



General Terms and Conditions for Sale and Delivery **Laupheimer Kokosweberei GmbH & Co.KG** **15.02.2021**

1. Preamble

1.1 The following General Terms and Conditions of Sale and Delivery (hereinafter referred to as GTCS) shall apply to all contracts between Laupheimer Kokosweberei GmbH & Co.KG (hereinafter referred to as Lako) and its purchasers (hereinafter referred to as purchaser), insofar as the purchasers are entrepreneurs within the meaning of § 14 BGB (German Civil Code), legal entities under public law or special funds under public law. These GTCS do not apply to consumers within the meaning of § 13 BGB.

1.2 These GTCS shall exclusively apply, save as varied by express agreement accepted in writing by both parties. Deviations from them shall only be effective if they have been confirmed in writing by Lako. Contradictory contractual conditions are hereby expressly rejected.

1.3 These GTCS shall also apply if Lako carries out the delivery to the purchaser in the knowledge that the conditions used by the purchaser are contrary to or deviate from these GTCS.

1.4 Individual agreements made with the purchaser (including collateral agreements, supplements and amendments) shall always take precedence over these GTCS. Such agreements are subject to a written contract or Lako's written confirmation.

1.5 Legally relevant declarations and notifications by the purchaser with regard to the contract (e.g. setting of a deadline, reminder, withdrawal) need to be exercised in writing, (written or text form (e.g. letter, e-mail, fax)). Legal formal requirements and further verifications, in particular in the event of doubts regarding the legitimacy of the declarant, shall remain unaffected.

1.6 References to the applicability of statutory provisions shall only have clarifying significance. Therefore, even without such clarification, the statutory provisions shall apply unless they are directly amended or expressly excluded in these GTCS.

2. Conclusion of contract

2.1 Offers made by Lako are always subject to change and non-binding. The contract itself is



not concluded and established until the purchasers's order and the acceptance of this order by Lako.

2.2 Offers made by Lako are based on the relevant legal provisions and standards at the time the tender is submitted. If the purchasers wishes to make changes to the delivery item within the scope of what is technically feasible and reasonable for Lako, Lako shall set out the effects, in particular with regard to additional and reduced costs as well as delivery dates, in a separate and extended offer. The unconditional acceptance of the first (partial) delivery shall also be deemed to be acceptance of the extended offer by the purchaser.

2.3 The contract with the purchaser shall be concluded subject to correct and timely delivery to Lako by its suppliers. This reservation depends on the condition that a congruent legal transaction has been concluded with the supplier and that Lako is not responsible for the non-delivery. The purchaser shall be informed immediately of the non-availability of the services; Lako shall immediately refund the consideration, insofar as it has already been paid.

2.4 The minimum order value is 150,- Euro.

2.5 The purchaser is obliged to inform Lako immediately if circumstances arise in his environment which could lead to the contract being broken off. This applies in particular to budget cuts and project discontinuations.

3. Orders, subject of delivery, specifications and service

3.1 Deliveries executed by Lako shall correspond to the contents of the contract as set out in writing. A different quality of the delivery item shall only apply as agreed if it has been expressly confirmed in writing by Lako.

3.2 Representations in documentations, product descriptions or advertising do not constitute any agreement on quality, assurances or guarantees. Statements of condition and guarantees shall only be considered to guarantees if they have been specified as such and agreed in writing by Lako. Without this written confirmation, advertising or other public statements shall not lead to any obligations on the part of Lako.

3.3 Services and work which are not covered by the specific service descriptions of the contract shall be agreed and remunerated separately.

3.4 If Lako carries out contract flocking, embroidery or printing work for the purchaser, the purchaser shall provide the motifs in a suitable form. The purchaser shall guarantee that the

motifs do not infringe the rights of third parties and shall indemnify Lako against all claims of third parties on first demand. Within the scope of his obligation to indemnify, the purchaser shall also reimburse all expenses in accordance with §§ 683, 670 of the German Civil Code (BGB) arising from or in connection with a claim by a third party.

3.5 If Lako provides the purchaser with sales displays, sales shelves, samples or similar items for sales promotion purposes, the items shall be provided on loan unless agreed otherwise. The purchaser shall treat these items with care and with the diligence of a conscientious businessman and return them immediately at his own expense and risk whenever requested. If the items are damaged, not returned or not returned in full, the purchaser is obliged to reimburse the replacement value of the items less an appropriate second-hand discount.

4. Time of delivery and performance

4.1 Delivery dates and delivery periods shall be agreed in writing; delivery periods shall commence at the earliest on conclusion of the contract. In the event of subsequent amendments to the contract, the previous delivery date shall no longer apply; in this case, Lako and the purchaser shall agree a reasonable new delivery date.

4.2 The timely receipt of orders and delivery schedules and all documents, necessary approvals and releases to be supplied by the purchaser are conditions for the compliance with agreed dates and deadlines for deliveries.

4.3 If Lako is waiting for the cooperation or information of the purchaser or is otherwise impeded in the execution of the contract through no fault of its own, the delivery and performance deadlines shall be deemed to be extended by the duration of the impediment and by a reasonable start-up time after the end of the impediment. Lako must inform the purchaser of the hindrance in advance.

4.4 The delivery deadline is regarded as being kept if the delivery item has left Lako's factory in Laupheim or Lako has informed the purchaser that the delivery is ready for dispatch by the time the deadline expires. This shall not apply if delivery at Lako's expense has been agreed in the contract.

4.5 Partial deliveries are permissible insofar as this is reasonable for the customer. If Lako owes successive deliveries after demand by the customer, the following shall apply:

4.5.1 A delivery by Lako shall not constitute a partial delivery within the meaning of the aforesaid and shall thus trigger the claim for payment attributable to the goods delivered.

4.5.2 If, in the case of successive deliveries, the customer demands more than the agreed total quantity, Lako shall not be obliged to deliver in this respect.

4.5.3 In the case of successive delivery contracts, the customer shall demand approximately equal monthly quantities. If the demand is not made on time, Lako shall be entitled, after the fruitless expiry of a reasonable period of grace set by Lako, to divide up and deliver the outstanding deliveries itself or, at Lako's discretion, to withdraw from the contract with regard to the part of the deliveries still in arrears and to claim damages, in particular loss of profit in accordance with § 252 of the German Civil Code (BGB).

4.5.4 If the customer defaults on payment for a partial delivery in the case of successive delivery contracts, Lako shall - without prejudice to other rights - be released from the obligation to make further partial deliveries until the customer has met his payment obligations in full.

4.6 If the shipment is delayed in whole or in part at the request or instigation of the purchaser, the following shall apply: The purchaser shall be charged all costs arising from the delay, in particular the costs of storage, but at least 0.5% of the invoice value of the goods to be transported for each month, starting one week after Lako has notified the purchaser or the appointed carrier that the goods are ready for dispatch, unless the purchaser can prove that the damage was less. This shall also apply insofar as the purchaser or the carrier appointed by the purchaser refuse to agree to the goods being shipped by a reasonable other route. After setting and fruitless expiry of a reasonable acceptance period, Lako is entitled to otherwise dispose of the delivery item and to supply the purchaser within a reasonably extended period.

4.7 Lako shall only be in default by issuing a reminder. All reminders and setting of deadlines by the purchasers must be in writing in order to be effective. Any additional deadlines set must never be inferior to 12 working days.

4.8 If Lako is responsible for the non-observance of bindingly agreed deadlines and dates, compensation for delay shall be limited to 0.5% per week, but in total to a maximum of 5% of the invoice value of the deliveries and services affected by the delay. This does not apply to intent and gross negligence. In this case, the compensation for delay is however limited to the reimbursement of the foreseeable damage typical for this type of contract.

4.9 If, in addition, the purchaser wishes to withdraw from the contract and/or demand compensation for the services due to non-compliance with binding deadlines and dates, he must first have set Lako a reasonable deadline for delivery and threatened the consequence of fruitless expiry together with the setting of the deadline.



4.10 The purchaser may not refuse to accept deliveries due to insignificant defects.

4.11 If non-compliance with the delivery periods is due to force majeure and other disruptions for which Lako is not responsible, e.g. war, terrorist attacks, import and export restrictions, industrial disputes, including those affecting suppliers, the agreed delivery periods shall be extended accordingly. Disruptions for which Lako is not responsible within the meaning of the above sentence also include (temporary) plant closures as a result of official orders or general decrees, in particular due to pandemics or the Infection Protection Act, as well as operational hindrances or production stoppages due to pandemics or comparable circumstances.

5. Transfer of risk

5.1 The risk of damage to or loss of the goods shall pass to the purchaser when Lako has dispatched the goods or they have been collected. At the request and expense of the purchaser, Lako shall insure the deliveries against the usual transport risks.

5.2 If the delivery is delayed for reasons for which the purchaser is responsible, or if the purchaser is in default of acceptance for other reasons, the risk shall pass to the purchaser when the default of acceptance occurs.

6. Terms of payment

6.1 The agreed prices shall be ex works plus the currently applicable statutory VAT, excluding packaging and insurance. Lako is not obliged to take back packaging material.

6.2 If special sizes and specifications were ordered, in particular oblique samples or mats, Lako shall be entitled - unless otherwise agreed - to use the full prices for the rectangular measurement when calculating the prices.

6.3 Lako reserves the right, after informing the purchaser accordingly and before delivering the goods, to increase the price of the goods when it is necessary due to general external price increases outside Lako's control (such as exchange rate fluctuations, currency regulations, changes in customs rates, significant increases in material or manufacturing costs). Lako assures a price reduction if external costs (such as customs duties) are reduced or no longer apply at all.

6.4 So far no other written agreements have been made, the purchaser shall pay within 30 days after the date of invoicing without any discount. Lako may also make delivery dependent on concurrent payment or payment in advance, e.g. if no business relationship has yet been

established with the purchaser, or if the delivery is to be made abroad or if there are reasons to doubt a punctual payment.

6.5 Each individual delivery or service is separately invoiced. No discount will be granted. If the payment deadline is exceeded, Lako shall be entitled to demand default interests amounting to 8% above the base interest rate. Lako reserves the right to claim further damages. Towards merchants Lako's claim for the commercial due date interest rate (§ 353 HGB) shall remain unaffected.

6.6 The purchaser shall only be entitled to withhold payments or to charge them up against counterclaims if his counterclaims are undisputed or have been legally established. He may not assign his claims to third parties.

7. Warranty

7.1 Unless otherwise agreed, Lako shall guarantee for the contractual quality (cf. item 3.1) according to the rules of purchase right. Lako shall be entitled to make technical changes and improvements at any time. In case of final delivery of unprocessed goods to a consumer, the special legal requirements shall remain unaffected, even if the consumer has processed them further (supplier regress §§ 478 BGB). Claims arising from supplier regress are excluded if the defective goods have been further processed by the buyer or another entrepreneur, e.g. by incorporation into another product.

7.2 Material defect claims do not exist in case of only insignificant deviations from the agreed quality or in case of only insignificant impairment of the usability, in particular in case of insignificant deviations in size, weight, strength, colour or design.

7.3 In case of the delivery of doormats, size tolerances of +/- 3% compared to the agreed sizes are permissible and do not constitute a material defect (§ 434 BGB). These size tolerances shall also apply when ordering made-to-measure mats.

7.4 In case of alleged warranty claims, Lako can support the purchaser in the search for the fault. If the fault cannot be proven to be Lako's fault, Lako shall charge the purchaser for these services.

7.5 If the delivered item is defective, Lako may initially choose whether to provide subsequent performance by rectification (supplementary performance) or replacement (replacement delivery). Lako's right to refuse subsequent performance under the statutory conditions remains unaffected. Lako shall be entitled to make the subsequent performance dependent

on the purchaser paying the due purchase price. The purchaser shall be entitled to retain an appropriate part of the purchase price in relation to the defect. If there is actually a defect, the expenses required for the purpose of inspection and subsequent fulfilment, in particular transport, travel, labour and material costs and, if applicable, removal and installation costs shall be borne or reimbursed by Lako in accordance with the statutory regulations. Otherwise, Lako may demand reimbursement from the buyer of the costs incurred as a result of the unjustified request to remedy the defect (in particular inspection and transport costs), unless the lack of defectiveness was not recognisable. Additional expenses incurred because the item has been taken to a place other than the original place of delivery shall not be borne by Lako; unless Lako knew that this was in accordance with the intended use.

7.6 If the supplementary performance has failed or if a reasonable deadline to be set by the purchaser for the supplementary performance has expired unsuccessfully or is dispensable according to the statutory provisions, the purchaser may withdraw from the purchase contract or reduce the purchase price. In the case of an insignificant defect shall be no right of withdrawal.

7.7 The provisions of clause 9 of these GTCS apply to claims for damages and reimbursement of futile expenses.

7.8 The provisions of this clause 7 shall apply mutatis mutandis to defects of title which are not based on the infringement of third party industrial property rights.

8. Knowledge, duty to examine and requirement to give notice of defects

8.1 As a matter of principle, Lako shall not be liable for defects of which the purchaser is aware at the time of conclusion of the contract or is not aware due to gross negligence (§ 442 BGB).

8.2 Furthermore, the purchasers's claims for defects shall be subject to the condition that he has complied with his statutory obligations to inspect and give notice of defects (§§ 377, 381 HGB). If a defect becomes apparent during delivery, inspection or at any later time, Lako must be notified of this in writing without delay. In any case, obvious defects shall be notified in writing within 3 working days of delivery. Defects which are not apparent on inspection shall be notified within the same period of time from discovery. If the purchaser fails to carry out the proper inspection and/or give notice of defects, Lako's liability for the defect which was not notified or not notified in time or properly shall be excluded in accordance with the statutory provisions.

9. Other liability of Lako

9.1 Unless otherwise stated in these GTCS including the following provisions, Lako shall be liable for a breach of contractual and non-contractual obligations in accordance with the statutory provisions.

9.2 In case of intent or gross negligence Lako shall be liable for damages - irrespective of the legal grounds – (fault-based liability). In the case of simple negligence, Lako shall only be liable, subject to statutory limitations of liability (e.g. care in one's own affairs; insignificant breach of duty), (a) for damages arising from injury to life, limb or health and (b) for damages arising from the breach of a material contractual obligation (obligation the fulfilment of which is a prerequisite for the proper performance of the contract and on the observance of which the contractual partner regularly relies and may rely); in this case, Lako´s liability shall be limited to compensation for the foreseeable, typically occurring damage.

9.3 The limitations of liability resulting from clause 9.2 shall also apply to third parties as well as in case of breaches of duty by persons (also in their favour) whose fault Lako is responsible for according to statutory provisions. They shall not apply insofar as a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the purchaser according to the product liability law.

9.4 The purchaser may only withdraw from or terminate the contract due to a breach of duty which does not consist of a defect if Lako is responsible for the breach of duty. A free right of termination on the part of the purchaser (in particular in accordance with §§ 650, 648 BGB) shall be excluded. For all other cases, the statutory requirements and legal consequences shall apply.

10. Limitation period

10.1 Notwithstanding § 438 para. 1 no. 3 BGB, the general limitation period for claims arising from material defects and defects of title shall be one year from delivery. If acceptance has been agreed, the limitation period starts with the acceptance.

10.2 The foregoing limitation period shall also apply to contractual and non-contractual claims for damages of the purchaser based on a defect occurring in the goods, unless the application of the regular statutory limitation period (Sections 195, 199 BGB) would lead to a shorter limitation period in the individual case. Claims for damages by the purchaser pursuant to Clause 9.2 sentence 1 and Clause 9.2 sentence 2 lit. a) as well as pursuant to the Product Liability Act shall become time-barred exclusively in accordance with the statutory limitation

periods.

11. Retention of title

11.1 Lako shall retain title to the goods sold until full payment of all present and future claims of Lako arising from the purchase contract and an ongoing business relationship (secured claims).

11.2 The goods subject to retention of title may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The purchaser shall inform Lako immediately in writing if an application is made to open insolvency proceedings or if third parties (e.g. seizures) have access to the goods belonging to Lako.

11.3 In the event of behaviour contrary to the contract on the part of the purchaser, in particular in the event of non-payment of the due purchase price, Lako shall be entitled to withdraw from the contract in accordance with the statutory provisions or/and to demand the return of the goods on the basis of the retention of title. The demand for return does not at the same time include the declaration of withdrawal; Lako shall rather be entitled to demand only the return of the goods and to reserve the right of withdrawal. If the purchaser does not pay the purchase price owing, Lako may only assert these rights if Lako has previously set the purchaser a reasonable deadline for payment without success or if such a deadline is dispensable according to the statutory regulations.

11.4 Until revoked in accordance with clause 11.4.3 below, the purchaser shall be entitled to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition.

11.4.1 The retention of title shall extend to the products created by processing, mixing or combining Lako's goods at their full value, whereby Lako shall be deemed to be the manufacturer. If, in the event of processing, mixing or combining with goods of third parties, their right of ownership remains, Lako shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. Otherwise, the same shall apply to the resulting product as to the goods delivered under retention of title.

11.4.2 The claims against third parties arising from the resale of the goods or the product shall be assigned as security to Lako by the purchaser here and now in total or in the amount of Lako's possible co-ownership share in accordance with the above paragraph. Lako accepts the assignment. The obligations of the purchaser mentioned in clause 11.2 shall also apply with regard to the assigned claims.



11.4.3 The purchaser shall remain authorised to collect the claim in addition to Lako. Lako commits itself not to collect the claim as long as the purchaser meets his payment obligations towards Lako, there is no deficiency in his ability to pay and Lako does not assert the retention of title by exercising a right in accordance with clause 11.3. If this is the case, Lako may demand that the purchaser informs Lako of the assigned claims and their debtors, provides all the information required for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment. In addition, Lako shall be entitled in this case to revoke the purchaser's authority to further sell and process the goods subject to retention of title.

11.5 If the realisable value of the securities exceeds Lako's claims by more than 10%, Lako shall release securities of Lako's choice at the request of the purchaser.

12. Rights

12.1 Documents, samples, proposals, documentation etc. provided by Lako to the purchaser shall be the intellectual property of Lako and may not be reproduced and/or made available to third parties. If no contract is concluded or a contract is terminated, they shall be returned or deleted and may not be used.

12.2 All rights to the product, in particular the comprehensive copyright with all powers to all items, documents and information provided by Lako to the purchaser within the scope of the contract initiation and implementation, shall be the exclusive property of Lako in the relationship with the purchaser. This provision also applies insofar as these are result of specifications or cooperation by the purchaser. This shall also expressly apply to protectable inventions which have arisen within the legal relationship with Lako. The copyright also extends to the documentation supplied with the product.

13. Third party rights

13.1 Lako guarantees that the product is not subject to any third party rights.

13.2 If a third party asserts justified claims against the purchaser due to the infringement of an industrial property right or copyright within the meaning of item 12 (hereinafter referred to as "property rights") by products supplied by Lako and used in accordance with the contract, Lako shall be liable to the purchaser as follows:

13.2.1 Lako shall, at its own discretion and at its own expense, either obtain a right of use for



the product, modify the product in such a way that the property right is not infringed or replace the product. If this is not possible for Lako under reasonable conditions, Lako shall take back the product and refund the purchase price.

13.2.2 Lako's aforementioned obligations shall only exist if the purchaser immediately informs Lako in writing of the claims asserted by third parties, does not acknowledge an infringement and reserves the right to all defensive measures and settlement negotiations for Lako. If the purchaser discontinues the use of the product in order to minimise the damage or for other important reasons, he must inform the third party that the discontinuation of use does not constitute an acknowledgement of an infringement of property rights. Insofar as the purchaser is responsible for the infringement of property rights, its claims shall be excluded.

13.3 Claims by the purchaser shall also be excluded if the infringement of property rights is caused by special specifications of the purchaser (e.g. motifs provided by the purchaser), by an application not foreseeable by Lako or by the fact that the product is modified by the purchaser or used together with products not supplied by Lako.

13.4 Further claims against the supplier shall be excluded; however, Clause 10 (Liability of Lako in other respects) shall remain unaffected, as shall the purchasers's right to withdraw from the contract.

13.5 The contracting parties shall inform each other without delay of any risks of infringement and alleged cases of infringement which become known and shall give each other the opportunity to counteract any such claims by mutual agreement.

14. Miscellaneous clauses

14.1 If any rights or claims are asserted Lako and the purchaser agree to seek a amicable agreement in consideration of the respective special situation of the contracting party.

14.2 Should any provision of these GTCS and the agreements made be or become invalid, this shall not affect the validity of the remaining provisions. The contracting parties shall be obliged to replace the invalid provision by a provision which comes as close as possible to it in terms of economic success.

14.3 The place of jurisdiction for all disputes arising from and in connection with this contract shall be Laupheim or, at Lako's choice, the registered office of the business establishment which executes the order, provided that the purchaser is an entrepreneur, a legal entity under public law or a special fund under public law. This shall also apply if the purchaser moves his



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registered office out of Germany after conclusion of the contract.

14.4 The Contract shall be governed by the law of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).