# Certified translation from the German language

# **General Terms and Conditions**



## 1. Employee leasing

The company ARWA Personaldienstleistungen GmbH (hereinafter referred to as ARWA) leases to the customer employees for temporary work on the basis of the German Employee Leasing Act of 7 August 1972, as amended (AÜG). These General Terms and Conditions (GTC) form the basis of all agreements between ARWA and its customers.

ARWA is the employer of the employees; the latter have no contractual relationship with the customer. ARWA will pay the employer's contributions for pension insurance, unemployment insurance, health insurance and nursing insurance. All essential features of the work as well as any new dispositions shall be exclusively agreed with ARWA, whereby ARWA shall take into account the special circumstances of the business and the wishes of the customer as far as possible.

### Equal pay, maximum lease duration, "revolving door clause", obligations of the customer

On the basis of the provision of Section 8 (3) AÜG ("revolving door clause"), customer undertakes to check before each employment of a new worker to be leased whether this worker was employed in the last six months prior to the leasing in an employment relationship with the customer itself or a company affiliated with the customer in a group within the meaning of Section 18 of the German Stock Corporation Act. If this is the case, customer shall immediately notify ARWA of the previous employment and reject the employee.

Customer shall also inform ARWA if the deployed employee has previously been deployed with the customer via another temporary employment agency.

After 9 months of leasing, the employee shall be entitled to equal pay if no collective agreement on industry surcharges (TV BZ) applies. Upon request, customer shall inform ARWA in good time in advance, in writing and with clear reference to the respective employee leasing contract, how the remuneration of comparable permanent employees is made up at the customer's company. Benefits in kind granted in the customer's company shall be made available by the employer to the employees to be leased in the same way, from the date of application of equal pay at the latest. One-time payments such as Christmas bonus, additional holiday pay or monthly recurring payments such as family allowance, child allowance, etc. shall then be invoiced to the customer with the corresponding calculation factor if customer grants this payment to their employees.

Subject to the collective agreements applicable in the customer's company or company agreements issued on this basis, which may provide for a different maximum leasing period, the legally permissible maximum leasing period is limited to 18 months as of 1 April 2017. Customer shall inform ARWA on their own initiative about existing deviations in their company and provide evidence.

## 3. Settlement / due date

Customer shall check the records of the time worked by the employees (time sheets), regardless of how they are provided.

The time sheets of the employees shall be stamped and signed by the customer.

If customer uses or wants to use electronic time sheets, the electronic provision / transmission of these electronic time sheets shall suffice.

Upon handover or electronic provision / transmission of the time sheets to ARWA, they shall be deemed confirmed by the customer.

If customer fails to confirm or submit the time sheets, ARWA shall be entitled to calculate a daily working time in accordance with the information provided by the employee. Customer may prove a shorter working time, if applicable. The regulations on the duration of employment shall remain unaffected.

ARWA's remuneration shall become due for payment upon receipt of the invoice. Customer falls behind if the invoice amount is not received in ARWA's business account within 10 calendar days from receipt of the invoice. A prior reminder is not required. In case of default, customer shall owe default interest in the amount of nine percentage points above the base interest rate (Section 288 (2) BGB (German Civil Code)).

If customer is in default with the payment of remuneration in whole or in part, the remuneration for all hours not yet invoiced, completion of which customer has already confirmed on the work record, shall become due immediately. In case of non-performance by the customer, ARWA shall have the right to refuse performance.

The offset with possible counterclaims or the assertion of a right of retention shall be excluded unless the claims have been acknowledged in writing or have been legally established. ARWA's leased employees are not authorised to collect payments.

Irrespective of other payment agreements, corrective invoices shall be due for immediate payment, irrespective of the reason.

## 4. Liability / warranty

When selecting the employee, ARWA shall not be liable for slight negligence with the exception of cases in which this results in injury to life, body or health. In the latter cases, ARWA shall only be liable for the foreseeable damage typical for the contract; this applies to both, the scope and the amount of the damage.

In the event of average and gross negligence, ARWA's liability due to the selection of the employee shall be limited to the foreseeable damage typical for the contract; this applies to both, the scope and the amount of the damage. This applies with the exception of cases in which the selection of the employee results in injury to life, body or health.

In all other respects, liability on the part of ARWA for the actions of the respective employee deployed shall be fully excluded.

Customer shall indemnify ARWA against all possible claims that third parties may raise in connection with the execution and performance of the activities assigned by the customer. Claims based on intentional or grossly negligent conduct on the part of ARWA shall be excluded.

Customer shall indemnify ARWA against all claims arising from the following breaches of duty:

- Incorrect assignment of the industry affiliation
- Assignment in another company
- Failure to perform the check and employ an employee in accordance with clause 2 of these GTCs
- In case of applicability of a TV BZ, the specification of an incorrect settlement remuneration or the failure to notify changes in the settlement remuneration
- In case of applicability of a TV BZ, a missing or incorrect notification of deviating company agreements
- All omitted, further examination and notification obligations of the customer in accordance with section 2 of these GTCs

## 5. Right to instruction / complaint / replacement

Customer shall be entitled to issue instructions to the employee with regard to the concrete form of the work and to monitor the execution of the work. The works shall be explained by the customer before the beginning of the work. ARWA's employees shall exclusively be entrusted with the activities specified in the employee leasing contract and/or the following specification and exclusively in the leasing company. Any change requires the prior consent of ARWA.

According to AÜG, the customer is responsible for instructing, monitoring performance in accordance with the contract, and instructing the leased employees.

Both parties may deregister ARWA employees complying with a period of 5 working days. The validity of a concluded employee leasing contract shall remain unaffected.

The customer is obliged to convince themselves of the suitability of the employee provided to them for the intended works and to immediately inform ARWA of possible complaints.

If an employee does not take up their employment with the customer or does not continue their employment at a later date, or if the customer finds that an employee does not meet the agreed requirement profile and reports this to ARWA with the first four working hours of the first day of employment, ARWA may replace the employee with a suitable employee. This maximum of 4 working hours shall not be charged to the customer by ARWA. If ARWA cannot or does not wish to comply with the exchange, ARWA may terminate this individual leasing relationship with immediate effect. In this case, ARWA shall be released from the specific leasing obligation. The validity of the concluded employee leasing contract shall remain unaffected.

## 6. Staff deployment / strike

Customer shall ensure the following: If there is a strike in the customer's company, customer must not allow temporary workers to work in the company, contrary to the provision in Section 11 (5) AÜG. This also applies to strikes initiated by member unions of the DGB tariff community and also to workers already deployed before the start of the industrial action. Accordingly, for the duration of the strike call, the



temporary worker shall not be deployed in companies or parts of companies where there are proper strikes. Insofar, ARWA is not obliged to lease out employees. The customer shall inform ARWA immediately of any ongoing or planned strike.

#### 7. Overtime / additions

Customer shall obtain any necessary official approval for overtime and Sunday work. In addition, they shall notify ARWA the exceptional reasons for the extra work.

## 8. Occupational health and safety agreement / occupational safety

ARWA is member of the Verwaltungs-Berufsgenossenschaft. In terms of safety, ARWA is supervised by ias Aktiengesellschaft; in terms of occupational medicine by the company Werksarztzentrum Deutschland GmbH

According to Section 11 (6) AÜG, the activities of the employees shall be subject to the public-law provisions of occupational health and safety law applicable to the customer's company, the obligations for the employer resulting therefrom shall be incumbent on the customer, without prejudice to ARWA's obligations. The customer shall ensure that ARWA employees are only commissioned with activities and employed at workplaces that have been subjected to a risk and stress assessment in accordance with Sections 5 and 6 ArbSchG (German Working Conditions Act). The customer shall ensure and continuously convince themselves that all accident prevention and occupational health and safety regulations applicable at the workplace are complied with. In addition, ARWA and their authorised representatives shall be granted access to the business premises during the working hours of the leased employees in order to comply with the employer's obligations.

Particularly the following occupational health and safety agreements shall be concluded between the contracting parties:

#### a) Personal protective equipment (PPE):

The employees are equipped with safety shoes and work clothes. Further necessary or appropriate PPE is to be provided by the customer. If this is not possible, ARWA shall be informed before the start of work so that they can equip the employees accordingly.

## b) First aid:

First aid facilities and measures shall be provided by the customer.

## c) Occupational health screening:

The customer undertakes to inform ARWA whether the workplace poses a health risk and whether preventive medical check-ups are therefore necessary. ARWA will then take care of the preventive medical check-ups. After consultation, the customer may also carry out necessary medical check-ups. In such cases, the customer shall provide ARWA with copies of the medical certificates of the arranged occupational health check-ups.

## d) Safety briefing at the place of work:

Before starting any work, the employees shall be briefed by the customer regarding the specific hazards of the place of work and the measures to be taken to avoid them. The briefing shall be documented by the customer.

## e) Accident report:

Occupational accidents shall be reported to ARWA immediately and jointly investigated. The customer grants the ARWA safety officer and safety staff or their representatives free access to all deployment locations.

A copy of the accident report shall be sent immediately by the customer to the responsible employers' liability insurance. The actual accident report in accordance with § 193 (1) SGB VII (volume VII of the German Social Security Code) shall be made by ARWA.

## 9. Placement commission

A placement is at hand if the customer or a company legally or economically affiliated with the customer enters into an employment relationship with the ARWA employee during the term of the employee leasing. A placement is also at hand if the customer or a company legally or economically affiliated with the customer enters into an employment relationship with the employee within 6 months after the end of the leasing, but no more than 12 months after the start of the leasing. In this case, the customer shall have the right to prove that the employment relationship was not concluded on the basis of the previous leasing.

A placement is also at hand if the customer or a company legally or economically affiliated with the company enters into an employment relationship directly after making of the contact with the applicant by ARWA without prior leasing.

It is not the time of the commencement of work which is decisive for the time of establishment of the employment relationship between the customer and the employee, but the time of the conclusion of the employment contract.

Customer is obliged to inform ARWA whether and when an employment contract has been concluded. If, in the event of a dispute, ARWA presents circumstantial evidence of the existence of an employment relationship between customer and employee, customer shall bear the burden of proving that an employment relationship has not been entered.

In the cases referred to in paragraphs 1 and 2, the customer shall pay a placement commission to ARWA. Fixed-term employment relationships are subject to the same commission as permanent employment relationships.

- a. The placement commission shall amount to the following:
  - 2 gross monthly salaries in case of takeover within the first 3 months after beginning of the leasing,
  - 1.5 gross monthly salaries in case of takeover within the 4th to 6th month after beginning of the leasing,
  - 1 gross monthly salary in case of takeover within the 7th to 9th month after beginning of the leasing,
  - 0.5 gross monthly salaries in case of takeover within the 10th to 12th month after beginning of the leasing.
- b. If a completed vocational training of at least two years or higher vocational qualification is required for the activity lastly performed by the employee in the customer's company on the basis of the employee leasing contract, the placement commission shall be as follows, deviating from the values above:
  - 3 gross monthly salaries in case of takeover within the first 3 months after beginning of the leasing,
  - 2.5 gross monthly salaries in case of takeover within the 4th to 6th month after beginning of the leasing,
  - 2 gross monthly salaries in case of takeover within the 7th to 9th month after beginning of the leasing,
  - 1 gross monthly salary in case of takeover within the 10th to 12th month after beginning of the leasing.

The basis for calculating the placement commission is the gross monthly salary agreed between the customer and the employee. Customer shall provide ARWA with a copy of the signed employment contract. In case of interruptions in the leasing, the start of the last leasing before the employment relationship was established shall be decisive. The placement commission shall be payable plus the statutory value-added tax. The commission shall be payable 14 days after receipt of the invoice.

If the employee works for the customer on the basis of a freelance contract or a contract with a self-employed person, the preceding provisions shall apply accordingly with the proviso that instead of the gross monthly salary, the monthly fee agreed between the customer and the employee shall form the basis of the calculation.

ARWA shall also be entitled to the placement fee pursuant to the above provisions if ARWA has terminated the employment relationship with the employee by giving notice and the employee is subsequently taken over by the customer or a company legally or economically affiliated with the customer within the meaning of the above provisions.

## 10. Data protection / transfer of data to third parties

Within the scope of the performance of the contractual relationship, customer will be granted access to personal data. This data particularly includes information on proposed or leased employees of ARWA who are organisationally entrusted with the performance of the contractual relationship. Customer undertakes to process all personal data which is transmitted to them by ARWA or which they otherwise collect about employees from ARWA'S sphere exclusively for the purposes of performing the contractual relationship existing with ARWA and to comply with all data protection regulations. Customer shall comply with any and all reasonable instructions issued by ARWA regarding the handling of such personal data which serve to ensure compliance with the provisions of data protection law. Personal data shall particularly be deleted without delay if the purpose of the legal basis for their processing no longer requires further storage and there are no other legal obligations to continue storage.



If the customer wants to permissibly process the data for another purpose, customer shall not only inform the data subject but also ARWA. The details of proposed employees not selected by the employee shall therefore be deleted immediately after rejection. The customer moreover undertakes to take all technical and organisational measures to ensure the principles of data protection, in particular the security of the data. If customer becomes aware that the personal data of employees from ARWA's sphere have been accessible to unauthorised third parties, customer shall inform ARWA thereof without undue delay and shall agree with ARWA on the measures to be taken thereupon. Any more far-reaching obligations from any agreements of the contracting parties on confidentiality shall remain unaffected by the provisions on data protection.

## 11. Termination

In addition to the termination options provided for in the contract, the employee leasing contract may be terminated in accordance with Section 314 BGB (for good cause). Reasons for an extraordinary termination without notice may particularly include:

- Exceedance of the agreed payment target by more than one month despite a reminder
- Repeated breach of the examination and notification obligations according to clause 2 of this contract
- In case of applicability of a TV BZ, an incorrect assignment of the industry affiliation by the customer
- In case of applicability of a TV BZ, the specification of an incorrect settlement remuneration or the failure to notify a change in the settlement remuneration

#### **Final provisions**

General terms and conditions of the customer are excluded.

The law of the Federal Republic of Germany shall apply exclusively. The place of jurisdiction for both parties is Mainz.

In order to be valid, changes in and/or amendments to this contract including the requirement of written form shall be made in writing. There are no oral ancillary agreements.

If individual provisions of the contract are invalid, the validity of the remaining contractual provisions shall remain unaffected.

# **Authentication**

As a translator for English, Croatian, Serbian and Bosnian, duly sworn and publicly appointed by the President of the Higher Regional Court of Dresden, I hereby certify: The above translation of the document in German language, the original/a photocopy of which was presented to me, is true and complete.

Ante Pavić

Leipzig, 13 December 2022