

Indemnification Agreement

Agreement related to compliance with German Minimum Wage Act

Between

Internationale Spedition Willi Betz GmbH & Co. KG, Max-Planck-Straße 68,
72766 Reutlingen

Hereinafter referred to as "Client"

And

Company _____,

Hereinafter referred to as "Contractor"

1. Obligations imposed by Minimum Wage Act, self – provision of services

The Contractor shall guarantee at all times during the term of the contract

- a. to pay the Minimum Wage according to Section 20 of the Minimum Wage Act (MiLoG) to all employees working domestically and to pay in time as required by Section 2 MiLoG.
- b. to document the beginning, end and duration of the daily working hours one week after the respective work assignment at the latest and retain such documents for inspection by the authorities for at least two years in accordance with Section 17 MiLoG.
- c. to declare before starting a work performance, in accordance with § 16 MiLoG, a written registration in German to the competent customs authority (Bundesfinanzdirektion West) as an employer established abroad. Valid legal regulations on reporting obligations can be applied in accordance with § 16 MiLoG.

The Contractor undertakes to provide the service owed on his own and not to engage a subcontractor / employee leasing company to perform the service. With previous approval of the Client, the Contractor may use subcontractors / employee leasing companies. In this case the Contractor has to inform the Client of the company engaged and its domicile. The Contractor shall obligate the subcontractor / employee leasing company to provide the service itself and to comply with the provisions set out in Fig. 1. In this case the Contractor has to carefully select the subcontractor and verify the compliance with the regulations of the Minimum Wage Act.

2. Contractual penalty

If the Contractor culpably breaches the obligations set out in Fig. 1, the Client shall be entitled - for each act of infringement - to raise a contractual penalty to an amount considered just and equitable and susceptible to review by the competent local or regional court.

3. Termination of contract

If the Contractor culpably breaches the obligations set out in Fig. 1, the Client shall be entitled to terminate the Agreement without notice and previous warning.

4. Indemnification Agreement

The Contractor shall hold the Client harmless from all third party claims which may arise from the violation of its obligations deriving from the Minimum Wage Act either by Contractor itself or by any subcontractor / employee leasing company commissioned.

The obligation to grant release shall apply for civil liability as well as for fines imposed for infringements of the Contractor or any subcontractor / employee leasing company and related litigation and legal defence costs, provided that the asserted claims and demands are based upon an alleged infringement of the duties resulting from the Minimum Wage Act. The obligation to grant release is also explicitly valid for claims of social security bodies and revenue authorities.

5. Notification obligation

The Contractor shall be obliged to immediately inform the Client if – with regard to the regulations of the Minimum Wage Act - action is brought against him by his own employees or the employees of the subcontractor / employee leasing company commissioned for the completion of the contract or if he becomes aware of such action of third parties especially of employees of the subcontractor / employee leasing company or of social security bodies or revenue authorities. The Contractor shall also undertake to inform the Client if misdemeanour or criminal law suits are initiated against him for failure to comply with the provisions of the Minimum Wage Act or if he becomes aware of such investigations also against his subcontractors / employee leasing companies.

6. Obligation to refer

(Remuneration) Documentation, that the Client may need to examine the Client's compliance with Section 20 of the Minimum Wage Act, shall be made available on request. A certificate of the Client's tax consultant attesting that the Client meets the requirements of Section 20 of the Minimum Wage Act, or a confirmation of the employee performing the respective service attesting that he has been paid in compliance with Section 20 Minimum Wage Act, fulfil the same objective.

7. Tax Clearance Certificate

The Client shall be entitled to regularly request a tax clearing certificate from the Contractor. The Contractor shall undertake to obtain and submit such certificate at the tax office having jurisdiction over the business operations of the Contractor at the first request.

8. Choice of Law clause

German law applies.

9. Jurisdiction clause

For all disputes arising out of this agreement or associated with it, the jurisdiction is for all parties involved at the headquarters of the principal..

Reutlingen, 07.03.2016

Internationale Spedition
Willi Betz GmbH & Co. KG

Partner