



## SERVICE CONTRACT

**NO. 26 12 Z 0XXX - 00**

(hereinafter "**the Contract**")

concluded by and between:

**NAFTA a.s.**

Residing at: Votrubova 1, 821 09 Bratislava, Slovak Republic

Company Registration Number: 36 286 192

Tax Identification Number: 2022146599

VAT Identification Number: SK2022146599

Bank: ING Bank N.V. a.s.

Account No.: 9000029197/7300

IBAN: SK17 7300 0000 0090 0002 9197

SWIFT: INGBSKBX

Registered in Companies Register of the District Court Bratislava I in Section: Sa, Insert No.: 4837/B

Represented by:

**Ing. Szilárd Kása** – Director of Economic Section

**Ing. Ladislav Božik** – Head of Procurement Department

(hereinafter "**the Client**")

and

**Company name**

Residing at:

Company Registration Number:

Tax Identification Number:

VAT Identification Number:

Bank:

Account No.:

IBAN:

SWIFT:

Registered in: Companies Register of the District Court xxx Insert No.:

Represented by:

**Name** - position

**Name** - position

(hereinafter "**the Provider**")

(hereinafter collectively referred to as "**the Parties**" or separately as "**the Party**")

### 1. SUBJECT OF THE CONTRACT

#### 1.1 Subject and Purpose of the Contract

The subject and purpose of this Contract is to determinate the rights and duties of the Parties applicable to the Service provisioning according to this Contract.

#### 1.2 Type of the provided Services

Under the terms of this Contract, the Provider shall be obliged to perform and the Client shall be obliged to take over from

the Provider the following services: **directional drilling services** (hereinafter „**the Services**“). A more detailed specification of the Services shall be determined in Attachment A of this Contract.

## **2. TIME OF THE SERVICE PROVISIONING**

### **2.1 Time of the Service provisioning**

The Provider shall be obliged to provide the Services to the Client within the terms determined in Attachment A of this Contract. The Client shall be bound to provide the Provider with cooperation necessary for the Services provisioning under the conditions stipulated in the Contract herein.

Acceptance of the Services shall be drafted in the form of minutes signed by both Contractual Parties.

## **3. PRICE FOR THE SERVICES**

### **3.1 Price for the Services**

The Client shall be bound to pay for the Services the price determined according to actual performance of the Provider as it is stated hereinunder, while the Parties shall exert the best possible effort in order to agree on the price in good faith (hereinafter "**the Price**").

### **3.2 Content of the Price**

The Price includes all costs related to fulfilment of Provider's obligations, esp. the costs of provisioning of the Services and performance of the Provider.

### **3.3 Price List of the Provider**

Provider's performance unit prices stated in the price list, which forms the Attachment A of this Contract, shall be used in order to calculate the total price of the Contract.

### **3.3 VAT**

Value added tax (hereinafter „**VAT**“) shall be invoiced to the Price according to the valid legal regulations.

## **4. TERMS OF PAYMENT**

### **4.1 Invoice**

Payment of the Price shall be effected based on the billing by the Provider. The invoice shall contain legal requirements as to invoices and requirements of the Contract herein. An invoice template forms Attachment C of this Contract. Payments shall be effected in full amount, in Euros (EUR) and that on the maturity day of the invoice at the latest. Should the invoice fail to contain the requirements of law regulations and this Contract, the Client shall be entitled to send the invoice back to the Provider without payment within 15 days after receipt. In such case, the period of invoice maturity shall cease to lapse and it shall start on the day of delivering a corrected (new) invoice meeting the requirements of generally binding legal regulations and this Contract.

### **4.2 Maturity of Invoice**

The invoice shall be payable within 30 days from its delivery to the Client, unless it states a later date of maturity. The day of withdrawing the outstanding amount from the account of the Client shall be considered as the day of performing financial liability of the Client. Should the Provider change the account number stated on the invoice during the effect of the Contract and fail to deliver a notification on that matter of fact in writing to the Client at least 14 working days prior to the maturity of the invoice, the day performing the financial liability of the Client shall be the day of withdrawing the outstanding amount from the account of the Client regardless if the financial means was credited to the account of the Provider or not. Should the maturity date of the invoice fall on a holiday, the invoice shall be payable on the very next working day. Should the Client be in delay with payment of the invoice, the Provider shall be entitled to asked from the Client to pay an interest of late payment



amounting to 0.02 % of the outstanding amount for each day of the delay.

## **5. LABOUR, WARRANTY, EQUIPMENT, MATERIALS, SUPPLIES AND SERVICES**

- 5.1** When notified by Client by written work order, of the requirement for Services Provider shall commence furnishing same at the agreed upon time, and continue such operations diligently and without delay, in strict conformity with the specifications and requirements contained herein and such work orders.
- 5.2** Provider shall not employ in any work for Client any employee whose employment violates any labour, employment or other applicable laws. Provider shall not employ in any work for Client any employee who is a minor.
- 5.3** All Services rendered or performed by Provider shall be done with due diligence in a good and workmanlike manner, using skilled, competent and experienced workmen and supervisors, and in accordance with relevant legal and technical standards and good oilfield servicing practices.
- (a) Notwithstanding anything to the contrary contained herein, the terms of this paragraph apply to any Services. Provider uses its best efforts to ensure that all service personnel furnished are competent. Provider personnel will attempt to perform the Services requested; however, because of the nature of the work to be accomplished and unpredictable underground conditions, the results of such Services cannot be and are not guaranteed. Provider warrants the quality of the Services provided hereunder for a period of thirty (30) days after their acceptance. No warranty is given with respect to the results of the Services provided by the Provider.
- (b) Provider shall have no responsibility for any materials furnished by the Client.
- 5.4** Provider agrees to maintain its equipment in good operating condition at all times and shall use all reasonable means to control and prevent fires and blowouts, protect the hole, and protect Client's equipment.
- 5.5** Within the framework of the execution of the Services requested by the Client the Provider is not compelled to guarantee the accuracy of the obtained results. They indeed derive from data obtained directly or indirectly from the Client and/or indirect measurements made under circumstances possibly influenced by phenomena beyond the Provider's control. Anyway, every study, interpretation or recommendation given is only views founded on hypotheses and deductions resulting from measurings and experimental results. These hypotheses and deductions are not infallible and the views of other professionals may differ. Therefore, the Provider is not able to assure or to guarantee the exactness, accuracy and completeness of these interpretations.

## **6. INSURANCE**

### **6.1 Documents**

Upon written request, each Contractual Party shall furnish to the other party certificates of insurance evidencing the fact that adequate insurance to support each Contractual Party's obligations hereunder has been secured.

### **6.2 Lost in the Hole Coverage**

Unless otherwise specified in Service Contract, the Client shall be responsible for any lost in hole coverage and the respective insurance. In case that lost-in-hole coverage applies, the Provider shall provide the Client with relevant documentation, (e.g. account excerpts and the documentation proving the year of manufacture, terms of general repairs and the extent of replacements), enabling to confirm the calculation of value of the equipment that was lost in hole.

Notwithstanding anything contained in this Contract to the contrary, should any of the Provider's or its subcontractors instruments, equipment or Tools ("**Equipment**") become lost or damaged below the rotary table or in the well bore, except as a result of the sole negligence, gross negligence or wilful misconduct of the Provider, the Client agrees to defend, indemnify and hold the Provider harmless from the loss of or damage to the Provider's tools or equipment occurring in the hole, or in the drill string below the level of the rotary table. It is understood that Client shall make every effort to recover the lost or damaged Equipment. A reasonable fishing attempt has to be undertaken to reach and recover the Equipment, exclusive of attempts to recover cable. Client shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of all such Equipment. None of the Provider's employees are authorized to do anything whatsoever, nor shall any of the Provider's employees be required by the Client to do anything, other than consult in an advisory capacity with client in connection with such fishing operations.

Should the Client fail to recover such Equipment lost below the rotary table or in the well bore, or damaged during recovery, the Client shall reimburse the Provider the replacement value of such lost Equipment or for the cost of repairing any Equipment so damaged.

Further all risks associated with loss of or damage to any property of the Provider while in the custody and control of the Client or its other providers (including, without limitation, any items on consignment), or during transportation arranged by or controlled by the Client, shall be borne by the Client. However, the transportation arranged by or controlled by the Client does not cover the loading of the Equipment at the premises or storage facilities of the Provider.

## **7. INDEMNITY OBLIGATIONS**

**7.1** Definitions. The following terms shall have the designated definitions.

- (a) Client Group includes, individually or in any combination, the Client, its affiliates, contractors (other than Provider) and entities for which the Client is performing services, and each of their respective directors, officers, agents, representatives, employees and invitees.
- (b) Provider Group includes, individually or in any combination, Provider, and its affiliates and contractors, and each of their respective directors, officers, agents, representatives, employees and invitees.
- (c) Defend – the obligation of the indemnitor to defend the indemnitees at its sole expense. Notwithstanding the aforesaid, the indemnitee shall be entitled to participate in its defense at its sole cost.
- (d) Losses – claims, demands, causes of action, losses, judgments, liabilities, indemnity obligations, costs, damages or expenses of any kind and character (excluding attorney’s fees, court costs, expert witness fees and any other cost of defence or other legal expenses).

**7.2** Provider. Provider shall release, defend, indemnify, and hold harmless Client Group from and against any and all Losses arising out of bodily injury or death or property damage or loss (including patent or license infringement resulting from the use of the Provider Group’s property) suffered by any of the Provider Group in connection with this Contract, regardless of how caused, whether by the sole, joint or concurrent negligence (in any amount), strict liability or other fault of any of Client Group or a preexisting condition.

**7.3** Client. Client shall release, defend, indemnify, and hold harmless Provider Group from and against all Losses arising out of bodily injury or death or property damage or loss (including patent or license infringement resulting from the use of the Client Group’s property) suffered by any of the Client Group in connection with this Contract, regardless of how caused, whether by the sole, joint or concurrent negligence (in any amount), strict liability or other fault of any of Provider Group or a preexisting condition.

**7.4** Insurance Support/Limitation. The mutual indemnity obligations in Sections 7.2 and 7.3 above shall be supported by insurance provided by the Parties.

**7.5** Notwithstanding anything to the contrary contained herein, Client hereby agrees to assume the entire responsibility and liability for, and agrees to release, defend, indemnify and hold Provider harmless from and against all claims, liabilities, damages and losses for and arising out of the following specified types of claims, losses or events:

- 1. Loss or liability for damages or an expense arising from property injury that results from reservoir or underground damage, including loss of oil, gas, other mineral substance, or water or the wellbore itself; or
- 2. Loss or liability for damages or any expense arising from cost of control of wild well, underground or above the surface.

This obligation under 7.5 to indemnify, defend and release applies regardless of whether or not the claim or loss is occasioned by or results from the actual or alleged negligence of Provider or any other person, or entity, in whole or in part, whether sole, joint, active or passive, except to the extent the claim or loss is due to Provider’s sole negligence, gross negligence or willful misconduct.

**7.6** Provider shall assume all responsibility for and shall protect, indemnify and save harmless Client from and against all

losses, costs, charges, liabilities and damages resulting from claims, demands and causes of action of every kind and character relating to pollution or contamination which originates above the surface from the negligence, improper care or disposition by Provider. Client shall assume all responsibility for and shall protect, indemnify and save harmless Provider from and against all losses, costs, charges, liabilities and damages resulting from claims, demands, and causes of action of every kind and character relating to pollution or contamination, other than that described in the preceding sentence, which originates from the subsurface, including but not limited to pollution resulting from fire, blowout, cratering, seepage or any other uncontrolled flow of oil, gas, water or other substance.

**7.7** Indirect or Consequential Damages. The Parties hereto waive and release all claims against the other party for indirect, special, punitive or consequential damages arising out of this Contract, regardless of whether caused or contributed to by the sole, joint or concurrent negligence (in any amount), strict liability or other fault of the other party or a preexisting condition. As used herein, “indirect or consequential damages” shall include, but not be limited to, cost of re-drilling the well, loss of revenue, profit or use of capital, production delays, loss of product, reservoir loss or damage, losses resulting from failure to meet other contractual commitments or deadlines and downtime of facilities or vessels.

**7.8** No Limit. Except as otherwise provided herein, the foregoing indemnity obligations shall not be limited to the amount of insurance of the parties.

**7.9** The provisions of this Section shall extend to and be enforceable by and for the benefit of the Provider Group and the Client Group.

## **8. OTHER PROVISIONS**

### **8.1 General Business Terms and Conditions**

The Provider and the Client have agreed that in respect to the issues not regulated by this Contract, the contractual relations between the Provider and the Client resulting from this Contract shall be governed by the General commercial terms and conditions of the Client – customer, which forms the Attachment B of this Contract.

### **8.2 Assignment of Contract**

Neither Contractual Party may assign all or any part of its rights or obligations under this Contract without the written consent of the other Contractual Party, except to the extent that such assignment is to each party’s parent or any of its affiliates or subsidiaries. All rights and/or obligations contained in this Contract shall inure to the benefit of and be binding upon the assignor and its respective permitted successors and assigns.

### **8.3 Severability of the Provisions**

Every provision of the Contract herein shall be interpreted in a way as to be effective and valid under the legal regulations in force.

Should any of the provisions herein fail to be executable, valid or effective under the legal regulations in force, such a case shall not affect other provisions of the Contract. In case of the failure to be executed, valid or effective, the Contractual Parties shall negotiate in good faith in order to agree on the changes in or amendments to the Contract necessary for implementing the objectives of the Contract and replacing the not-executable or invalid provisions.

### **8.4 Confidential Information**

Information contained in the Contract herein, information exchanged between the Contractual Parties in connection with this Contract or in connection with the negotiation on the conclusion of the same, as well as all the information forming a business secret of one of the Contractual Parties shall be considered strictly confidential and none of the Contractual Parties may disclose or in any other way render the information to third person nor use it in conflict with the purpose of the same for personal use without a prior written consent of the other Contractual Party.

However, nothing hereinabove contained shall deprive the receiving Contractual Party of the right to use or disclose any information which: (a) is, at the time of receipt, or becomes at the later date, known to the trade or the public through no fault of the receiving party and then only after said date; or (b) is possessed by the receiving

party before receipt thereof from the disclosing party, developed by the receiving party independently of the confidential information, as evidenced by the receiving party's written records, or disclosed to the receiving party in good faith by the third party with an independent right to such information; or (c) required to be disclosed by the receiving party pursuant to an order of the court of competent jurisdiction or other governmental agency having the power to order such disclosure, provided the receiving party uses its best efforts to provide timely notice to the disclosing party of such order to permit the disclosing party an opportunity to contest such order.

#### **8.5 Returning of Documents and Materials**

The Provider shall be obliged to return to the Client any documents or Materials provided to the same by the Client in relation to this Contract, and that immediately after: (a) performance of the Services by the Provider within the Contract herein (b) withdrawal from this Contract or any termination of validity or effect of this Contract, or (c) upon the request of the Client.

#### **8.6 Changes and Amendments**

This Contract may be changed or cancelled only by mutual agreement of the Contractual Parties in writing.

#### **8.7 Notifications**

All notifications under this Contract shall be delivered in writing, namely by registered mail, express dispatching service, facsimile or e-mail, and shall be considered as properly delivered upon the delivery to the relevant Contractual Party; in case of notifications by facsimile or e-mail upon the confirmation of a successful transmission to the recipient, and that to the addresses stated by the Parties in the header of the Contract.

#### **8.8 Headings**

Headings of individual sections of the Contract shall have merely an informative character. They are not a part of this Contract nor influence the interpretation of the same.

#### **8.9 Effectiveness**

This Contract shall enter into force and effect on the day of its signing by the Contractual Parties.

#### **8.10 Legal Regulations and Disputes**

This Contract has been made in compliance with the relevant provisions of the Commercial Code and other generally binding legal regulations in force in the Slovak republic.

The validity, construction, enforcement and interpretation of this Contract shall be governed and controlled by the substantive laws of Slovak Republic excluding any of its conflicts laws or choice of law principles.

The Parties have agreed that all disputes arising from the Contract or in connection with the Contract shall be at the first place resolved by mutual agreement of the Parties.

If no agreement is reached, disputes shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three arbitrators. The place of arbitration shall be Vienna. The language of the arbitration shall be English.

#### **8.11 Copies**

This Contract has been made in 2 copies in English language and each of the Contractual Parties shall get one copy of them.

#### **8.12 Attachments**

The following Attachments shall be considered an integral part of this Contract:

Attachment „A“ – Price list and the specification of the services

Attachment „B“ – General terms NAFTA a.s. – Customer



Attachment "C" – Specimen of the invoice

In Bratislava, on :

In xxx, on :

The Client :

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**NAFTA a.s.**

**Name: Ing. Szilárd Kása**

**Position: Director of Economic Section**

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**NAFTA a.s.**

**Name: Ing. Ladislav Božik**

**Position: Head of Procurement Department**

The Provider :

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**Company**

**Name: xxxx**

**Position: xxxx**

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**Company**

**Name: xxxx**

**Position: xxxx**