

## 3M GENERAL CONDITIONS OF PURCHASE

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### INTRODUCTION

This document sets out the general conditions governing purchasing relations between 3M and the SUPPLIER. The general conditions described herein, save as otherwise agreed in writing between the Parties (i.e. between 3M and the SUPPLIER), shall be deemed to be known and accepted with the provision of the service assigned or execution of the works commissioned and shall prevail over any condition, term or clause appended to or already inserted in the standard models and forms used and sent by the SUPPLIER.

The special conditions of the order issued by 3M or the contract, agreed between 3M and the SUPPLIER at any time, shall in any event remain fully valid and effective.

In applying and interpreting the terms and conditions governing purchasing relations between 3M and the SUPPLIER (with regard to the adoption and signature of separate 3M general conditions relating to specific types of contractual services as well), reference shall be made to the principles contained in Articles 1362 *et seq.* of the Italian Civil Code and, in particular, to the provisions of Article 1367.

### ART. 1 DESCRIPTION OF THE SUPPLIER AND REQUIREMENTS OF THE CONTRACTUAL RELATIONSHIP

3M establishes and maintains profitable commercial relations with highly qualified suppliers, having adequate means, skills and resources to carry out the services undertaken and able to fully satisfy 3M's technical and qualitative requirements. The purchasing relationship is based on requirements of particular trust and therefore the SUPPLIER must be able to demonstrate in advance and maintain over time suitable requirements of trustworthiness, fairness, reliability, honour and professionalism in providing the service.

In particular, the SUPPLIER declares:

- that it satisfies all the legal and administrative requirements (including any authorization licences) necessary to be able to carry out the activities requested by 3M, as well as the technical and professional qualifications and knowledge necessary to carry out the activities required in accordance with the rules of the trade and good practice);
- that it operates according to a quality system able to guarantee the correct execution of the contract, only employing highly qualified and suitably trained personnel;

and undertakes:

- a. to produce and display all documentation certifying satisfaction of the requirements requested, with regard to its own employees and collaborators as well, based on the certificate of registration with the C.C.I.A.A. [*Chamber of Commerce, Industry, Crafts and Agriculture*] and the Single Contributions Record, which the SUPPLIER undertakes to produce within 10 (ten) days of 3M's request;
- b. if necessary and requested, to provide 3M, by completing suitable forms supplied by the latter, with the names of the personnel (holding employment contracts or the like, for a fixed term or indefinite period, including any resources employed under a leasing, temporary and project management or joint venture system, or with a relationship other than a permanent employment contract, including any independent relationship) who shall specifically carry out the activities for 3M and to indicate the National Collective Contract applied, henceforth undertaking to provide the names of any other personnel employed within the scope of execution of the aforesaid activities;
- c. to ensure that its personnel work scrupulously observing the specifications agreed with 3M, with regard to the information provided by means of the relevant technical documentation as well;
- d. to obtain in advance any authorizations from the competent authorities required in relation to the specific activities assigned;

- e. to comply scrupulously with the applicable rules on safety in the work places, health and hygiene, specifically taking all the most appropriate preventive measures to avoid accidents or damage to persons or property;
- f. to acquire from 3M in advance information on any risks present in the areas owned by 3M, in which its personnel will be required to work, acquiring a direct knowledge of the areas themselves and complying scrupulously with the prevention and protection measures adopted and the rules on safety, health and hygiene applied on the 3M site on which the activities assigned are carried out;
- g. to arrange any measures designed to avoid forms of environmental pollution as a result of the activities to be carried out for 3M;
- h. to inform 3M promptly in writing of any extraordinary event, including accidents or damage caused to property, occurring on account of carrying out the services for 3M;
- i. if necessary, to update the amount of the safety costs incurred for the activities to be carried out for 3M;
- j. to guarantee the correct execution of any charge falling within its competence.

Failure to observance the aforesaid obligations shall constitute:

- i) for the SUPPLIER, liability for any charges and/or damage which, owing to its non-observance, is caused to persons and/or property;
- ii) for 3M, grounds for the suspension of payments or termination of the relationship with the SUPPLIER.

3M and the SUPPLIER are independent contractual parties with independent decision-making, organizational, financial, technical and entrepreneurial capacity.

## **ART. 2 OBSERVANCE OF THE LEGISLATION AND BUSINESS ETHICS**

The SUPPLIER undertakes to promptly and scrupulously observe: a) any legislative provision applicable to the specific purchasing relationship established with 3M; b) the indications and rules recalled in the document attached as Annex A; c) the obligations assumed based on the documents attached as Annex B, Annex C and Annex D to the 3M General Conditions of Purchase, of which they form an integral and essential part.

In accordance with 3M's well-established policies, the SUPPLIER shall not offer gifts or hospitality which, owing to the value, nature, characteristics or circumstances thereof, conflict with the ethical principles or are such as to be able to condition the assessments and independence of judgment of 3M's employees. The SUPPLIER henceforth represents and warrants that it shall offer and provide its services without benefiting from any special relationship with 3M's employees such as to cause potential conflicts of interest.

The SUPPLIER undertakes to scrupulously observe the national and international legislation and standards concerning child labour.

3M has established as the basis of its business policy the requirement of specific observance of all legislation concerning the various business activities, whether of a strict legal content or ethical and behavioural in nature. In that context, over the years 3M has drawn up a series of internal regulations designed to establish the basic principles and rules on fairness in business practice, with which all internal collaborators and persons operating in partnership with 3M must comply. These include the 3M Code of Conduct<sup>1</sup>, the 3M Italy Code of Conduct and the Organization, Management and Control Model pursuant to Legislative Decree 231/2001<sup>2</sup>.

Insofar as applicable to the contractual relationship with the SUPPLIER, the latter undertakes to gain a knowledge of and adapt its behaviour, activities and decisions to the aforesaid regulations, recognizing the fundamental importance thereof to 3M, for the purposes of the arrangement, continuation and possible cancellation/termination of the contract.

<sup>1</sup> [http://3msource.mmm.com/wps/myportal/3M/en\\_US/ComplianceBusinessConduct/Home/CodeofConduct/](http://3msource.mmm.com/wps/myportal/3M/en_US/ComplianceBusinessConduct/Home/CodeofConduct/)

<sup>2</sup> <http://solutions.3m.com> section La nostra Azienda

In executing this contract, the SUPPLIER shall observe all applicable legal rules and the rules of fairness established by practice and by 3M's internal procedures.

With regard to the object of the 3M General Conditions of Purchase, the SUPPLIER confirms that it is able to correctly and legitimately carry out the services requested, not operating in situations of conflict of interest or incompatibility with other tasks or activities carried out on behalf of third parties, whether private or public in nature.

### **ART. 3 EXCLUSIVE RIGHTS AND PURCHASE COMMITMENTS**

There are no exclusive rights underlying or provided for in the purchasing relationship between 3M and the SUPPLIER, save as otherwise agreed in writing.

Save as otherwise provided for or agreed, the relationship with the SUPPLIER shall not imply for 3M any predetermined undertaking to purchase products, materials, goods or services offered by the SUPPLIER. Any purchasing forecasts or requirements notified by 3M to the SUPPLIER during the course of the relationship may not be deemed to be binding on 3M.

### **ART. 4 PURCHASE PRICES – TERMS OF PAYMENT**

During the relationship, the SUPPLIER undertakes to apply to 3M the prices agreed, as indicated in the 3M orders. The SUPPLIER declares that it is prepared to identify and propose solutions, systems, methods, mechanisms and innovations aimed at constantly improving its commercial supply, without involving or having to involve any alteration or detriment to the standards of quality requested and agreed with 3M.

The terms of payment stipulated in these 3M General Conditions of Purchase have been agreed based on the provisions of the applicable legislation.

The fee paid by 3M to the SUPPLIER shall be deemed to include any charge, allowance, cost or expense borne by the SUPPLIER for the activities requested by 3M.

The SUPPLIER may not issue any invoices to 3M in the absence of a formal order from 3M, the details of which shall appear in the aforesaid accounting document.

3M undertakes to promptly observe the terms of payment agreed. The SUPPLIER's non-observance of any obligation assumed on that basis shall constitute a legitimate ground for suspension of payment by 3M, until the actual production of the self-certification itself.

In the event of supplies involving a public entity as the final customer, the SUPPLIER undertakes to observe the obligations of cash flow traceability referred to in Law no. 136 of 13 August 2010 and subsequent amendments and additions, and to incorporate into the contracts with subcontractors howsoever involved herein the clauses provided for by Article 3 of Law 136/2010.

### **ART. 5 TRANSMISSION OF ORDERS**

3M orders may be sent to the SUPPLIER in non-paper format or with any means or instrument (e.g. courier, post, telex, fax, etc.) able to unequivocally indicate 3M's desire to purchase goods or services. With regard to the specific choice of means of transmission, the orders need not be signed by 3M representatives (e.g. fax transmission) and may therefore be sent by the computer, telecommunications and electronic tools considered most suitable by the Parties in carrying out their purchasing relations. The SUPPLIER henceforth accepts the form and means identified by 3M for the transmission of orders, confirming the full validity and efficacy thereof for the purposes of fulfilling such obligation. Solely for the purposes of certainty of the relations, 3M may ask the SUPPLIER for confirmation of purchase orders received according to the particular means to be agreed between the Parties.

Any subsequent change in the issue of orders involving any type of changes to the order itself shall only be deemed to be valid and operational if notified and approved by 3M in writing.

**ART. 6 OBLIGATIONS TO PROVIDE INFORMATION, MATERIALS AND DOCUMENTS**

In executing orders, the SUPPLIER shall make available and accessible to 3M, without prejudice to the protection of industrial secrets, all information, documents, tests, trials, drawings, certifications, samples, prototypes, moulds, templates and anything else necessary for the correct and full execution of the service requested and the use of the goods and services ordered, with particular, but not sole, reference to the documents and information on quality and on aspects of health, safety and the environment. This also applies to packaging or packaging materials supplied.

All the products, including packaging and packaging components, where applicable, sold by the SUPPLIER to 3M under these General Conditions shall comply, from all points of view, with the Specifications and with any legal or compulsory requirement, particularly with regard to health and safety, in force, even if not expressly mentioned in the Specifications.

Save as provided for in the previous paragraph, the products sold by the SUPPLIER or the 3M products into which they are incorporated and/or packaging and packaging components may be required to comply with laws that limit the content of the product, such as, merely by way of example but not exhaustively, European Regulation 1907/2006 REACH; Directive 2002/95/EC, known as the RoHS Directive, and Directive 94/62/EC (Directive on packaging and packaging waste), and/or any local law in force in the individual Member States of the European Union transposing the RoHS Directive and the Directive on packaging and packaging waste into law (the "Laws on Substances"). The SUPPLIER represents and warrants that the products sold to 3M shall not contain any of the substances prohibited by the aforesaid Laws on Substances and that any substance, including the substances referred to in the REACH Regulation, in the products sold to 3M does not exceed the relevant values of concentration permitted by the Laws on Substances (the "Regulated Values") in force at the time of supply of the products by the SUPPLIER.

The SUPPLIER shall provide 3M with the following: (i) satisfactory documentation to prove that the products supplied by the SUPPLIER do not exceed the Regulated Values; (ii) certification of the exact concentration of each substance subject to Regulated Values in all the products sold to 3M so that 3M can establish that the 3M materials combined with the non-3M materials do not exceed the Regulated Values; and (iii) reports on the presence of other substances that may impose an obligation to provide information to government entities, customers and/or recycling workers.

The SUPPLIER undertakes to return to 3M, on the latter's simple request, any material owned by 3M (including any electronic files) received from 3M or acquired and processed for it, within the context of the activities governed by these General Conditions.

**ART. 7 EXECUTION OF ORDERS OR OF THE CONTRACT**

The SUPPLIER shall execute orders or the contract specifically observing the terms agreed with 3M (e.g. quantities, delivery periods, standards of quality, invoicing terms and procedures, documentation, additional obligations, etc.). In the event of non-observance of the conditions agreed, 3M may, in accordance with the legal provisions, serve notice on the SUPPLIER to fulfil the conditions and, in the event of gross or repeated default, revoke and annul the order or request early termination of the contract.

In the event of established and unjustified default, 3M reserves the right to be able to charge penalties, to be agreed separately between the Parties, with regard to the specific circumstances and content of the service.

3M shall, in any event, be entitled to request compensation for any further loss sustained on account of the SUPPLIER's conduct.

**ART. 8 QUALITY AND GUARANTEES OF SUPPLY**

The SUPPLIER has knowledge, technologies and know-how such as to fully satisfy 3M's quality requirements. As an essential and necessary requirement of the purchasing relationship, the technical standards, specifications (including those relating to packaging) and procedures concerning quality agreed with regard to the service requested must be observed. The SUPPLIER declares that it is prepared, if useful or necessary, to undertake measures and initiatives aimed at obtaining certification of the business activities and processes of specific interest in the purchasing relationship with 3M.

The SUPPLIER shall assume for its account any liability, negative consequence, cost or expense, even in respect of third parties, connected with or deriving from the supply of faulty products sold by the SUPPLIER (such concept also including non-observance of the specifications agreed) or lack of, incomplete, late or non-compliant execution of the services rendered.

The guarantee periods, with regard to the correct functioning of the products supplied, may be agreed separately between the Parties with regard to the particular nature and characteristics of the supply.

Any defects found in the products purchased may be reported by 3M within 60 (sixty) days of discovery with any means able to inform the SUPPLIER of the existence and discovery of the defects.

3M's acceptance of the goods supplied by the SUPPLIER shall not constitute waiver, by 3M itself, of asserting any defects in the goods found after acceptance itself.

**ART. 9 INDUSTRIAL AND INTELLECTUAL PROPERTY**

The SUPPLIER undertakes not to disclose to third parties, or to use for purposes other than execution of the orders and/or contract, without 3M's prior, written consent, any technical or commercial information or documents that are the sole property of 3M, including drawings, sketches, templates, samples, moulds, parts, prototypes and components supplied or made available by 3M within the scope of the purchasing relationship. This prohibition must be deemed to be binding on the SUPPLIER, its representatives, agents, advisors and collaborators and any subcontractors, successors or assignees, even after termination of relations with 3M for any reason, and even in the event of a change of name or corporate, control or shareholding structure of the SUPPLIER.

The SUPPLIER shall be required to promptly return to 3M, on termination of the relationship or on conclusion of execution of the service, all information, documents and goods owned by 3M.

Save as otherwise agreed, it remains agreed that 3M shall remain the sole and exclusive holder and beneficiary of the rights connected with the benefit and use of the results (tangible or otherwise) of any works, inventions and innovations deriving from or associated with the execution of the specific service requested of the SUPPLIER, the fee agreed being deemed to include the transfer of such rights as well.

The SUPPLIER warrants to 3M, within its competence and responsibility, that the use, benefit in any way and resale of the goods or services purchased within the scope of the purchasing relationship shall not involve breach of third party industrial or intellectual property rights; in the event of objections or disputes, the SUPPLIER shall indemnify and hold 3M harmless from any liability or negative consequences in that respect.

No trade mark licence or other industrial or intellectual property rights are provided for or connected with the execution of the order or contract arranged with the SUPPLIER.

**ART. 10 OBLIGATIONS OF CONFIDENTIALITY AND PERSONAL DATA PROTECTION**

The SUPPLIER undertakes to maintain the confidentiality of any confidential information and documents acquired by 3M within the scope of execution of the purchasing relationship. Such obligation shall be deemed to extend to the representatives, agents, assistants, advisors and third parties used by the SUPPLIER for the execution of the service. Separately 3M may request the signature of confidentiality agreements relating to certain information or documents specifically identified and classified as confidential. The terms of the purchasing relationship with 3M shall be deemed to be and treated as confidential by the SUPPLIER, in relations with third parties and customers as well.

With regard to the handling of personal data concerning the SUPPLIER, see the full information sheet on the handling of personal data, which can be found on the website [www.3mitalia.it](http://www.3mitalia.it) – Data Protection Act.

**ART. 11 INSURANCES**

The SUPPLIER undertakes to arrange and maintain in force, with leading insurance companies or credit institutions, suitable insurance cover or guarantees to cover liability deriving from the activities carried out by it within the scope of the relations with 3M governed by the 3M General Conditions of Purchase.

On account of the type of service or product requested, 3M reserves the right to ask the SUPPLIER to sign particular insurance policies to cover specific risks. The limits may also be established by 3M as an essential condition for signature of the agreements and for the development or maintenance of the contractual relationship with the SUPPLIER.

A copy of the policy shall be supplied to 3M and the limits shall be agreed between the Parties in advance.

**ART. 12 SUBCONTRACTING OF THE SERVICE**

The SUPPLIER shall provide the service agreed making use of its own equipment, organization and resources, fully assuming the business risk itself. If, owing to the particular requirements or characteristics of the purchasing relationship, it becomes necessary or advisable to subcontract even part of the service, such subcontracting must be expressly agreed between the Parties in writing and authorized by 3M.

The SUPPLIER shall in any event remain directly liable vis-à-vis 3M even if it makes use of third parties to fulfil its obligations, with regard to the provisions and requests referred to in Articles 1 and 2 above as well.

In relations with subcontractors, the SUPPLIER undertakes to:

- guarantee the correct fulfilment of the obligations referred to in Article 1, letters a) to j) above;
- assume any direct liability deriving from the relationship with the Subcontractors.

**ART. 13 DEVELOPMENT OF THE RELATIONSHIP – CHANGE IN THE SUPPLIER'S PREREQUISITES AND REQUIREMENTS**

3M reserves the right to withdraw from the relationship with the SUPPLIER immediately if any facts or circumstances arise such as to irrevocably jeopardize the relationship of trust with the SUPPLIER itself and, in particular, situations of non-compliance and established infringements of the aspects agreed based on these 3M General Conditions of Purchase.

The occurrence of serious situations of financial difficulty, the commencement of insolvency proceedings, a change of representation and of shareholding structure and any other situation that may have a negative effect on the relationship in progress, even from an ethical point of view, or on the SUPPLIER's capacity to regularly fulfil its obligations may constitute a valid and justified reason for 3M's withdrawal from the purchasing relationship.

3M may carry out checks and controls at any time aimed at assessing continued fulfilment of the prerequisites of the relationship and the SUPPLIER's requirements, requesting documents and information in this respect.

**ART. 14 TECHNICAL AND LEGISLATIVE ADAPTATIONS**

The SUPPLIER undertakes to carry out any measures and initiatives rendered necessary to adapt its offer of goods and services to the requirements imposed by technological progress, by the state of the art and by new technical knowledge or other situations which, if not taken into due consideration, may have a negative effect on the SUPPLIER's capacity to correctly and completely fulfil its obligations. The SUPPLIER further undertakes to ensure that its offer complies immediately with the standards and requirements imposed by new legislative provisions.

Non-adaptation by the SUPPLIER, specifically giving rise to negative consequences or losses for 3M, may constitute a cause of immediate termination or annulment of the contract or order issued by 3M.

**ART. 15 TRANSFER OF AMOUNTS RECEIVABLE – TRANSFER OF THE RELATIONSHIP**

Amounts receivable by the SUPPLIER from 3M may not form the subject of transfer or payment authorization without 3M's prior, written consent.

The relationship with 3M is non-transferable by the SUPPLIER.

**ART. 16 AMENDMENTS**

Any amendment, departure or exception to the provisions of these 3M General Conditions of Purchaser must be expressly agreed in writing between 3M and the SUPPLIER.

**ART. 17 APPLICABLE LAW AND JURISDICTION**

The purchasing relationship between 3M and the SUPPLIER shall be governed by Italian law.

Any dispute over the application or interpretation of this document or the conditions governing relations between 3M and the SUPPLIER shall be referred to the jurisdiction and sole competence of the Court of Milan.

## 3M GENERAL CONDITIONS OF PURCHASE

### ANNEX A

#### PROVISIONS ON COMPLIANCE IN RELATIONS WITH 3M

For the purposes of this document:

**(a)** All 3M's rights and all obligations (including all stipulations, warranties and representations) issued in favour of 3M shall also be deemed to relate to 3M's affiliates, including, purely by way of example, any parent, subsidiary or other associated company;

**(b)** "Counterparty" refers to the SUPPLIER.

#### **SECTION 1. COMPLIANCE WITH THE LEGAL REQUIREMENTS AND WITH 3M'S BUSINESS POLICIES.**

1.1 Compliance. The Counterparty represents, warrants and confirms its commitment and, where existing, that of its affiliates, its owners, officers, directors, employees, agents, subcontractors, advisors and representatives (hereinafter simply referred to collectively as the "Representatives"), to fulfil all the obligations stipulated by the 3M General Conditions of Purchase, observing any legal provision, decision, legislation, order and government directive, at national, local, state or international level, including, purely by way of example, those concerning the fight against corruption (e.g. the US legislation on combating corruption in international financial transactions known as the "Foreign Corrupt Practices Act", and the more recent "UK Bribery Act"), free competition, trade regulations, the environment, transportation, health and safety in the work place and labour law (collectively referred to as the "Laws") applicable to 3M, to the Counterparty, to the activities of each party and to the products and/or services forming the subject of the 3M General Conditions of Purchase.

The Counterparty represents and warrants that it and the Representatives (as defined above) shall not undertake any action that may constitute an infringement of the Laws (also as defined above). The Counterparty further undertakes to inform 3M immediately if it hears of or is already aware of the following, for any reason: (i) any infringements of Laws committed by it or by the Representatives that have occurred or that may occur on fulfilment of the obligations forming the subject of the 3M General Conditions of Purchase or any other matter; (ii) any default on this Annex committed by the Counterparty or by the Representatives.

1.2 Due Diligence. The Counterparty represents and warrants that all the information supplied within the scope of the *due diligence* process to 3M or to any other person appointed by 3M for that purpose, concerning the history, characteristics and internal procedures of the Counterparty itself, is accurate at the date of entry into force of the 3M General Conditions of Purchase.

1.3 Raising awareness and training in compliance. The Counterparty warrants that it has understood and is fully aware of the prohibitions and rights described in this Annex. The Counterparty further undertakes to ensure that the Representatives howsoever involved in the fulfilment of the 3M General Conditions of Purchase are also properly trained and informed of the object of this Annex and the prohibitions contained herein.

1.4 Investigations into compliance. Throughout the period of the 3M General Conditions of Purchase and for any subsequent period of time in which 3M is subject to contractual or extracontractual liability and up to expiry of the time limits provided for by the applicable laws, 3M shall be authorized to carry out investigations concerning the Counterparty aimed at establishing whether the latter has promptly fulfilled all the objects of this Annex. The Counterparty henceforth undertakes to guarantee its collaboration, besides that of its Representatives, in carrying out the investigations conducted directly or indirectly by 3M, making any accounting books, documents and records ("Records") available to the latter or to its officers, if so requested, and in organizing talks with employees without delay.

Moreover, throughout the period of the 3M General Conditions of Purchase and in addition to all other remedies available, including the right to cancel the 3M General Conditions of



Purchase, if 3M has reason to doubt the prompt fulfilment by the Counterparty or the Representatives of the obligations referred to in this Annex, 3M shall be fully entitled to suspend execution of the 3M General Conditions of Purchase until the absence of any breach of contract is established. It is understood between the Parties that 3M shall not be liable vis-à-vis the Counterparty and/or the Representatives for any claims, loss or damage deriving from such suspension.

1.5 Compliance Audit. Within the scope of the *compliance* activities carried out by 3M to guarantee that the commercial activities are carried out observing the Laws, throughout the period of the 3M General Conditions of Purchase and for three years thereafter, 3M shall be entitled to conduct one [or] more audits ("Audit") on the Counterparty, at its expense, in order to establish the latter's compliance with the obligations stipulated in this Annex. The Counterparty henceforth undertakes to collaborate with 3M or with the persons appointed by the latter, making available the Records (as defined above) and those of the Representatives collaborating, in any way, in the fulfilment of the obligations stipulated by the 3M General Conditions of Purchase, as well as organizing talks with its personnel. 3M shall establish, in its own unquestionable opinion, the scope, method, nature and duration of each audit.

## **SECTION 2. ANTI-CORRUPTION RULES.**

### **2.1 Unlawful payment.**

a. The Parties agree that no unlawful Payment (as defined below) shall be made that aims at or results in the performance of or acquiescence to corruption within the public or private field, extortion, bribery, money laundering or other unlawful or inappropriate methods of obtaining, conducting or maintaining business activities. Consequently, the Counterparty represents, warrants and confirms that, irrespective of the provisions of the local laws, it and its Representatives have not granted and shall not in the future grant, offer to grant or authorize any loan, hospitality, gift, payment or transfer of any other value (collectively referred to as "Unlawful Payment") to any natural or legal person, in relation to the 3M General Conditions of Purchase or any other commercial relationship of direct or indirect interest to 3M, in order to obtain, maintain or influence business activities and in order to obtain an unfair advantage in relation to the 3M General Conditions of Purchase or in any other commercial relationship concerning 3M. Merely by way of example, they shall not carry out any of the activities listed above in respect of: (a) a "Government Official" (as defined below); (b) relatives of a Government Official; (c) any officer, director, employee or representative of 3M, potential or actual customer of 3M or any affiliate thereof, for the personal benefit of such person.

b. This Section 2.1 shall not prohibit the organization, within the scope of the business activities, of simple entertainment and hospitality initiatives, provided that they are:

- (a) lawful;
- (b) consistent with the applicable sector, appropriate to the occasion and directly related to 3M's business; and
- (c) described accurately and in full in the Counterparty's Records.

2.2 Government Official. The term "Government Official" designates: (a) any employee or official of a government, including, purely by way of example, any federal, regional or local offshoot thereof, and any government agency or entity or business owned or controlled, even only partially, by a government; (b) any political party, and any officer or employee of a political party; (c) any officer or employee of an international public entity (such as the World Bank or the United Nations); (d) any Candidate for a political office; and (e) any person operating in an official capacity for or on behalf of an entity identified in points (a), (b), (c) and (d).

The Counterparty represents, warrants and confirms that, throughout the period of the 3M General Conditions of Purchase, no holder, partner, officer, director, Key Employee (as defined below), agent, subcontractor, advisor or representative of the Counterparty, or a relative thereof:

- (i) is a Government Official;

- (ii) maintains a direct commercial relationship with a Government Official;
- (iii) becomes a Government Official; or
- (iv) establishes a direct commercial relationship with a Government Official able to influence a decision or action relating to the purchase, regulation or use of a 3M product or a 3M service or any other public action taken for the benefit of 3M's business.

"Key Employee" shall be deemed to mean any employee of the Counterparty holding any decision-making authority over the relationship between the Counterparty and 3M pursuant to the 3M General Conditions of Purchase, or over the 3M products and/or services referred to in the 3M General Conditions of Purchase.

**2.3 Counterparty's Agents.** The Counterparty may only make use of business agents (hereinafter the "Agent" or collectively the "Agents") on 3M's prior, written authorization, which shall only be issued provided that:

- a) the Counterparty assists 3M in carrying out the due *diligence/integrity assessment* procedure on the Agent in order to establish the identity, qualifications, moral integrity and remuneration thereof, the services to be carried out and other significant information concerning the proposed Agent (hereinafter "Due Diligence");
- b) the Counterparty has independently carried out Due Diligence on the potential Agents by means of an Agent assessment process similar to 3M's, and the results of such process are made available to 3M if so requested and, based on the results, the latter is satisfied with the Due Diligence carried out.

If 3M authorizes the use of an Agent, the Counterparty must obtain from the Agent his written undertaking (a) to fulfil the same obligations provided for in this Annex, including, merely by way of example, prompt observance of the rights of investigation into compliance and audit attributed to 3M in Sections 1.4 and 1.5.

**2.4 Counterparty's Records.** The Counterparty undertakes to keep the Records (as defined above) in such a way as to reflect, accurately, correctly and in reasonable detail, all transactions and disposals of funds referred to in the 3M General Conditions of Purchase for the entire period of time indicated in Section 1.4 above. The Counterparty shall have an internal control system and suitable accounting and financial procedures to provide reasonable guarantees of the correct registration and authorization of all the transactions and uses of funds.

**2.5 Certificate of compliance.** Whenever 3M so requests, the Counterparty shall sign and deliver to 3M the certificate of compliance attached to the 3M General Conditions of Purchase (the "Certificate of Compliance") able to confirm the Counterparty's compliance with this Annex.

### **SECTION 3. GENERAL OBLIGATIONS.**

**3.1 Ongoing obligations.** The Counterparty agrees that: (a) all representations and warranties expressed in this Annex are and shall remain true and accurate for the duration of the 3M General Conditions of Purchase; and (b) the Counterparty undertakes to inform 3M immediately of any change in its control or ownership structure.

**3.2 Confidentiality.** 3M may divulge information at any time on the existence and terms of the 3M General Conditions of Purchase to third parties who, in 3M's opinion, legitimately need to be provided with such information.

**3.3 Early cancellation of the 3M General Conditions of Purchase.** 3M shall be entitled to cancel the 3M General Conditions of Purchase early: (a) immediately and simultaneously with written notification of infringement, by the Counterparty or the latter's Representative, of any one of the obligations provided for in this Annex; or (b) instantaneously, provided that notice of early cancellation of the 3M General Conditions of Purchase is notified to the Counterparty at least thirty (30) days in advance.

**3M GENERAL CONDITIONS OF PURCHASE**

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**ANNEX B****CERTIFICATE OF COMPLIANCE**

The SUPPLIER certifies that it has not granted or offered to grant in the past, and undertakes not to grant in the future, any loan, hospitality, gift or payment or transfer of any other object of value (collectively referred to as "Unlawful Payment") with regard to commercial transactions concerning 3M, either directly or indirectly:

- (a)** for the benefit of or in favour of a "Government Official" (as defined below);
- (b)** to relatives of a Government Official;
- (c)** to any officer, director, employee or representative of 3M, potential or actual customer of 3M or any affiliate thereof, for the personal benefit of such person; or
- (d)** to any other person or entity in which the aim of the Unlawful Payment is to influence a decision or action concerning the purchase, regulation or use of a 3M product or service.

The term "Government Official" designates:

- (i)** any employee or official of a government, including, purely by way of example, any federal, regional or local offshoot thereof, any government agency or entity or business owned or controlled, even only partially by a government;
- (ii)** any officer or employee of a political party;
- (iii)** any officer or employee of an international public entity (such as the World Bank or the United Nations);
- (iv)** any person operating in an official capacity or for or on behalf one of the entities or persons identified in points (a), (b) and (c); and
- (v)** any candidate for political offices.

The SUPPLIER further confirms:

- (1) its undertaking to inform 3M immediately if it has made or heard of any Unlawful Payment being made;
- (2) that all the representations and other information supplied within the scope of 3M's *due diligence* procedure are accurate;
- (3) that it is not a Government Official and that none of its relatives is a Government Official.

## **3M GENERAL CONDITIONS OF PURCHASE**

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### **ANNEX C**

#### **3M PARTNERS AND BUSINESS ETHICS**

3M ensures that its decisions and activities are inspired by the strictest observance of the legislation in force and the current ethical and behavioural principles. The partners used by 3M, aware of that choice, may not therefore carry out any actions, initiatives or behaviour contrary to the legislative and regulatory provisions and 3M policies on business ethics.

3M has also built and consolidated its image and reputation both nationally and internationally over time, persevering in choices and behaviour fully observing the legislative and social context. Relations between 3M and its partners are therefore based on requirements of particular trust; the partners themselves must first be able to demonstrate and maintain over time suitable requirements of reliability, fairness, integrity, competence and professionalism such as to satisfy 3M's standards and requirements.

In this connection, 3M partners, with regard to the persons belonging to their organizations or third parties in their trust whom they may use as well, expressly represent and warrant:

- a)** that they shall not work in situations of conflict of interest or making use of interpersonal or contractual relations that may place them or third parties in situations of conflict of interest;
- b)** that they have not assumed offices or carried out activities that are incompatible, even on a formal, contractual or legal level, with the relationship with 3M, even with regard to current or previous activities or offices within the scope of the Public Administration, public or private entities or businesses competing with 3M;
- c)** that they have not incurred any type of conviction and there are no legal proceedings in progress for actions or behaviour contrary to ethics and professional morality;
- d)** that they expressly wish to comply with the principles of fairness and ethics in business promoted and agreed by 3M, particularly with regard to the prohibition from promising, offering or paying (directly or through intermediaries) sums of money or other profits to public officials in order to influence, or try to influence, their activities in carrying out their duties as public officials;
- e)** that they will not use, for the development of the relationship with 3M, any confidential information unlawfully acquired in relation to previous activities or offices.

3M partners undertake to contact the reference 3M representative in order to agree in advance and obtain the necessary authorization in the event of any hospitality, contributions, sponsorship, business lunches, invitations to "Corporate" events, trips, stays and participation in meetings of any kind intended for public officials or providing for the direct or indirect involvement thereof.

Finally, 3M partners undertake to collaborate actively with 3M in the event of investigations made by public authorities with regard to the activities related to the contractual relationship.

**3M GENERAL CONDITIONS OF PURCHASE**

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**ANNEX D****3M PARTNERS – DECLARATION OF ABSENCE OF CRIMES/CRIMINAL OFFENCES**

As requested, we confirm that the SUPPLIER's shareholders and legal representatives have not incurred any criminal convictions in the past for behaviour contrary to the principles of reliability, fairness, honour or moral or professional integrity, nor are they aware of any investigations or proceedings in progress against them for such behaviour.

The foregoing reassurance shall also be deemed to refer to the absence and non-existence of convictions and/or proceedings relating to the establishment of offences against the Public Administration.

In this respect, we further confirm that the SUPPLIER's shareholders and legal representatives may legitimately operate in respect of the Public Administration, no injunction, prohibition, limitation or any impediment connected with or resulting from previous criminal, civil or administrative measures being applied against it.