

SAFETY GUIDELINES AND RISK INFORMATION

for External Employees Engaged in Work Activities at MND Drilling & Services a.s. Workplaces

The safety guidelines and information concerning potential risks and adopted preventive measures as issued on **August 1, 2016** (hereafter referred to as “**Safety Guidelines**”) apply to external employees (hereafter referred to as “**Contractor(s)**”) engaged in work activities at workplaces operated by MND Drilling & Services a.s. (hereafter referred to as “**Company**” or “**Investor**”) pursuant to the provisions of Section 103 (1 g) of Act No. 262/2006 Coll., Labor Code, as amended.

The Contractor undertakes to familiarize its employees with these Safety Guidelines prior to entering any workplace of the Company. In cases where the Contractor is entitled under a contract (or the relevant order) to make use of a third party services (e.g. a subcontractor), the Contractor shall also familiarize said third party with this document.

A1) General Safety Guidelines – applicable to external employees at all Company workplaces.

The Company imposes the following prohibitions and duties:

- **PROHIBITION against entering the workplace under the influence of alcohol or other addictive substances or consuming said substances while at the workplace.**
- **PROHIBITION against smoking at all Company workplaces**, except for locations identified by “DESIGNATED SMOKING AREA” signs.
- **PROHIBITION against preventing access to or tampering with portable fire extinguishers.**
- **PROHIBITION against the use of open flame** (lighter use, welding, cutting, grinding, etc.) **and devices that are not explosion proof** (mobile phones, torches, stand-alone heaters, etc.) **in hazardous areas** (designated by “**ZONE 0,**” “**ZONE 1,**” “**ZONE 2,**” and “**AREA WITH AN INCREASED FIRE HAZARD**” signs). Handling of open flame in hazardous areas designated by “**ZONE 2,**” “**SAFETY AREA**” and “**AREA WITH AN INCREASED FIRE HAZARD**” signs can be permitted exclusively by the Company's workplace supervisor.
- **PROHIBITION against photography and/or videotaping** at the workplace without the prior consent of the workplace supervisor.
- **PROHIBITION against entering sites at which external employees DO NOT perform their work duties.**
- **PROHIBITION against performing work without the stipulated personal protective equipment (hereafter referred to as “PPE”):** work clothing/work footwear in environments consistent with its protection function; safety helmets at locations where the hazard of falling objects is present; protective gloves to prevent mechanical, chemical or thermal damage to the hands; appropriate hearing protection PPE if the noise level exceeds the permissible exposure limit; appropriate respiratory protection PPE in environments where the level of dustiness and/or the concentration of chemicals in the air exceeds the exposure limit; appropriate eye protection PPE to prevent mechanical, chemical or non-ionizing radiation damage to the eyesight; appropriate personal fall protection PPE at locations where the workers are exposed to the risk of falling from heights of 1.5 meters or more and where collective fall-protection systems cannot be used.
- **PROHIBITION against the use of technical equipment likely to compromise occupational and/or operational safety.**

- **DUTY to comply with other related safety regulations and instructions which external employees were demonstrably familiarized with** prior to entering the workplace.
- **DUTY to adhere to workplace safety signs** and Company employee instructions.
- **DUTY of each worker to immediately eliminate** (if possible) and **notify the foreman or workplace supervisor of any hazardous conditions or unsafe conduct** identified at the workplace and propose corrective actions by means of STOP cards available at the workplace.
- **DUTY of operators** of externally provided equipment **to supply proof of their qualifications** (welder's license, crane operator or slinger license, etc.) **and of equipment safety** (required operating documentation – attestations, certificates, inspections, lifting equipment logs, sling inspection records, etc.) upon request.
- **DUTY of employees to behave in a manner that does not increase the risk of fire.**
- **DUTY to take all action necessary to ensure the protection of anyone in danger, to attempt to extinguish any fires** that break out in the workplace (e.g. - by means of portable fire extinguishers), to take action to prevent the spreading of said fires (e.g. - by removing flammable materials from the vicinity of the fire) and **to report any fires** (including extinguished fires) to the workplace supervisor or to the Company Inspection Service; **fires that cannot be extinguished must be immediately reported to the Fire Department and the Company Inspection Service.**
- **DUTY of injured personnel** (if capable of doing so) **and any witnesses** to immediately **notify the relevant Company workplace supervisor** and, if not possible, the Company Inspection Service, of any work-related injury.

IMPORTANT TELEPHONE NUMBERS:

Company Inspection Service	518 315 622, 720 680 157
State Fire Department	150 or 112
Ambulance Service	155 or 112
Company doctor	518 315 673 (from 6:30 a.m. to 12:30 p.m.)
Personnel gatehouse – front office	518 315 610
Freight gatehouse	518 315 726

A2) Specific Safety Guidelines – applicable to external employees conducting work at Company workplaces engaged in mining activities or activities associated with mining (drilling or workover sites, wireline operations, etc.).

The Company imposes the following prohibitions and duties:

- **DUTY to report and record all arrivals at and departures from** the workplace **in accordance with instructions received/posted at the entrance.**
- **DUTY to use PPE** in accordance with signs posted at the entrance (work footwear approved by ČSN EN ISO 20345, identified in the Classification Table No. 16 as S1 to S5, safety helmets approved by ČSN EN 397+A1 and safety goggles approved by ČSN EN 166),
 - workers engaged in activities involving entry into explosion hazard areas (“**ZONE 0,**” “**ZONE 1,**” “**ZONE 2,**” and “**AREA WITH AN INCREASED FIRE HAZARD**”) are required to wear anti-static clothing that is in compliance with ČSN EN 1149-5;
 - employers of workers engaged in activities involving work in explosion hazard areas (“**ZONE 0,**” “**ZONE 1,**” “**ZONE 2**”) are advised by the Company to provide their workers with flame-retardant workwear that is in compliance with EN ISO 11612;

- all workers are required to use work gloves rated for mechanical-hazard protection in compliance with ČSN EN 388 (unless operating documentation directly contravenes said requirement);
- workers engaged in activities involving entry into areas in which the company requires the use of hearing protection devices ARE OBLIGATED to wear appropriate hearing protection that is in compliance with ČSN EN 458;
- workers engaged in activities involving the handling of chemicals must proceed in accordance with instructions provided and use PPE listed in the relevant Safety Data Sheet (or in accordance with Safety Rules for the Handling of Increased Hazard Level Chemicals approved by the Regional Public Health Office).

A3) Specific Safety Guidelines – regulating the entry and movement of external employees conducting work at the Company facility and the entry and movement of vehicles operated by external employers within the Company facility.

Entry into and exit from the facility is permitted through the personnel gatehouse only (accessed from the Velkomoravská St.). Entry into the facility requires a “**Pedestrian Entry Permit**,” which can be obtained by external employer supervisors for their respective subordinates by completing and submitting the “**Pedestrian Entry Permit Application**” form (**Appendix No. 1**) at the personnel gatehouse. The Pedestrian Entry Permit is time-limited for the period of the pre-arranged activity, but not for longer than 12 months after its issue.

The Company imposes the following prohibitions and duties:

- **DUTY to use sidewalks** for walking. Where no sidewalk is available, pedestrians may walk on the left side of the roadway.
- **DUTY** of personnel leaving the facility **to submit to a baggage search** requested by the security staff.

One-time entries of passenger or cargo vehicles of external employers into the facility **will be permitted** based on a “**One-time Pass**” issued to the driver at the personnel gatehouse after an approval of the department manager ordering the given service(s) has been obtained.

Multiple entries will only be permitted upon presentation of a “**Vehicle Entry Permit**.” “**Vehicle Entry Permits**” can be obtained by external employer executives for their respective subordinates at the personnel gatehouse based on a completed “**Vehicle Entry Permit Application**” (**Appendix No. 2**). The “**Vehicle Entry Permit**” is time-limited for the period of the pre-arranged activity, but will expire no later than at the end of the calendar year in which it was issued.

Passenger vehicles are permitted to enter and exit the facility via the personnel gatehouse only (accessed from the Velkomoravská St.).

Cargo vehicles are permitted to enter and exit the facility via the freight gatehouse only (accessed from Road 55 Hodonín – Břeclav).

The Company imposes the following prohibitions and duties:

- **PROHIBITION** against entering the workplace with and operating **vehicles and/or machinery whose condition compromises occupational and/or operational safety**.
- **DUTY to present a record** (issue slip, delivery note or a “**Shipping Note**”) specifying materials to be transported from the facility. The document must be submitted at the gatehouse prior to leaving the facility. Shipping Notes can be obtained by external employer supervisors **at the personnel gatehouse**.

- **DUTY to place the “Vehicle Entry Permit” at a visible location in the windshield.**
- **DUTY of the drivers to consent to a vehicle search** requested by the security staff when departing the facility.
- **DUTY to observe the maximum speed limit of 30 km/hr** for vehicle and machinery throughout the Company facility,
- **DUTY to park at designated locations only**, maintain **passage clearance of at least 3 m when stopping the vehicle** to load or unload materials, etc., and **cede the right-of-way to fire trucks and ambulances** in emergency situations.
- **DUTY to promptly report any auto accidents or traffic sign damage at the Company facility** to the Company Inspection Service.
- **DUTY to hand in the “Pedestrian Entry Permit” or “Vehicle Entry Permit”** to the security staff at the gatehouse upon completion of work (as per the relevant contract or order) at the facility.

Consequences of Violation

In the event the Contractor violates any PROHIBITION and/or DUTY arising from these Safety Guidelines, or stipulated by mandatory legal regulations governing occupational safety, the Investor will be entitled to a contractual penalty of CZK 10,000 for the violation of any prohibition and/or duty specified in sections A1), A2) and/or A3) of these Safety Regulations or stipulated by mandatory legal regulations pertaining to occupational safety.

The Contractor shall pay any such contractual penalty to the Investor within 30 days of receiving the call for its payment issued by the Investor, via a wire transfer to the account stated in said call. The call for payment shall include a record of the violation of the PROHIBITION or DUTY, specified by the Company in these Safety Guidelines and/or stipulated by mandatory legal regulations governing occupational safety, in the form of a photograph, a report or otherwise. If the Contractor fails to fulfill this obligation to pay within the specified period, the Investor will be entitled, in addition to the contractual penalty, to a default interest, calculated with reference to the Prague Interbank Offer Rate (PRIBOR 1M) effective on the day of posting the call for payment, increased by 1% p.a.

If the Contractor fails to pay the contractual penalty within the abovementioned period, the Investor will be entitled to claim the penalty, applied in accordance with these Safety Guidelines, against any pecuniary claims of the Contractor towards the Investor arising from or based on a contract (or the relevant order) in the performance of which the Contractor violated these Safety Regulations. Any such claims will be offset as of the date specified by the Investor.

This provision on contractual penalties shall not affect the right of the Investor to claim damages. Any contractual penalty paid may not be utilized to offset any compensation claims. The provisions of Section 2050 of Act No. 89/2012 Coll., the Civil Code, as amended, shall not be applied.

The Contractor shall assume full responsibility for any damage (e.g. - damage to property, equipment or health, irrespective of the party to which the damage occurred) caused by its employees or the employees of its subcontractors at any workplace of the Company and undertakes to compensate the Investor accordingly, including all damage removal costs, regardless of whether or not the Contractor fulfilled its duty to familiarize its employees and subcontractors with these Safety Guidelines. The Investor reserves the right to monitor the Contractor's compliance with occupational health and safety rules while performing a contract (or an order) for the Investor and – in the event of serious violation of the PROHIBITIONS and/or DUTIES, arising from these Safety Regulations or stipulated by mandatory legal regulations governing occupational safety, which could compromise personal safety and/or health – to immediately suspend operations and request that any employee of external employers or of their subcontractors causing danger to others be removed from the Investor's workplace.

Appendix No. 1

MND Drilling & Services a.s. Facility – Pedestrian Entry Permit Application

Pedestrian entry permits can be granted for up to 12 months after the issue of the card.

External company	
Name	
Address	
Contact person	
Email/phone	
Working for:	
Center/department	
Contact person	
Email/mobile	
Location of work being performed:	
Type of activity (e.g. construction work):	

The external employee holding the pedestrian entry permit: In signing below, I declare that I have been demonstrably familiarized with, understand and will adhere to these Safety Guidelines and information concerning potential risks and preventive measures adopted to protect all external employees working at the MND Drilling & Services a.s. facility.

Name and Surname	Date of birth	Permit period		Signature
		from	until	

Only (center/department) executives are authorized to approve an entry permit application!

.....
Name, signature of the executive

Appendix No. 2

MND Drilling & Services a.s. Facility – Vehicle Entry Permit Application

Vehicle entry permits can be granted up to the end of the calendar year in which the card is issued.

External company	
Name	
Address	
Contact person	
Email/phone	
Working for:	
Center/department	
Contact person	
Email/mobile	
Location of work being performed:	
Type of activity (e.g. construction work):	
Frequency = number of trips per day, week, month (1/D, 1/W, 1/Y, etc.):	

Notice: To curtail heavy traffic within the MND Drilling & Services a.s. facility, only vehicles transporting materials, tools, measuring equipment, etc. are permitted to enter. Passenger vehicles must use parking lots outside the facility.

Vehicles:

Type	Lic. No.	Driver	Vehicle utilization	Valid from–until

Only (center/department) executives are authorized to approve an entry permit application!

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Name, signature of the executive