

## **General Terms and Conditions – Employee Leasing**

### **1 Official license**

Cichon Personalmanagement GmbH (hereinafter called Cichon Personalmanagement) holds an unlimited permission for the commercial supply of temporary workers last issued by the regional directorate of North Rhine-Westphalia of the Federal Labour Office.

### **2 Legal position of employees**

Concluding an employee leasing agreement (hereinafter called AÜV) shall not establish a contractual relationship between a Cichon Personalmanagement employee and a client. During the course of the assignment Cichon Personalmanagement employees shall be subject to the client's work instructions und work under his supervision and instruction. Cichon Personalmanagement has, in their employment contract, put their temporary workers under the obligation of data secrecy and the non-disclosure of trade and business secrets. This holds valid for all confidential and business matters requiring non-disclosure they become aware of in the course of their work. Changes to the duration of their temporary job, working hours and work activity can only be agreed upon between Cichon Personalmanagement and the client himself.

### **3 Choice of Cichon Personalmanagement employees**

Cichon Personalmanagement shall provide the client with carefully chosen employees who have been checked for their necessary job qualification. In the case of justified complaints, reported by the client within the first six hours after the employee commences his work, up to six working hours will not be charged. Also during the ongoing temporary assignment, Cichon Personalmanagement may exchange employees for other employees, suitable in the same way, as long as this does not harm justified interests of the client.

### **4 Assignment of Cichon Personalmanagement employees**

The client employs the hired employees solely at the place and for the tasks agreed upon in the AÜV. He lets the employees only use or handle the appropriate working tools respectively machines. Furthermore, the client does not utilize the Cichon Personalmanagement employee to transport money or for debt collection and in this respect explicitly indemnifies Cichon Personalmanagement against all claims. The client will not pay Cichon Personalmanagement employees any sum of money, including any wages or travel expense advances.

### **5 General duties of Cichon Personalmanagement**

5.1 Cichon Personalmanagement commits itself to comply with all employer obligations, that is, in particular, to observe all collective law, labour law, social law and tax law regulations as well as settle the corresponding payments appropriately and on time.

#### **5.2 Cichon Personalmanagement obligates itself to show, on the request of the client**

- 5.2.1 an up-to-date confirmation of correct payment of the PAYE tax for the employed temporary workers to the inland revenue,
- 5.2.2 an up-to-date confirmation of correct payment of the total social insurance amount for the employed temporary worker to the social insurance agencies as well as
- 5.2.3 a possibly necessary work permit.

## **6 General duties of the client**

- 6.1 When employing Cichon Personalmanagement employees, the client shall keep to the current rules of the work protection law (especially working hours and work safety) applicable for his company. For this he shall identify and document the dangers associated with the work as well as possible industrial safety measures resulting from this. The client shall familiarize the temporary worker with the relevant accident prevention regulations for the respective workplace and supply the necessary safety equipment. First aid facilities and measures shall be secured by the hirer. The client allows Cichon Personalmanagement access to the Cichon Personalmanagement employee's workplace with prior agreement to ensure the compliance with work safety measures. Cichon Personalmanagement employees are insured with the Employers' Liability Insurance Association. In case of an accident at work of Cichon Personalmanagement employees, Cichon Personalmanagement is to be informed immediately, so that the accident report according to § 193 SGB VII can be placed. In case of possibly necessary regulatory approval of additional work or work on Sundays, this shall be ensured by the client. In addition the client shall immediately disclose the exceptional reasons for the additional work to Cichon Personalmanagement.
- 6.2 Time sheets, as basis for invoicing, shall be completed by the Cichon Personalmanagement employee according to the number of hours actually worked. The client is obliged to confirm these time sheets by stamp and signature at the latest at the end of a working week or immediately after the assignment finishes.

## **7 Replacement/Withdrawal**

- 7.1 The client may demand the replacement of a Cichon Personalmanagement employee by 5pm on his first working day, should the Cichon Personalmanagement employee not fulfil the agreed qualification profile. After this point, lack of personal or professional qualification cannot be reprimanded if the discrepancy has been recognizable up until this point.
- 7.2 The client may demand the withdrawal of a Cichon Personalmanagement employee for the beginning of the following calendar week if circumstances are present that permit an employer to terminate a working contract with due notice that lie in the person or the behaviour of the temporary worker. Should there be circumstances that would permit an employer to give a termination without notice; the client may demand the immediate withdrawal of the Cichon Personalmanagement employee. Cichon Personalmanagement is obliged to provide replacement. This obligation is limited to Cichon Personalmanagement employees who are employed by Cichon Personalmanagement. In doing so, only those Cichon Personalmanagement employees can be taken into account who are neither currently working at another client's company nor planned for an assignment with another client.
- 7.3 Cichon Personalmanagement may withdraw temporary Cichon Personalmanagement employees during their assignment if they are replaced by other comparably suitable Cichon Personalmanagement employees at the same time.

## **8 Employee compensation and social benefits**

For Cichon Personalmanagement employees, the sectoral agreements between the Bundesarbeitsgeberverband der Personaldienstleister e. V. (BAP) [Federal Employers' Association of the Temporary Employment Industry] and the DGB-Tarifgemeinschaft Zeitarbeit [DGB tariff community Temporary Work] are in effect as well as various company agreements. Income structure and social benefits of Cichon Personalmanagement employees are secured in them.

## **9 Non-disclosure**

The contractual parties oblige themselves to handle as confidential all trade and business secrets which become known to them during the period of cooperation. This holds especially true for any business matters they have become aware of during the pursuit of their activity which by the very nature of the matter are secret or confidential, as well as all matters marked as confidential. The obligation of secrecy exists for three further years after the end of contractual relations.

## **10 Invoicing**

- 10.1 Final invoicing shall take place at the end of the month based on the time sheets signed by the hirer and in consideration of any advance payments already made.

10.2 If there is no supplementary agreement, the invoice amount is due eight days after the date of the invoice. The account shall be balanced weekly on the basis of the documented working hours. Decisive for calculating shall be the hourly rate agreed upon in the AÜV plus the statutory value-added tax. Any late payment gives rise to the client being in arrears, even without any reminder, and owing a default interest of five percentage points above the corresponding base interest rate. Relevant is here the receipt of payment by Cichon Personalmanagement. Cichon Personalmanagement shall be entitled to charge dunning costs at 5% of the outstanding invoice amount, at least a flat-rate of 25,- Euros incurred by payment default. The customer retains the right to prove that in the individual case Cichon Personalmanagement has suffered no damage or a smaller damage. For assignments outside municipal boundaries due travel expenses shall be invoiced. In these cases a per diem within legal respectively contractual boundaries can be agreed upon. Regular working hours of Cichon Personalmanagement employees at the client's match weekly working hours agreed upon in the AÜV. Working hours that surpass the agreed upon working hours, as well as shift work, night work, Sunday work and holiday work, etc. are invoiced with surcharges:

- Additional work 25 % from the 40<sup>th</sup> working hour within a week (with full-time employees)
- Night work (between the hours of 10:00pm and 06:00am) 25 %
- Sunday work 50 %
- Holiday work 100 %

A combination of several of these surcharges leads to only the highest one being invoiced.

10.3 Cichon Personalmanagement GmbH is entitled to transfer outstanding claims against customers in Germany and EU countries to abcfinance GmbH, Kamekestr. 2-8, 50672 Köln for refinancing. The buyer will be informed whether a debt will be transferred upon conclusion of the contract. In such event, debt-discharging payments may only be made to abcfinance GmbH. Their bank details will be communicated to the buyer upon conclusion of the contract.

### **11 Absence of employees / Force majeure**

In case of exceptional circumstances which have not been foreseeable when signing the contract such as illnesses, civil unrest, catastrophes, epidemics, sovereign directions, industrial action or the likes, by which a proper performance of the agreement on the part of Cichon Personalmanagement is aggravated or endangered, Cichon Personalmanagement reserves the right to make cancellations and changes. In these cases, risk assumption lies with the client. Compensation claims of the client are excluded in these cases.

### **12 Termination of employment lease**

Regular termination of the employee leasing agreement is possible with a notice period of 5 working days to the end of the respective week. Furthermore, both contractual parties have the right to an extraordinary termination. This applies in particular to the hirer should the temporary worker fail to fulfil his obligations arising from the work contract in a way that would entitle an employer to an extraordinary termination during his assignment with the client.

### **13 Liability**

- 13.1 Cichon Personalmanagement takes responsibility that Cichon Personalmanagement employees are suitable for performing the designated work. Cichon Personalmanagement is not bound to examine the certificates or other papers. It is irrefutably supposed that the temporary worker meets the defined demands of the individual assignment if the client does not comply with his requirement to check and give notice of defect according to article 7.1.
- 13.2 Cichon Personalmanagement bears no liability concerning the work performed or damages caused by the Cichon Personalmanagement employee, caused during the execution or on the occasion of his work at the hiring company, going beyond choosing the Cichon Personalmanagement employee.
- 13.3 The client holds Cichon Personalmanagement harmless from and against any claims that any third party may have arising from assignments performed by the Cichon Personalmanagement employee. Except as regards claims due to deliberate or grossly negligent behaviour on the part of Cichon Personalmanagement.
- 13.4 Cichon Personalmanagement is only liable should the Cichon Personalmanagement employee not show up at the client's company at the agreed time if they are responsible for this non-attendance. Cichon Personalmanagement is entitled to provide a replacement.
- 13.5 The client indemnifies Cichon Personalmanagement from any claims that may arise from any breach of duty due to missing or faulty information on the individual order, especially on the regulations at the client's company, on the pay of a comparable Cichon Personalmanagement employee, etc.

#### **14 Acquisition / Placement**

With the acquisition / placement of a Cichon Personalmanagement employee as a permanent employee during the first nine months of the employment lease agreement, Cichon Personalmanagement charges a commission. The amount of this commission depends on the duration of the supply and the agreed upon gross annual salary of the placed temporary worker with the client. The longer the placement, the lower the commission.

- With an acquisition during the first two months, the commission is 30% of the agreed gross annual salary;
- With an acquisition from the third month on, the commission is 25% of the agreed gross annual salary;
- With an acquisition from the fourth month on, the commission is 20% of the agreed gross annual salary;
- With an acquisition from the fifth month on, the commission is 18% of the agreed gross annual salary;
- With an acquisition from the sixth month on, the commission is 15% of the agreed gross annual salary;
- With an acquisition after 9 months, this acquisition is free.

Any enticing of the employed Cichon Personalmanagement employee in favour of another personnel service provider is prohibited to the hirer.

#### **15 Jurisdiction and place of fulfilment**

Place of fulfilment is the registered office of Cichon Personalmanagement. As jurisdiction, Viersen is agreed upon.

#### **16 Adaptation clause**

In the case of changes to legislative and collective regulations, Cichon Personalmanagement reserves the right to adapt the agreed upon terms of contract to the changed situation. Cichon Personalmanagement reserves the right to raise the hourly rates if, after the conclusion of the contract, any wage increases arising from collective agreements occur, if Cichon Personalmanagement employees are exchanged for others with a higher qualification or if circumstances arise that lie not within the responsibility of Cichon Personalmanagement, that increase costs.

#### **17 Miscellaneous**

Setoff or a right of retention can only be claimed if the corresponding counterclaims are undisputed or have legal force. The invalidity of any clause or part thereof shall not affect the validity of the remaining clauses. Both contractual parties are obligated to agree, instead of the invalid clause, such a clause which comes as close as possible to that which was originally intended in its economic and legal intention. Oral amendments require a written confirmation by Cichon Personalmanagement to become effective. German law shall be applicable excluding the regulations of the German Private International Law.

Contract status: April 2023

All references are used in the generic masculine form