

GENERAL TERMS AND CONDITIONS OF PURCHASE of MND Drilling & Services a.s. company

1. Preamble

1.1 These General Terms and Conditions of Purchase (hereinafter the “**Conditions**”) contain provisions of conclusion and performance of contracts concluded by MND Drilling & Services a.s. with third persons (contracting partners). These conditions are drafted in order to simplify commercial relations and with the aim of securing the most exact definition of rights and duties of contracting parties concerning purchase contracts, contracts for work, contracts for provision of services and other similar contracts. They are applicable for simplified contracts (sale order) and for ‘complete’ contract (hereinafter collectively the “**Contract**”).

1.2 MND Drilling & Services a.s. reserves the right to conclude all and any contracts, agreements or changes thereof exclusively in the written form, unless explicitly agreed otherwise. Until the contract is signed by the authorized representative of MND Drilling & Services a.s., it is impossible to assume that the agreement between parties has been reached and MND Drilling & Services a.s. shall not be held liable for any pre-contractual dealings in the sense of Sect. 1729 of the Civil Code.

2. Definition of terms

2.1 **Civil Code:** act No. 89/2012 Coll., the Civil code, as amended.

2.2 **Completion Certificate:** document proving the due fulfilment of the Contract (delivery of the Object of fulfilment) confirmed by representative of MND DS, i.e. delivery note, work handover record, etc.

2.3 **Contract:** Affirmative manifestation of parties’ will giving rise to mutual rights and duties. In practical terms concerning MND DS this means either complete (‘classical’) contract or also contract concluded by simplified way, i.e. order or offer unconditionally accepted by other contracting party.

2.4 **Contract Documentation:** request, quotation, commercial bid, order, project, design-, drawing- or other documentation, etc., if the Contract refers to those; Contract Documentation is an integral part of the Contract.

2.5 **Contract Price:** total price of Object of fulfilment according to the Contract, exclusive of VAT or other taxes and fees.

2.6 **Contracting Partner:** seller, contractor, vendor or provider. Legal or natural person who the Contract is being or has been concluded with.

2.7 **MND DS:** MND Drilling & Services a.s., a company with its registered office in Lužice, Velkomoravská 900/405, Postal Code: 696 18, ID No.: 25547631, registered in the Commercial register maintained by the Regional Court in Brno, under File No. B 2843; with regard to the Contract in the position of the purchaser, client or receiver of fulfilment.

2.8 **Object of fulfilment:** subject-matter of the Contract, i.e. work, goods, service or other fulfilment supplied based on the Contract.

2.9 **Subcontractor:** Contracting Partner, with the services of whom MND DS fulfils part of its obligations towards third party (principal customer), and who is cognizant of this fact (e.g. following the wording of Contract, negotiations of Contract conditions, e-mail communication, etc.).

2.10 **VAT:** value added tax; its application regime is governed by the mandatory regulations of applicable law.

3. Binding effect of these terms and conditions

3.1 These Conditions are binding for purchase contracts, contracts for work, contracts for performance of services and other similar contracts, if these Conditions are expressly referred to in such Contract.

3.2 Contracting parties may agree during contract negotiations to use other general conditions of business than these Conditions; such agreement must be expressly stated in the Contract text itself.

4. Conclusion of the Contracts

4.1 Individual Contracts are concluded on the basis of offer for conclusion of a ‘complete’ contract or on the basis of orders or offers presented (hereinafter the “**Offer**”). Offer must be signed by person authorized to act on behalf of offeror.

4.2 Should the Offer be effective, its text must contain at least the following:

- a) designation and exact specification regarding the ordered Object of fulfilment, including prospective documentation,
- b) details concerning price of the Object of fulfilment, without VAT; VAT if applicable,
- c) place, date/period and way of performance/delivery or due completion date,
- d) text: ‘Legal relations between the contracting parties arising from and not expressly dealt with in this contract are governed by General Terms and Conditions of Purchase MND DS a.s., effective as of the day of contract’s conclusion as published on <http://www.mnd-drilling.eu/en/about-company-2/general-terms-and-conditions-of-purchase/>. Contracting parties represent that they were acquainted with these General Terms and Conditions of Purchase.’; or other text with same meaning.

4.3 Offer should further contain:

- a) persons authorized for takeover of the Object of fulfilment,
- b) guarantee period,
- c) terms of payment,
- d) country of Object of fulfilment designation,
- e) identification of principal customer and project (incl. type of services to be provided) in case Contracting Partner is in the position of Subcontractor.

4.4 Contract is executed by signature of both contracting parties along with full printed name and surname, plus name of party on whose behalf said person is signing, and in the case of legal person also position of a

person authorized to sign such Contract. Contracting Partner confirms by signature of the Contract that it is acquainted with these Conditions and agrees to them. Each Contract shall contain date of its execution.

4.5 MND DS excludes acceptance of the Offer with a supplement or variation (Sect. 1740 (3) of the Civil Code) or with a reference to other Terms & Conditions than these Conditions (Sect. 1751 (2) of the Civil Code). In the event that Contracting Partner adds any supplements, exceptions or variations either before or during signing of Offer, or refers to Terms & Conditions other than these Conditions, such act shall constitute a counter-offer, which requires acceptance by MND DS. In such case the Contract will only be concluded upon acceptance of such amendment by MND DS.

4.6 By accepting the Offer Contracting Partner undertakes to deliver Object of fulfilment in due manner specified in the Contract, and transfer the title to the Object of fulfilment to MND DS including all documents pertaining to the Object of fulfilment at a place and time agreed upon in the Contract. MND DS will take over duly delivered Object of fulfilment at a place and time agreed upon in said Contract, and will pay the price agreed upon.

4.7 Unless agreed otherwise in the Contract, transportation costs to the agreed upon destination which is the premises of MND DS's registered office, are to be borne by the Contracting Partner. Contracting Partner is obligated to select appropriate mode of transportation with regard to the nature of the Object of fulfilment. In such case, the Contracting Partner is also obligated to securely pack the Object of fulfilment in a manner that will ensure its safe transportation and handover.

4.8 Contracting Partner confirms by entering into the Contract, that it has carefully assessed risks arising out of the Contract prior to its conclusion and accepts these. MND DS and Contracting Partner assume risk of circumstances' change in the sense of Sect. 1765 (2) of the Civil Code.

4.9 An application of Sections §558 Para 2, §1726, §1728, §1729, §1744, §1757 Para 2 and 3 and § 1950 of the Civil Code is explicitly excluded.

5. Method of payment, invoicing

Unless expressly agreed otherwise in the Contract, MND DS will pay the agreed price for the Object of fulfilment in the following manner:

5.1 Invoice for payment is to be issued by Contracting Partner according to applicable law. In addition to requisites of invoice imposed by mandatory regulations of the applicable law, invoice shall also contain Contract number of MND DS. Copy of Completion Certificate shall be attached to invoice in any case.

5.2 If Contracting Partner is VAT registered in the Czech Republic then the invoice shall contain appurtenances of tax document. If Contracting Partner is VAT registered in any other member state of the European

Union, in addition to requisites recognized in business relations, said invoice must also contain tax identification number of the Contracting Partner.

5.3 Term of payment is 30 days from the date of delivery of invoice to MND DS. Invoice is considered paid on the date of transfer of funds from MND DS bank account. Payments shall be made for the account of Contracting Partner stated in the invoice.

5.4 Should not an invoice contain the requisites or should it not be attached with the required documents according to clause 5.1 and 5.2 above, or should its issue or content be inconsistent with the Contract, MND DS reserves the right to return such invoice to Contracting Partner prior due date. In such a case a new invoice shall be subject to the original payment terms.

5.5 It is possible the invoice to be sent electronically on the e-mail address of MND DS: invoicing.mnnds@mnd.cz. In such a case the electronically sent invoice shall be sent from the e-mail address of the Contracting Partner designated in the Contract as "e-mail address for electronic invoice sending". The electronic invoice shall be considered as properly delivered only if such invoice is a scan of the original invoice document with all appurtenances of the invoice required by the applicable law, these Conditions and the Contract, including the invoice is stamped by the Contracting Partner and signed by the person authorized to issue such invoice on behalf of the Contracting Partner. In case the designation of the e-mail address of the Contracting Partner will be missing in the Contract, it shall be deemed that the electronic receiving of the invoices has not been agreed by the Parties.

5.6 If MND DS takes over the Object of fulfilment that is incomplete or contains minor defects and deficiencies or without all related documentation, MND DS reserves the right to withhold 10 % of Contract Price until such defects are corrected or the Object of fulfilment is completed. Retained amount, or its leftover, shall be paid to the Contracting Partner within 7 days the Certificate of removal defects and deficiencies was signed by both contracting parties.

5.7 The Contracting Partner is not entitled to any advance payment of the Contract Price, unless agreed otherwise in the Contract.

6. Quality of fulfilment

6.1 Contracting Partner undertakes to deliver the Object of fulfilment in compliance with conditions specified in the Contract. Contracting Partner must perform all duties with maximum due and professional care. The Object of fulfilment must be eligible for purposes stated in Contract or otherwise known to Contracting Partner. If additional specifications are not included in Contract, the Object of fulfilment must meet general requirements and standards of quality, as required for the Object of fulfilment of the same or similar specification.

6.2 Contracting Partner further undertakes to deliver / perform the Object of fulfilment in accordance with all

mandatory regulations of applicable law, valid technical standards and resolutions issued by public authorities concerning the Object of fulfilment all of which are valid or applicable in the Czech Republic and European Union and/or in country of Object's of fulfilment designation and MND DS is entitled to inspect these duties anytime. At the same time Contracting Partner is obligated to supply MND DS with declaration of conformity.

7. Delivery of the Object of fulfilment

- 7.1 Unless agreed otherwise in the Contract, the Object of fulfilment shall be delivered in accordance with the delivery term DDP MND DS's premises in Lužice, Velkomoravská 900/405, PSČ 696 18 INCOTERMS 2010. The Contracting Partner is obliged to secure the transportation of the Object of fulfilment to the place of delivery at its own costs. The Contracting Partner is obliged to select suitable manner of transport with respect to the character of the Object of fulfilment. The Contracting Parties declare they are fully aware of the meaning of the delivery term DDP according to INCOTERMS 2010, including all rights and duties that arise in connection herewith.
- 7.2 MND DS shall not be obliged to take over partially completed or incomplete fulfilment, in particular to accept a delivery not in the agreed upon quantity, quality or missing requisite documentation.
- 7.3 In case of contract of work, obligations are fulfilled by Contracting Partner upon completion of work performed in accordance with such Contract, and handover of completed work in its entirety along with all requisite documentation. Provision of Sect. 2605 of the Civil Code shall remain unaffected. MND DS reserves the right (but is not obliged) to takeover work that is incomplete or contains minor defects or deficiencies if such do not prevent the due usage of such work; for these purposes, evaluation of significance of such defects shall be under the sole discretion of MND DS.
- 7.4 In case of purchase contract, goods are considered to be duly supplied only if delivered in accordance with Contract, in given quantity, quality, place of delivery and time agreed upon in Contract and if documents and entire documentation necessary for due usage are delivered upon handover of the goods. Provision of Sect. 2093 of the Civil Code shall not apply.
- 7.5 In addition to requirements listed in clause 7.3 and 7.4 above, a further condition for handover and takeover of the Object of fulfilment is also successful performance of pre-agreed inspection and testing.
- 7.6 The Contracting Partner undertakes to deliver the Object of fulfilment properly packed for the purposes of transportation, manipulation (including loading/unloading by cranes and/or by other devices), and storage of that type of fulfilment.
- 7.7 Certificate of Completion shall either be drawn in written upon handover and takeover of the Object of fulfilment or at the very minimum a delivery note or other similar document shall be verified. Certificate of Completion must include at least the following data:

- a) specification of the Object of fulfilment to be handed over in such a way to ensure that no mistake in identification may occur,
- b) list of documentation handed over with the Object of fulfilment,
- c) date of delivery/ take over of the Object of fulfilment,
- d) identification (printed names in full, including position) and signatures of representatives performing handover on behalf of both contracting parties.
- e) Any eventual defects or deficiencies detected shall be listed as part of Certificate of Completion along with term and manner of their rectification.

8. Inspection of Object of fulfilment

- 8.1 On-going inspection: MND DS reserves the right to check the Object of fulfilment e.g. state of production and/or the manner in which work is performed and to ascertain current state of its completion. If MND DS has any concerns about proper and timely delivery of the Object of fulfilment MND DS reserves the right to require from the Contracting Partner a security that Object of fulfilment will be indeed completed in a proper and timely manner. If Contracting Partner refuses to provide such a security, MND DS reserves the right to rescind the Contract. Claim for damages or any other claims of MND DS pursuant to Contract are not affected by the rescission of the Contract.
- 8.2 Inspection at takeover: Representatives authorized for handover and takeover of the Object of fulfilment, or other persons specified in the Contract are obligated to perform inspection of the Object of fulfilment upon the handover. The purpose of such inspection is to determine that the Object of fulfilment is in conformity with the Contract (regarding quality, quantity, following agreed procedures, instructions, technical standards, etc.), and to uncover potential defects or deficiencies.

9. Transfer of ownership and risks

- 9.1 Risk of damage is transferred to MND DS upon takeover of the Object of fulfilment, i.e. by signing of Certificate of Completion.
- 9.2 The title to the Object of fulfilment shall pass to MND DS in the moment and under conditions determined by applicable law.

10. Quality guarantee, claims from faulty performance

- 10.1 In accordance with quality guarantee, Contracting Partner is during the whole guarantee period fully responsible for Object of fulfilment being properly functional and suitable for intended use stated in the Contract or otherwise known to Contracting Partner, and possessing features set by mandatory regulations of the applicable law, technical standards, Contract, or typical features.
- 10.2 Contracting Partner provides MND DS with quality guarantee concerning the Object of fulfilment of duration and scope in accordance with the Contract or guarantee certificate. Conditions of guarantee certificate must not be less advantageous than conditions stated in Contract and in case the Contract

does not regulate the conditions of guarantee, the conditions stated in the guarantee certificate must not be less advantageous than these stated in the Conditions. Guarantee certificate shall be handed over upon delivery of the Object of fulfilment at the latest.

- 10.3 Unless stated otherwise, Contracting Partner provides guarantee for a period of 24 months.
- 10.4 Guarantee period commences upon handover of Object of fulfilment on the basis of Certificate of Completion. If the fulfilment includes assembly or installation, guarantee period will commence upon completion of these activities.
- 10.5 MND DS will notify the Contracting Partner of performance defects without undue delay after their detection, however no later than 30 days after their detection, while the moment of sending off the notification is decisive. For the avoidance of doubt defects covered under the guarantee may be claimed until the end of guarantee period. MND DS will reasonably specify (explain, describe the symptoms, etc.) the defect and state in the notification the extent of the claim asserted, the manner and the deadline for the defect's removal. The deadline will be set by MND DS reasonably according to the extent and character of the defect.
- 10.6 Contracting Partner undertakes to start removal of the defect claimed immediately (by 24 hours) after being notified, and the defect shall be removed without undue delay. For this purpose, the Contracting Partner shall ensure the presence of its authorized representative at the place of detected defect. Should the Contracting Partner fail to fulfil this obligation, is liable for all damages incurred by MND DS. The contracting parties undertake to write down a record on defect's exposure, extent, consequences, manner and term for its removal.
- 10.7 Unless agreed otherwise (i) the defect preventing MND DS from due use and operation of the Object of fulfilment shall be completely removed not later than within 48 hours after receiving the notification, and (ii) with regard to defects, the removal of which necessitates the assistance of the manufacturer of the device or the supplier of materials or work, the manner and the period for the removal of the defect shall be agreed with MND DS; the Contracting Partner shall remove such a defect within 24 hours after receiving the material or instructions from the manufacturer or supplier.
- 10.8 The costs of rectifying the defects, transportation of the defective Object of fulfilment or its part(s) to/from the place of repair, the costs of prospective replacement and the risk of damage on the transferred Object of fulfilment or its part (s) shall be borne by the Contracting Partner.
- 10.9 In the event of failure of Contracting Partner to remove the defects within determined or agreed time, MND DS is entitled to remove defects by itself or by third party at cost of Contracting Partner that shall be payable within 7 days after receiving notification of removal. In this notification MND DS shall specify

the total sum of cost necessary for removal of defects. The quality guarantee shall not be hereby affected.

- 10.10 Contracting Partner is not responsible for defects covered under guarantee if it proves that defect was caused by failure to follow routine maintenance, service, or other conditions as specified in the Contract providing that Contracting Partner has demonstrably acquainted MND DS with all such conditions.
- 10.11 Until the removal of defect MND DS is not obliged to pay respective amount of Contract Price which approximately corresponds to its right to price discount.
- 10.12 No arrangements of the quality guarantee shall affect any rights of MND DS arising from defective performance of the Contracting Partner under the Civil Code (e.g. Sect. 2112 par. 1 the last part of the second sentence).

11. Contractual penalties

- 11.1 If MND DS is in delay with payment of invoice, Contracting Partner shall be entitled to claim default interest of 0.05 % of amount in arrear per each full day of delay, up to 10 % of total Contract Price without VAT.
- 11.2 If Contracting Partner is in delay with handover of the Object of fulfilment, MND DS shall be entitled to contractual penalty in the amount of 0.2 % of total Contract Price per each commenced day of delay. The rate of contractual penalty shall double starting on the beginning of the 15th day of delay.
- 11.3 If Contracting Partner is in delay with start of defects removal or with completion of defects removal within time period set in clause 10. of these Conditions, MND DS shall be entitled to contractual penalty in the amount of CZK 5,000 per each commenced day of delay.
- 11.4 In case of any other breach of any of the Contracting Partner contractual obligation arising from the contractual relationship established by this Contract and/or Partial Contract, MND DS shall be entitled to charge Contracting Partner a contractual penalty in the amount of CZK 1,000 per each breach.
- 11.5 Right to contractual penalties is incurred per each individual breach of contractual obligation.
- 11.6 Provisions of these Conditions concerning contractual penalty payments do not affect claims of MND DS for damages; Sect. 2050 of the Civil Code shall not apply. The paid contractual penalty shall not be set off against a compensation for damage.
- 11.7 Contractual penalties or default interest payments are due within 14 days of notice being sent.
- 11.8 MND DS has the right to set off unilaterally contractual penalty to which it is entitled pursuant to the Contract against the unpaid invoice.

12. Rescission from Contract

- 12.1 Each contracting party is entitled to rescind the Contract if so determined by the Contract and/or

these Conditions (*e.g.* clause 8.1, 12.2 et seq.), or set under governing law.

12.2 Contracting party may rescind the Contract in such a case where the other contracting party is in fundamental breach of the Contract. The following cases are considered in particular to be fundamental breach of Contract:

- a) MND DS's delay in payment of invoice in excess of 30 days and if MND DS will not pay outstanding amount based on the Contracting Partner's written notice within additional period not shorter than 15 days,
- b) failure to deliver the Object of fulfilment at the agreed date in the case the Contracting Partner is a Subcontractor,
- c) delay in delivery of the Object of fulfilment in excess of 30 days.

12.3 MND DS is entitled to rescind the Contract if it is evident from communication between parties even before the completion date that the Contracting Partner will not fulfil its contractual obligations by the due date.

12.4 If the Contracting Partner is a Subcontractor, MND DS reserves the right to rescind the Contract if there is a termination of main contract concluded with the principal customer for whatever reason.

12.5 Rescission of Contract does not affect claims for contractual penalties which already exist or other Contract stipulations or these Conditions which shall based on their nature remain binding even after Contract termination.

12.6 MND DS also has the right to rescind from the Contract on the basis of its own decision without giving the reason providing it pays the Contracting Partner the proportion of the Contract Price corresponding to the goods and/or services already delivered and/or provably ordered, and the work in progress, on the effective day of the rescission of the Contract. The Contracting Partner is obliged to hand over such goods, services and/or work in progress to MND DS. In this case MND DS shall pay compensation for repudiation in the amount of 5% of agreed Contract Price, up to CZK 300,000.

13. VAT clause, permanent establishment

13.1 Contracting Partner is to state truthfully in Contract whether or not it is VAT registered payer in the Czech Republic or whether it is VAT registered in another European Union member state or is a foreign national under valid VAT law (meaning having place of business, registered office, or residence outside of European Union).

13.2 In the case where Contracting Partner is VAT registered in another European Union member state, it is understood that said person does not have place of business or registered office within the Czech Republic unless otherwise stated in Contract.

13.3 With reference to foreign national, Contracting Partner is obliged to present tax identification number and certificate of VAT registration issued by respective authority, if any.

13.4 Contracting Partner is obligated by signing of Contract to inform MND DS during duration of said Contract of any changes in the aforementioned facts without undue delay, no later than within 7 days of the date on which such changes were made. In case of breach of this obligation or any misrepresentation, Contracting Partner shall pay for all damages/expenses incurred as a result of any such breach.

13.5 Contracting Partner who is a VAT registered payer in the Czech Republic declares by signing of Contract that he is not an untrustworthy payer in the sense of Sect. 106a of the Act No. 235/2004 Coll., on value added tax, as amended. Contracting Partner further undertakes that in the period of the effectiveness of the Contract he will notify MND DS of any change of this data (*i.e.* if he acquired or lost the status of an untrustworthy payer) within three (3) working days after a relevant resolution of the revenue authority become effective. Concurrently within this period, an untrustworthy payer has to notify MND DS in writing of an account number of the revenue authority relevant for the VAT payment by an untrustworthy payer. In case of breach of this notification duty or any misrepresentation pursuant to this clause, MND DS is entitled to claim a contractual penalty in the amount of CZK 10,000 per each case of breach. Provisions of these Conditions concerning contractual penalty payments do not affect claims of MND DS for damages. The paid contractual penalty shall not be set off against a compensation for damage.

13.6 Contracting Partner who is a foreign entity declares by signing of Contract that (i) it has no registered office nor a permanent establishment in the Czech Republic, and (ii) no other contracts are in effect which would result in the legal necessity to register place of business within the Czech Republic. In the case where Contracting Partner does already have or will be required to register place of business in the Czech Republic or signs a contract which will legally require registration of such a place of business, it is obliged to inform MND DS of this fact before contract signing, or no later than within 30 days respectively. In case of failure to fulfil the aforementioned duties, Contracting Partner shall pay for all damages/expenses incurred as a result of any such failure.

14. HSEQ clause

14.1 During performance of the Contract, Contracting Partner (including all staff and subcontractors) shall continually prevent injuries, health hazards, personal safety exposures, environmental pollution, damage to property of MND DS or third parties and violation of MND DS's goodwill. MND DS reserves the right of inspection by own authorized personnel concerning above mentioned condition.

14.2 Contracting Partner is further obliged to perform activities concerning delivery of the Object of

fulfilment under the laws of Czech Republic and/or any other applicable law and decisions made by governmental or other authorized organization regarding HSEQ. MND DS reserves the right to inspect above mentioned performance without prior notice. MND DS will inform the Contracting Partner about the internal HSEQ regulations of MND DS and principle customer valid within the place of the Object fulfilment and the Contracting Partner undertakes to fulfil these regulations.

14.3 In the case of negative environmental impact as a result of activities by Contracting Partner, MND DS reserves the right to take necessary corrective measures. Contracting Partner is liable for expenses of such corrective measures. MND DS further reserves the right to immediate rescission of Contract.

14.4 Contracting Partner shall indemnify MND DS for all costs and damages (including penalties or other sanctions) which originated from Contracting Partner's failure to comply with duties specified in this clause 14.

15. Confidentiality

15.1 All information and data provided by MND DS to Contracting Partner in connection with their mutual commercial relations irrespective of form shall be kept confidential.

15.2 Contracting Partner shall use all reasonable effort to prevent disclosure of confidential information to third party without prior written consent of MND DS and shall secure confidentiality agreement to the same extent from all its subcontractors and representatives. Contracting Partner will not publish or agree to publish any printed matter or announcement concerning Contract or participation of Contracting Partner regarding execution of Contract. The undertakings stated above shall not apply to confidential information which is on the date of this Contract:

a) in the free and lawful possession of the Contracting Partner, except any information received by the Contracting Partner during negotiation of this Contract;

b) part of public knowledge or literature or which subsequently becomes part of the public knowledge or literature;

c) has been disclosed to the Contracting Partner by a third party whose possession of the information is lawful and who is under no secrecy obligation with regard to the said confidential information.

15.3 Responsibilities under clause 15.1 and 15.2 shall continue even after termination of the Contract.

15.4 In case of breach of this clause 15. MND DS is entitled to claim contractual penalty in the amount of CZK 100,000 per separate infringement.

16. Subcontractor's position

16.1 Contracting Partner acting as a Subcontractor is fully aware of project significance and an extent of

potential damage incurred by MND DS due to Subcontractor's breach of obligation as set out in the Contract and/or Conditions.

17. Final provisions

17.1 Unless otherwise agreed by the Parties the Contracting Partner is obliged to submit a list of its sub-suppliers for approval before the Contract signing. In case any need to change or add to this list occurs after the Contract signing this change or addition is only valid after MND DS' previous written approval.

17.2 No amendments, changes or modifications to these Conditions and/or the Contract shall be valid unless made in writing and signed by persons authorized to act on behalf of contracting parties. In the event of any contradictions, provisions of the Contract shall take precedence over provisions of these Conditions.

17.3 Legal relations between Contracting Parties arising out of or in connection to Contract, as well as issues of its indemnity, amendments and consequences of its breach, as well as issues of its validity and consequences of its invalidity, shall be governed by the laws of the Czech Republic, i.e., in particular, by the act No. 89/2012 Coll., Civil Code, as amended and not including, however, conflicts of law rules thereof which would direct or refer to the laws of another jurisdiction. Any application of the 'United Nations Convention on Contracts for the International Sale of Goods' shall be excluded. Unless expressly agreed otherwise, any disputes arising from the legal relations resulting from the Contract shall be finally decided by material and local competent court of MND DS.

17.4 If for any reason any clause, sub-clause, term or condition herein shall be declared or deemed void, invalid or unenforceable, such shall not render void, invalid or unenforceable the remaining provisions of respective Contract or Conditions. In such a case, the parties shall replace the void, invalid or unenforceable provisions by a valid and enforceable one, which as far as legally possible implements their intent.

17.5 The respective Contract constitutes the full and entire agreement between the contracting parties about the terms and the contents hereof supersedes all written or oral negotiations, proposals, proclamations or agreements between the contracting parties, made before or at the moment of the conclusion of this Contract, unless agreed otherwise. The contracting parties expressly agree that any existing or future practice established between them or maintained in general practice or industry relating to the subject of the Contract which is not expressly referred to in this Contract, shall not apply, and that any rights or obligations shall not be construed from them, nor they will be taken into account when interpreting the expressions of the will of the contracting parties.

17.6 Annexes are an integral part of the Contract. In the event of a conflict between the main text of the

Contract and its Annexes, the main body of the Contract shall prevail.

17.7 Neither of the contracting parties is entitled to assign its rights and obligations under this Contract to a third party without prior written consent of other contracting party.

17.8 These Conditions supersedes any previous General Terms & Conditions issued by MND DS for the relevant area of contractual relations.

In Lužice, on 1st July, 2016

Mr Petr Kopečný,

Managing Director, MND Drilling & Services a.s.

The logo for MND Drilling & Services a.s., consisting of the letters 'MND' in a bold, stylized font.A large, handwritten signature in blue ink, written over the company name and address.

MND Drilling & Services a.s.
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