services booked and paid for by him to the extent and for the purpose agreed in §6.

§ 13 Trademarks and copyright notices

The buyer is not permitted to remove any copyright notices, trademarks or other legal reservations in the data, programmes, documents etc. He is obliged to ensure acknowledgement of authorship thereof.

§ 14 Liability

(1) Claims for damages against STI GmbH, no matter what their legal basis, in particular due to infringement of obligations arising from the contractual relationship and from tort, are excluded. This limit of liability does not apply in the case of breaches of the German Product Liability Act, or in the case of intent, gross negligence or due to loss of life, bodily injury, damage to health or in the case of breach of significant contractual obligations where there is mandatory liability. Liability for breach of fundamental contractual obligations is limited, however, to the amount of reasonably foreseeable average immediate damage typical for the kind of services, unless there is mandatory liability for the legal grounds given above.

(2) STI GmbH bears no liability for damages caused during shipment.

§ 15 Place of performance and jurisdiction

(1) The sole place of performance is Wiesbaden. Place of jurisdiction is STI GmbH's registered office, provided the buyer is

a general merchant, a legal entity of public law or of a special fund under public law. The same place of jurisdiction shall apply when the buyer has no general place of jurisdiction within the Federal Republic of Germany, has transferred his domicile or customary place of residence from Germany abroad after conclusion of the contract, or his domicile or customary place of residence is not known at the time when the suit is filed.

In all other cases, for all claims of STI GmbH against the buyer the place of residence of the buyer shall be regarded as the place of jurisdiction, provided the buyer is a non-merchant.

(2) STI GmbH can also take legal action against the buyer at any other legal place of jurisdiction.

§ 16 Law on the International Sale of Goods

German law is applicable and the UN Convention on the Sale of Goods is excluded.

§ 17 Invalidity

If any provision of this contract prove to be invalid as a whole or in part, the remaining contract remains in full force and effect. In the case of such invalidity, the contract partners will agree to a valid replacement provision that most closely resembles the invalid one. The same goes for the omission of a provision.

§ 18 Verbal additional agreements

Verbal additional agreements do not exist.

§ 19 Information

All information, agreements, notifications and/or requests relating to these terms and any amendments or additions to these terms and including this clause must be made in writing (letter, fax, email).

§ 20 Changes

(1) STI GmbH reserves the right to make changes to these Terms and Conditions at any time. Proposed changes to the terms shall be addressed to the buyer in writing (letter, fax, email) at least two months before they enter into force.

(2) The buyer shall be deemed to have consented unless an objection has been indicated before the proposed date of implementation. STI GmbH shall expressly draw the buyer's attention to this de facto consent in its offer. The buyer can also terminate the contract made with STI GmbH prior to the proposed date of application of the changes with immediate effect and free of charge. STI GmbH shall expressly draw the buyer's attention to this right of termination in its offer. STI GmbH is entitled to terminate the contract with due and proper notice in the event of objection or termination of the contract by the buyer. STI GmbH shall expressly draw the buyer's attention to this in its offer.

§ 21 Amendments and Replacements

Should one of the clauses be found invalid, STI GmbH reserves the right within the framework of changes to the General Terms and Conditions to supplement or replace the condition with applicability to existing contracts; in the event of amendment to a legal provision or high court legislation, if as a result of such amendment one or more terms of the contract are affected, STI GmbH may adapt the affected terms in such a way that they comply with the purpose of the amended legislation, provided the buyer is not disadvantaged by the new or changed terms as compared with the original conditions.

Information about right of revocation for consumers

If you are a consumer you have a right of revocation

Consumers' right of revocation

Right of revocation

You may revoke your contractual agreement without stating reasons within 14 days in writing (e.g. letter, fax, email) or – if the goods have been sent to you before the end of the deadline – by returning the goods. The time limit commences after receipt of this notification in writing, but not prior to delivery of goods to the recipient (for repeat deliveries of similar goods, not prior to delivery of the first consignment) and not before STI GmbH has fulfilled its obligation to provide information as defined in Article 246 §2 in conjunction with §1 (1) and (2) of the Introductory Act to the Civil Code (“EGBGB”) as well as our duties under §312g (1) sentence 1 of the Civil Code (“BGB”) in conjunction with Article 246 § 3 EGBGB. Timely despatch of revocation or of the goods shall suffice to meet the revocation deadline. The revocation is to be addressed to:

STI Security Training International GmbH
Steinmuehlenweg 5
D-65439 Floersheim
Germany

Tel.: +49 06145 59991 - 0
Fax: +49 06145 59991 - 69
Email: sales@sti-training.com

Consequences of revocation

In the event of a valid revocation any mutually received benefits are to be returned and any profit derived therefrom (e.g. interest) shall be returned. If the benefits and profit derived (e.g. benefits of use) cannot be returned in their entirety or partially or only in worse or diminished condition you will have to reimburse us for the value of the benefit. This may mean that your contractual payment obligations for the period up to revocation must nevertheless be fulfilled. You are only obliged to reimburse us with the value of the benefit in the event of deterioration in the condition of the goods and any profit derived if the profit derived or the deterioration were caused by usage that went above and beyond testing the features and functionality of the goods. “Testing the features and functionality” is defined as testing and trying out the goods in a way which would have been possible and normal for a consumer in a shop. Goods which can be sent as a parcel may be returned at our risk. You are responsible for covering the regular cost of return postage if the goods delivered are as ordered and if the price of the goods to be returned does not exceed EUR 40, or in case of a higher price, if you have not paid the purchase price or the contractually agreed instalment at the time of cancellation. Otherwise you shall not be required to pay for the return delivery. Goods which cannot be sent as a parcel shall be collected from your premises. Obligations to reimburse payments must be met within 30 days. This time limit begins for the buyer upon sending notice of revocation or on returning the goods, for STI GmbH upon receipt thereof.

End of the information about rights of revocation

This text is a translation only. In the case of any litigation the original German text always applies.