

## **Provisions pertaining to the German Minimum Wage Act (Mindestlohngesetz, MiLoG)**

### **1. Adherence to the Minimum Wage Act**

**1.1** The Contractor shall meet the obligations under the Minimum Wage Act as long as the violation of these obligations by the Contractor may give rise to claims against the Customer. In particular, the Contractor shall pay his employees the legal minimum wage.

**1.2** If the Customer becomes aware of a possible violation of the obligations specified in Art. 1.1, the Contractor must provide evidence of compliance with these obligations within two weeks of receipt of a written notice from the Customer. If this evidence is not provided, the relevant obligation shall be deemed to have been violated by the Contractor.

**1.3** If the Contractor culpably violates the obligations specified in Art. 1.1 and irrespective of proof of any damage, he shall immediately be liable to pay the Customer an appropriate contractual penalty for each instance of violation, at the Customer's discretion and subject to review by the competent court in the event of any dispute. The customer is entitled to claim the respective contractual penalty in addition to the continued fulfilment of the Contractor's contractual obligations. The contractual penalty payable shall be credited against the Customer's claim for compensation.

**1.4** If the Contractor is required to register their worker(s) pursuant to Article 16 of the Minimum Wage Act, a copy of the registration must be sent to the Customer immediately after it has been presented to the competent authorities.

### **2. Indemnity**

**2.1** If claims for payment are brought against the Customer by a third party, either in court or out of court, which are related to a violation of the obligations specified in Art. 1.1, (e.g. claims for payment pursuant to Article 13 of the Minimum Wage Act), the Contractor shall immediately indemnify the Customer from these obligations after a request has been made in writing.

**2.2** This indemnification shall be achieved by the Contractor granting the Customer a guarantee issued by a bank that is located in Germany and which is authorised as a domestic customs and tax guarantor.

**2.3** The Customer shall notify the Contractor about all third-party claims covered by Article 2.1 immediately upon receipt of same. The Contractor is also obliged to notify the Customer of all facts which may constitute grounds for any objections, legal defences or adverse rights on the part of the Customer against the claims asserted, insofar as the Contractor is aware of these facts or should have been aware of by exercising reasonable care.

### **3. Vicarious agents and assistants**

**3.1** The Contractor shall also ensure that his vicarious agents or assistants meet their obligations under the Minimum Wage Act – in particular their obligation to pay the statutory minimum wage – insofar as a violation of these obligations by the Contractor may constitute grounds for claims against the Customer.

**3.2** If claims for payment are brought against the Customer by a third party, either in court or out of court, which are related to a violation by a third party as specified in Art. 3.1 of the obligations under the Minimum Wage Act (e.g. claims for payment pursuant to Article 13 of the Minimum Wage Act), the Customer may demand indemnity from the Contractor in accordance with Art. 2.