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## **Additional contractual conditions for implementing the requirements of the general minimum wage legislation (Mindestlohngesetz – MiLoG – minimum wage legislation)**

### **1 Minimum Wage**

- 1.1. The contractor promises consistent and timely payment of the relevant minimum wage according to MiLoG.
- 1.2. For services, which come under the scope of the posted workers directive (Arbeitnehmer-Entsendegesetzes – AEntG) in its relevant applicable version, the contractor promises to grant his employees at least those minimum working conditions, including the minimum wage, which are set as binding for the respective service by means of a generally binding, declared collective agreement or a legislative directive passed according to the AEntG for services rendered.

### **2 Sub-Contractors**

The contractor promises, provided the deployment of a sub-contractor is contractually permitted,

- 2.1. to select his sub-contractors and distributors carefully
- 2.2. to ensure that the sub-contractors and distributors fulfill the obligations as per §§ 1 and 2 MiLoG,
- 2.3. to submit the declaration of commitment per §§ 1 and 2 MiLoG given by the sub-contractors and distributors to the contracting party upon request

### **3 Inspection**

The contractor promises

- 3.1. to submit - in the case of an inspection - payroll accounts, documentation with regards to payment of taxes and duties as well as contracts agreed between contractor, subcontractors and distributors for the purposes of checking the compliance with MiLoG, to the contracting party
- 3.2. to inform his employees of the possibility of such inspections,
- 3.3. to allow the contracting party the right to information and auditing when sub-contractors and distributors are deployed,
- 3.4. To make complete and auditable documentation available to check whether the regulations of §§ 1 and 2 MiLoG have been complied with and to submit and explain this to the customer upon request as well as to ensure contractually that this duty is complied with by the deployed sub-contractors and distributors

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### **4 Sanctions**

- 4.1. A contractual penalty is agreed between customer and contractor for each culpable breach of the contractor against the obligations of MiLoG at one percent; and in the case of several breaches up to five percent of the contract value. This also applies when the breach is due to a sub-contractor or distributor deployed by the contractor, unless the contractor was not aware of the breach when engaging the sub-contractor and distributor and also could not have known of this whilst exercising the due care and attention of a prudent businessman. The contractor can apply to the contracting party for a reduction of the contractual penalty if the contractual penalty is disproportionately high.
- 4.2. The culpable non-compliance with MiLoG by the contractor, his sub-contractors and distributors gives the contracting party the right to termination of contract without notice on the grounds of an important reason. The contractor is obliged to refund the loss incurred by the contracting party due to the termination.
- 4.3. The contracting party can suspend the contractor from the contract award process for a duration of up to three years if a culpable breach of MiLoG obligations by the contractor as well as sub-contractors and distributors engaged by him is proven, and the contracting party will inform the customs and excise authorities responsible for the prosecuting and penalizing offences according to AEntG.