

GENERAL TERMS AND CONDITIONS FOR PERSONNEL LEASING



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1. Scope of application, subject matter of the contract
 - 1.1 The following General Terms and Conditions (“**GTC**”) shall apply for the duration of the business relationship between redi-Group GmbH (“**Lender**”), Elisabeth-Selbert-Straße 15, 40764 Langenfeld and the customer (“**Borrower**”) for all services within the context of personnel leasing. They shall also apply to all future business transactions between the Lender and the Borrower in the version valid at the time the contract is concluded, even if their applicability is not expressly agreed again.
 - 1.2 Any terms and conditions of the Customer that are in conflict with or differ from these GTC shall not become subject matter of the contract, even if the Service Provider does not expressly object to them.
2. Order placement, conclusion of contract

Unless agreed otherwise, all of the Lender’s offers shall be binding. Confirmation of an offer by the Borrower shall be deemed a placement of a binding order for the provision of the offered services, i.e. the individual contract is concluded.
3. Rights, obligations
 - 3.1 Lender’s rights and obligations
 - 3.1.1 The Lender undertakes to provide the Borrower upon request with a copy of the permission granted to it for the commercial supply of temporary workers according to Section 1 (1) of the German law on the commercial supply of temporary workers (*AÜG*) and to inform it about all changes to the permit granted to it according to Section 12 (2) *AÜG* immediately and without being asked.
 - 3.1.2 The Lender assures that the leased worker is generally suitable for the agreed work, has been selected carefully and has proved they possess the required qualification. The Lender shall provide the certificates or other proofs of qualification of the leased workers upon request. If qualifications are requested that are granted for a recognized skilled occupation, the Lender undertakes to select only such personnel and lease it to the Borrower that has successfully completed the relevant vocational training. Any regulations to the contrary shall be agreed in writing.
 - 3.1.3 The Lender shall be entitled to replace workers used by the Borrower with other workers if the latter correspond to the agreed requirement profiles. This shall be notified to the Borrower 72 hours in advance. The information period may be reduced – up to the time the employee is replaced, where applicable – for compelling reasons, e.g. if the originally used worker falls sick at short notice.
 - 3.1.4 The Lender itself shall not owe the work performance or any specific work results to the Borrower. The leased worker shall neither be the Lender’s authorized representative nor the subcontractor or the vicarious agent of the Lender. The leased worker shall not be entitled to collect debts or issue or accept any legal declarations with effect for and against the Lender.
 - 3.1.5 The Lender shall not lease any freelancers to the Borrower.
 - 3.1.6 The Lender shall be obliged to obligate the leased workers to protect the Borrower’s corporate interests, unless this is opposed by legitimate legal interests of the Lender. The Lender shall be obliged, in particular, to obligate the leased workers to keep all trade and business secrets confidential both during the period of work in the Borrower’s company and after its termination. The Lender shall hereby assign to the Borrower the rights it is entitled to against the leased worker based on the violation of the declaration of commitment.
 - 3.1.7 In the event of a strike, a lock-out, a temporary shutdown or other form of industrial action and during the period of staff meetings, the Borrower may request from the Lender that the contractual obligations be suspended. The Borrower undertakes to inform the Lender about any such cause for suspension without delay. In the case described in Section 11 (5) *AÜG*, the Lender undertakes to inform the leased workers about their right to refuse work.
 - 3.1.8 The Lender assures that it will not provide any foreign workers who do not meet the requirements for a permitted employment in the Federal Republic of Germany. If a leased worker is a foreigner who requires a work permit – EU – or a residence permit with a work permit, the Lender shall be obliged to submit a copy of such permit to the Borrower before the leased worker starts his/her work and to inform the Borrower about the loss or any other change of the permit.
 - 3.1.9 The Lender shall be obliged to pay taxes and social security contributions – including contributions to employers’ liability insurance associations – for the leased workers. Furthermore, the Lender shall be obliged, upon the Borrower’s request, which it may make at any time, to provide it with proof on the payment of the social security contributions and the wage tax for the leased workers to the responsible social security contribution collection agencies and/or the tax office.
 - 3.1.10 The Lender undertakes to grant the leased worker the essential working conditions including the salary that apply in the Borrower’s company to a comparable employee of the Borrower for the time the leased worker is leased out to the Borrower. This shall not apply if the requirements of Section 8 (2) to (4) *AÜG* are met, i.e. if a corresponding collective bargaining agreement for temporary employment and, where applicable, an industry premium collective agreement of the temporary employment industry with the Borrower’s industry that apply to the use of the leased worker exist and are applied.
 - 3.1.11 In consideration of the Borrower’s liability according to Section 28e (2) *SGB* [Social Security Code] IV and Section 42d *EStG* [German Income Tax Act] for the social security contributions and the wage tax of the leased workers, the Lender shall undertake to submit to the Borrower at any time upon its requests proof on the proper payment of the social security contributions

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and the wage tax to the responsible collection agencies and/or tax offices.

3.2 Borrower's rights and obligations

3.2.1 The Borrower shall use the workers only in the stated operation(s). Any use in another operation of the company, any exchange of workers within the operation and the use of the leased workers beyond the agreed activities shall not be permitted.

3.2.2 The staff requisition shall be made by stating a detailed profile of requirements.

3.2.3 The Borrower shall be entitled to exchange the worker if it rejects the use of the relevant worker for reasons pertaining to such worker's performance, person or behavior. The lacking suitability shall be proven accordingly, and the request for exchange shall be communicated in writing before 03:00 pm of the day prior to the scheduled date of deployment. The Borrower shall also be entitled to make this request for reasons that would entitle it to terminate for cause if it were the employer (Section 626 *BGB* [German Civil Code]). If exchange is requested, the Lender shall provide a substitute as soon as possible. Should the Lender not be able to provide a substitute despite intensive efforts, the Lender shall be released from its obligation to provide a substitute in the specific case.

3.2.4 The Borrower shall inform the Lender about the work conditions and the complete salary of its own employees who have duties similar to the work of the leased worker if the provisions in Section 8 (2) to (4) are not fulfilled or if such fulfillment ends. In this case, the Lender shall grant the leased worker the statutory equal pay according to item 3.1.10 for the further period of work for the Borrower, in accordance with the *AÜG*.

3.2.5 The Borrower shall inform the Lender if an operational agreement applies in its company that stipulates benefits for temporary workers. The Borrower shall be obliged to inform the Lender as soon as such an operational agreement is terminated, modified or newly concluded.

3.2.6 The Borrower ensures that the leased worker works in its operation for no longer than 18 months, unless agreed otherwise.

3.2.7 The Borrower undertakes to comply with all welfare, safety and other protective regulations (particularly accident prevention regulations) that apply in its operation. In particular, the Borrower shall inform the leased worker, before he/she starts his/her work and if his/her work area changes, about risks to safety and health he/she is exposed to during the work, and about the measures and facilities for preventing and avoiding such risks. The Borrower shall also inform the leased worker about the requirement of specific qualifications or occupational skills or special medical monitoring as well as about increased or special risks inherent to the workplace.

3.2.8 To the extent that personal protective equipment is required for the work to be carried out by the leased

worker, such equipment shall be provided by the Borrower at its cost.

3.2.9 The Borrower undertakes to inform the leased workers about job vacancies.

3.2.10 In compliance with Section 13b *AÜG*, the Borrower shall grant the worker access to the communal facilities or services in the company on the same conditions as comparable employees in the operation where the worker performs his or her work, unless different treatment is justified for objective reasons.

3.2.11 The Borrower shall inform the Lender immediately if it has communal facilities and to which facilities it denies access to the worker and for what objective reasons this is justified.

3.2.12 The Borrower undertakes to check prior to each supply of a leased worker if such worker has left an employment with the Borrower itself or with a company affiliated with the Borrower in a group within the meaning of Section 18 of the German Stock Corporation Act in the last six months prior to the leasing. If this is the case, the Borrower shall inform the Lender thereof immediately. In view of the resulting legal consequences, the Borrower and the Lender shall then have the opportunity to decide whether the leasing should be carried out as planned and whether the labor supply agreements, if any, should be adjusted.

3.2.13 The Borrower shall not be permitted to let leased workers work if its operation is directly affected by a labor dispute. Sentence 1 shall not apply if the Borrower ensures that leased workers do not carry out any work that has previously been carried out by employees who

- (a) are involved in the labor dispute; or
- (b) have themselves taken over works of employees who are involved in the labor dispute.

4. Remuneration

4.1 Due date and delay

4.1.1 The remuneration for leased workers set out in the labor supply agreement shall be due for payment fourteen [14] days after the invoice date. The Borrower shall be in delay with payment if the invoice amount is not received in the Lender's business account within 14 calendar days from the invoice date. A prior warning notice shall not be required (Section 286 (3) *BGB*). Section 288 *BGB* (Default interest) shall apply.

4.1.2 If the Borrower is (partly) in delay with the payment of remuneration, the remuneration for all hours not yet billed whose performance the Borrower has already confirmed in an activity report with its signature shall be due for immediate payment. If the remuneration is not paid, the Lender shall be entitled to deny performance to the Borrower.

4.1.3 The Borrower shall pay all fees, costs and expenses that arise in connection with any legally successful pursuit of claims against the Borrower outside Germany.

4.2 The statutory value added tax is not included in the remuneration and shall be paid by the Customer in addition.

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- 4.3 Billing shall be made on the basis of the working hours effectively performed. The worker shall keep weekly time sheets, which he/she shall submit to the Borrower for review and signing on a weekly basis. The Borrower shall be obliged to review the time sheet and to confirm the accrued working hours of the worker with its signature.
- 4.4 The Borrower shall be obliged to enable the prompt completion of the time sheet. The time sheets shall be sent to the Lender without delay.
- 4.5 If the Borrower fails to provide the Lender with the time sheets until Wednesday of the following working week at the latest, the number of hours for the relevant week communicated by the worker to the Lender shall be deemed performed.
- 4.6 The time sheets shall also state the break times. Over-time shall be stated separately.
- 4.7 The Borrower shall receive from the Lender a weekly invoice for the working hours performed by the workers, but at least for the minimum remuneration agreed in the labor supply agreement.
- 4.8 The Lender shall be entitled to assign its claims against the Borrower to a third party.
- 4.9 The worker shall not be entitled to accept any payments by the Borrower. Payments made to the leased worker shall not constitute fulfillment of the payment obligation.
- 5. Termination**
- 5.1 The labor supply agreement may be ordinarily terminated with a 5 working days' period of notice.
- 5.2 The right to terminate for cause without notice shall remain unaffected. Reasons for termination for cause without notice may include, in particular:
- (a) If the Lender's permit for the commercial supply of temporary workers is no longer valid;
 - (b) If the Lender fails to duly meet its obligation to pay wage taxes and social security contributions for the workers;
 - (c) If the wrong industry classification is allocated by the Borrower;
 - (d) If the Borrower indicates a wrong equal pay, or if it fails to issue a notification about changes to the equal pay;
 - (e) A missing or faulty notification about deviating operational agreements is caused by the Borrower;
 - (f) The duty to review and inform is violated.
- 6. Qualification requirements, occupational health and safety**
- 6.1 The occupational-medical health examinations required for the work shall be carried out before the start of temporary work and proven to the Borrower. Necessary follow-up examinations shall be carried out by the company doctor responsible for the Borrower at the Lender's cost.
- 6.2 To meet its obligations as an employer, the Lender shall be granted access to the workers' workplaces during the working times after prior arrangement with the Borrower.
- 6.3 The Borrower undertakes to inform the Lender about work-related accidents without delay. The Lender shall report the work-related accident to the responsible accident insurance carrier.
- 6.4 The Borrower undertakes to instruct the leased worker about the specific dangers of the work and of the workplace and to document such instruction.
- 6.5 The Borrower shall only use the Lender's workers for activities that had been agreed in the labor supply agreement. The Borrower shall be liable to the Lender for damages incurred because the workers were used outside the agreed operational area.
- 6.6 According to Section 11 (6) AÜG, the work carried out by the Lender's workers are subject to the occupational health and safety regulations under public law that apply to the customer's operation; the resulting obligations for the employer shall be met by the Borrower without prejudice to the Lender's obligations. First-aid facilities and measures shall be provided by the Borrower. The Borrower shall be obliged to meet the obligation to identify and document hazards according to Sections 5 and 6 of the German Occupational Health and Safety Act. The documentation shall be submitted to the Lender for inspection upon request.
- 6.7 The Borrower shall provide the Lender's workers with any personal protective equipment that exceeds the basic equipment (safety pants, safety shoes).
- 7. Liability, offsetting, indemnity**
- 7.1 With regard to the fact that the worker carries out his/her duties under the management and supervision of the Borrower, the Lender shall not be liable for damages caused by the worker in connection with his/her work. The Borrower shall indemnify the Lender from and against any claims asserted by third parties in connection with the execution and fulfillment of duties entrusted to the worker.
- 7.2 Apart from that, the liability of the Lender and of its legal representatives and vicarious agents shall be limited to intention and gross negligence. This shall apply to both legal and contractual liabilities, particularly in case of default, impossibility, inability, breach of duty or tort. Injuries to life, body and health shall be excluded.
- 7.3 If the Borrower is responsible for a worker's inability to work, the Borrower shall be liable for any losses incurred by the Lender in this connection, e.g. for continued remuneration costs accrued.
- 7.4 The Borrower shall not be entitled to offset against claims of the Lender or to claim a right of retention, unless the counterclaim asserted by the customer is undisputed or established as final and absolute.
- 7.5 The Borrower shall indemnify the Lender from and against all claims arising due to the following breaches of duties:

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- (a) Faulty allocation of the industry classification;
 - (b) Stating a wrong equal pay or failing to notify changes to the equal pay;
 - (c) Missing or faulty notification of deviating operational agreements;
 - (d) Violation of the duties to review and inform.
- 8. Conclusion of employment contracts with leased workers, mediation**
- 8.1 It is irrefutably a case of mediation if the Borrower or a company legally or economically affiliated with it concludes an employment contract with the leased worker during the term of the labor supply agreement or within twelve months after its expiry. In the latter case, the Borrower shall have the right to prove that the conclusion of the employment contract is not the consequence of the previous temporary work.
- 8.2 It is irrefutably a case of mediation as well if the Borrower or a company legally or economically affiliated with it concludes an employment contract with the applicant directly after contact with the applicant has been established by the Lender without any prior temporary work.
- 8.3 Not the time work is started shall be the relevant time the employment is established between the Borrower and the worker, but the time the employment contract is concluded, if this had been done before work was started.
- 8.4 The Borrower shall be obliged to inform the Lender if and when an employment contract was concluded. If a dispute arises and the Lender provides evidence that suggests an employment between the Borrower and the worker, the Borrower shall bear the burden of proof that no employment contract was concluded.
- 8.5 In the aforementioned cases, the Borrower shall pay an intermediary commission to the Lender.
- 8.6 Temporary employment shall be subject to commission to the same extent as permanent employment.
- 8.7 If the worker is directly hired without any previous temporary work, the amount of the intermediary commission shall be 2.5 gross monthly salaries. If the worker is hired during temporary work, the intermediary commission shall be 2 gross monthly salaries if the worker is hired within the first three months of temporary work, 1.5 gross monthly salaries if the worker is hired within six months, 1 gross monthly salary if the worker is hired within nine months, and 0.5 gross monthly salaries if the worker is hired within 12 months. If the worker is hired after 12 months, no intermediary commission shall become due. If the decisions of the supreme courts result in deviating intermediary commissions, they shall be deemed agreed.
- 8.8 The basis for calculating the intermediary commission shall be the gross monthly salary agreed between the Borrower and the worker, but at least the gross monthly salary agreed between the Lender and the worker. The Borrower shall submit a copy of the signed employment contract to the Lender. If the temporary work was interrupted, the start of the last temporary work prior to the conclusion of the employment contract shall be decisive. The intermediary commission shall be paid plus the VAT.
- 8.9 The commission shall be due for payment 14 days after the invoice date.
- 9. Confidentiality obligation**
- 9.1 The parties undertake to keep strictly confidential all information and/or knowledge that needs to be kept confidential regarding business and operational internal information about the other party and/or its business partners of any kind that are not intended for the general public and that are made accessible or are otherwise disclosed to the parties in connection with this contract, and not to disclose such information or knowledge to third parties during the term of the contract and three years after its termination.
- 9.2 This obligation shall not apply if the receiving party proves that this information (i) has been known to it prior to its cooperation with the other party; (ii) has been disclosed by authorized third parties for non-confidential use; or (iii) has become known without violating this item 15.
- 9.3 For every culpable violation of this confidentiality obligation, the Lender shall be entitled to claim a contractual penalty in the amount of EUR 1,000.00 (in words: one thousand Euros). Any further claims for damages of the Lender shall remain unaffected.
- 10. Final provisions**
- 10.1 Collateral agreements to this contract have not been made. Supplements and/or modifications to these GTC, including supplements and/or modifications to this item 10.1, shall be made in writing.
- 10.2 The Lender shall be entitled to modify the applicable GTC. Such modifications shall be announced to the Borrower in writing in advance (including the period for objection) and take effect, unless the Borrower objects to them within two (2) weeks after it has received the prior announcement.
- 10.3 Exclusive place of jurisdiction for all disputes arising between the parties from and in connection with the contract shall be the service provider's registered office or, at the service provider's discretion, the Borrower's registered office.
- 10.4 Should any provision of these GTC be or become invalid in whole or in part or not include a necessary regulation, this shall not affect the validity of the remaining provisions. The parties shall immediately replace any invalid provision with a valid provision the content of which comes closest to the content of the invalid provision, to the extent legally permitted, and which corresponds to the parties' economic interest in the invalid provision as closely as possible.
- 10.5 German law excluding its conflict of laws provisions shall apply exclusively to the contractual parties.