

General Terms and Conditions of Business

Based on the General Terms and Conditions of Business for the German Guard and Security Profession
(Published by the Federal Association of German Guard and Security Companies)

1. General performance of duties

As per §34 a GewO (Trade Regulation Act), the Guard and Security Profession is a

profession requiring a permit and it performs its work in the form of duty-room service, separate service or special service.

a) The duty-room guard service is performed in work clothing by individual patrols or radio patrol drivers. In the absence of any agreements to the contrary, each inspection tour involves checks on the surveillance objects, summarised within the duty rooms, at as irregular times as possible.

b) As a rule, separate guard service is carried out by one or more guard(s) or porter(s), used especially for one or a few guarded objects situated in a physical relation to one another. The individual duties are laid down in special job instructions. A working room with lighting and heating is provided by the customer.

c) The special services include works protection services, checks on persons, person accompaniment and protection services, the transport of money and valuables, the operation of alarm and emergency switchboards (service switchboards)

as well as the carrying out of cash-office, stewarding and supervisory services for exhibitions, trade fairs and events.

The reciprocal obligations of customer and guard and security company are laid down in special agreements.

The guard and security company provides its work as a service (not hiring out of temporary staff as per the Law on the Commercial Hiring Out of Temporary Staff

dated 7 August 1972, Federal Law Gazette 1972, I, 1393), whereby it uses its personnel as vicarious agents. Responsibility for the selection of the personnel used and the right to issue instructions lie with the guard and security company appointed – except in cases of imminent danger.

The guard and security company is solely responsible for fulfilment of all statutory, official, social-law and employer liability association obligations with respect to its employees.

2. Inspection regulations

In each individual case, solely the written inspection regulations are authoritative

for the performance of the service. In accordance with the instructions of the customer, these contain detailed regulations concerning the inspection tours, checks and other service work to be carried out. Amendments and extensions to

the inspection regulations require a written agreement. If unforeseeable emergency situations make such necessary, the envisaged checks, inspection tours and other

service work can be dispensed with in individual cases.

3. Keys and emergency addresses

(1) The keys required for the work must be provided by the customer in good time and free of charge.

(2) The entrepreneur shall be liable within the scope of point 10 for loss of keys and for damage to keys caused intentionally or negligently by the service personnel. The customer shall provide the entrepreneur with details of the addresses

which can also be contacted by telephone at night in the event of danger to the object. Changes of address must be notified to the entrepreneur without delay.

In cases in which the entrepreneur is required to monitor alarms via linked alarm systems, the information sequence must be arranged by the customer.

4. Complaints

(1) All forms of complaint concerning the performance of the service or other irregularities must be notified to the company works management immediately following determination so that assistance can be provided. No rights from such complaints can be asserted in the event of failure to notify on time.

(2) Repeat or gross violations in the performance of the service shall only create an entitlement to immediate termination of the contract if the entrepreneur fails to ensure assistance within an appropriate period following written notification – at the latest within seven working days.

5. Duration of the assignment

In the absence of any written agreement to the contrary, the contract shall run for

one year. If not terminated three months prior to expiry of its term, the contract shall be extended by respective further periods of one year.

6. Performance by other entrepreneurs

Following consultation and agreement with the customer, the entrepreneur is entitled to make use of reliable companies, approved as per §34 a GewO (Trade Regulation Act), for the fulfilment of his obligations.

7. Interruption of the guard work

(1) In the event of war or strike, civil unrest and other cases of force majeure which render performance of the service impossible, the entrepreneur can interrupt

the service or alter it appropriately.

(2) In the event of interruption, the entrepreneur is obliged to reduce the remuneration for the period of the interruption in accordance with any wages saved.

8. Premature dissolution of the contract

(1) In the event of relocation of the customer as well as in the event of sale or other giving up of the object to be guarded, the customer can terminate the contractual relation with a period of notice of one month.

(2) If the entrepreneur gives up or alters the guard district, he shall also be entitled to premature dissolution of the contract subject to adherence to a period of notice of one month.

9. Legal succession

In the event of death of the customer, his legal successor shall take over the contract, unless the subject matter of the contract was based mainly on personal matters, in particular protection of the person of the customer. The contract shall remain unaffected by the death, other legal succession or legal changes of the entrepreneur.

10. Liability and limitation of liability

(1) In the event of claims for damages of any form whatsoever and irrespective of

the legal grounds, the entrepreneur shall only be liable for damage caused by himself, his legal representatives or his executive managers, either culpably or through gross negligence.

(2) Claims for damages directly against the employees are excluded, unless these

have caused the damage intentionally or through gross negligence.

(3) Irrespective of points 1 and 2, the entrepreneur shall be liable for damages caused by himself, his legal representatives, his executive managers or employees

if insurance cover exists through the guard company within the scope of its liability insurance policy. The insurance policy is based unrestrictedly on the General Terms and Conditions of Liability Insurance (AHB) and the Terms and Conditions for Liability Insurance of Guard Companies.

(4) Excluded from the insurance cover is above all damage not related to the actual

guard work, such as the assumption of the duty to grit given a risk of black ice, damage incurred when operating sun-protection devices or when operating or supervising machines, boilers, heating devices, electrical or similar systems.

(5) The level of liability as per point 10 (3) is limited to:

a) € 5.112.900,- for damage to persons

b) € 5.112.900,- for damage to property

c) € 51.129,- for the loss of guarded items and keys handed over

d) € 1.022.580,- for pure economic loss

These levels of the amounts insured are laid down in the Ordinance on the Guard

Profession in the version dated 28.11.1979.

11. Liability in dealings with non-merchants

In dealings with non-merchants, the entrepreneur is also liable for damage caused

through intentional conduct or gross negligence by his other vicarious agents in addition to the provision as per point 10.

12. Assertion of liability claims

The customer is obliged to assert liability claims immediately. Damage costs resulting from failure of the customer to fulfil his obligation to notify immediately shall be for his account.

13. Evidence of liability

The entrepreneur is obliged to take out liability insurance within the scope of the liability assumed, the limits of which can be seen from point 10. The customer can

request evidence of the taking out of such insurance.

14. Payment of remuneration

(1) In the absence of any agreement to the contrary, the remuneration for the contract is payable monthly in advance.

(2) Offsetting and withholding of the remuneration is not permitted, except for claims that are undisputed or which have been determined as legally binding. In the event of default on payment, the obligation of the entrepreneur to provide the

service, as well as his liability, shall be suspended without the customer being released from payment for the contractual period or from the contract as a whole.

A precondition for this is the sending of a payment reminder to the customer and

the granting of an appropriate period of grace for payment.

15. Price alterations

In the event of alterations to wage costs and incidental wage costs, in particular as a result of the conclusion of new wage, umbrella and other tariff agreements, the remuneration shall be altered accordingly by the amount by which the costs for the performance of the assignment have altered as a result of the change in wage costs and incidental wage costs, plus the respectively applicable statutory value added tax.

16. Start of the contract, amendments to the contract

(1) The contract shall be binding on the entrepreneur as from the time at which the customer receives the written order confirmation.

(2) Subsidiary agreements, amendments, extensions or restrictions of the contract require the written form.

17. Validity of the contract

Should individual provisions of the present contract be legally invalid, they must be rephrased such that the economic purpose associated with the invalid provision

is achieved. The validity of the other provisions shall remain unaffected.

18. Place of jurisdiction and place of performance

Place of performance and place of jurisdiction is the registered office of the company works management. Place of jurisdiction Düsseldorf: This ruling on the

place of jurisdiction shall also apply explicitly in the event of

a) the party to be claimed against through legal action moving its registered office, place of residence or place of habitual abode subsequent to conclusion of the contract

b) claims from the contractual relation being asserted by way of a dunning procedure.