

## Terms & Conditions concerning MiLoG for LGI Contractor (German Minimum Wage Law – Mindestlohngesetz)

1. The contractor shall undertake to adhere to all his company's obligations as set out by the minimum wage law (Mindestlohngesetz or "MiLoG") for execution of orders by LGI. These include, in particular:
  - paying a remuneration pursuant to §20 MiLoG for services to employees working in his domestic country at the rate of at least the minimum wage as is defined in §1 section 2 MiLoG, which is to be paid latest by the due date as determined in §2 section 1 MiLoG,
  - having recorded pursuant to §17 MiLoG, the start, end, and duration of daily working times of his employees latest by the end of the calendar day following the seventh (7) day of work and, retaining these records for a duration of at least two years, starting from the point in time determined for recording,
  - as an employer based abroad, to submit pursuant to §16 MiLoG a written declaration in German language to the responsible customs administration for any and all work and services.
2. In addition, the contractor shall undertake to:
  - employ only such subcontractors and temporary employment companies who pay remuneration as set forth in §20 MiLoG to their employees in a timely manner,
  - employ only such subcontractors and temporary employment companies who each individually have agreed in writing with the contractor to comply with the provisions of this agreement,
  - upon request of LGI, furnish suitable documents (e.g. payroll accounting, timesheets, copy of the customs declaration, and excerpt from the central trade register) as proof of his compliance with the duties set forth in MiLoG.
3. Further more, the contractor shall irrevocably commit himself to keep LGI, at first written request, indemnified from all and any third party claims and demands, including but not limited to,
  - demands from contractor's own employees,
  - demands from employees of subcontractors and of assigned temporary employment companies,
  - demands from authorities, including all and any legally binding penalty fees and official requirementsas well as from legal proceedings and defence costs arising thereof, if such asserted claims and demands are based on an alleged violation of the duties as set out in MiLoG for the contractor or a subcontractor assigned by him.
4. The contractor shall undertake to inform LGI without delay about any civil claims of his own employees or of employees of subcontractors against him, if such claims are related to MiLoG or, if a non-compliance procedure in connection with MiLoG has been initiated.
5. For any violation of his duties pursuant to MiLoG, and for every infringement of the duties accepted by this agreement, the contractor shall undertake to pay a breach of contract penalty of 5,000 EUROS per infringement to LGI.
6. In the event of a violation of any of the contractor's duties as set out in MiLoG and for any violation of the duties the contractor accepted with this agreement, LGI may at any time and without prior notice terminate this contract for good cause.