

# 3M GENERAL PROCUREMENT TERMS

## 1. Terms and definitions

- 1.1. Under these General Procurement Terms, the following terms shall have the following meanings:
- a) **"3M"** means: **3M Russia CJSC**, a company established under the laws of the Russian Federation having its Moscow registered office at "Krylatskiye Kholmy" Business Park, bldg. 3, 17 Krylatskaya St., Moscow 121614, registered in the Uniform Russian State Register of Legal Entities under number 1027700133988 or/and **3M Volga LLC**, a company established under the laws of the Russian Federation having its Yelabuga registered office at bldg. 15/15, Sch-2 St., territory of Yelabuga Special Economic Zone, Yelabuga City Municipality, Yelabuga Municipal District, Republic of Tatarstan, RF, 423600, registered in the Uniform Russian State Register of Legal Entities under number 1121674003384, depending of which of the above companies acts as the buyer of Goods and/or Services
  - b) **"Supplier"** means any company which supplies Goods to 3M Company or provide Services to 3M Company under a Contract;
  - c) **"3M Group"** means the group of companies including 3M Company having its registered office in Saint Paul, USA, and other companies and enterprises being its direct or indirect subsidiaries or affiliates;
  - d) **"GPT"** means these General Procurement Terms;
  - e) **"Goods"** means goods which have been delivered or are to be delivered to 3M Company by a Supplier;
  - f) **"Services"** means Services which have been provided or are to be provided to 3M Company by a Supplier;
  - g) **"Contract"** means a sale contract, delivery contract or contract for fulfillment of a specific assignment, as well as contract for provision of services for a fee and any other contract whereunder the Supplier is to provide to 3M Company Services for a fee or transfer the ownership of or rights to use of Goods;
  - h) **"Delivery of Goods"** means delivery of Goods in accordance with provisions of a Contract;
  - i) **"Purchase Order"** (PO – Annex No.1) means a purchase order for Goods or Services placed by 3M Company as provided by section 3.1 GPT.

## 2. Area of Application

- 2.1. These GPT shall apply to terms of cooperation between 3M and a Supplier under Contracts.

## 3. Purchase Orders

- 3.1. 3M Company shall place Purchase Orders using communication means chosen by 3M Company: by e-mail to the address specified by a Supplier.
- 3.2. A Supplier shall confirm the acceptance of an Purchase Order for execution or refuse to fulfill a Purchase Order without delay after the receipt of a Purchase Order, not later than within 48 hours of the receipt thereof, unless 3M Company has expressly allowed a longer period to the Supplier when placing a specific Purchase Order within which the Supplier must confirm the acceptance of the Purchase Order for execution. A confirmation of the acceptance of a Purchase Order for execution or refusal to fulfill of a Purchase Order shall be given in accordance with the terms of the Contract.
- 3.3. A Supplier's failure to confirm the acceptance of a Purchase Order or refuse to execute a Purchase Order within the period established in accordance with the above section 3.2. shall not release the Supplier from the obligation to deliver Goods or provide Services. Such behavior of a Supplier should be deemed as tacit acceptance of the Purchase Order for execution in accordance with its content.
- 3.4. The existence of a Contract signed by the parties to the Contract shall be a mandatory condition of

placement of a purchase order. A Supplier shall deliver Goods or provide Services to 3M Company in the quantity, in accordance with the procedure and with observance of periods specified in the Contract.

- 3.5. A Supplier may not make changes in its discretion in a Purchase Order.
- 3.6. The Parties may specify in writing persons authorized to place Purchase Orders, accept Purchase Orders for execution and do other acts necessary for proper performance of the Contract. Each Party may at any time cancel such person's authorities to place Purchase Orders, accept Purchase Orders for execution and do other acts and may specify other person or persons upon notice to the other Party in writing or by e-mail.
- 3.7. Provisions of the foregoing section 3.6. shall not affect rights and powers of persons authorized to act on behalf of the Party in accordance with general provisions of a statement of the company or under a power of attorney.
- 3.8. 3M Company may send the Supplier information on forecast demand and purchases which, however, shall not be binding to 3M Company, unless otherwise provided by the terms of the Contract.

#### **4. Payments**

- 4.1. 3M Company shall effect payments to the Supplier only pursuant to originals of duly executed closing documents determined by the terms of the Contract.

As a rule, the list of closing documents includes, but is not limited to:

in case of Delivery of Goods:

- Invoice
- VAT invoice
- Waybill

in case of provision of a Service:

- Invoice
- VAT invoice
- Certificate of Completed Works

In any case, the full list of documents shall be set forth in the Contract between the Parties.

- 4.2. Payment for delivered Goods or provided Services shall be effected by a bank transfer to the bank account of the Supplier specified in the Contract within 90 days of receipt of Goods or Services.
- 4.3. The date of debiting funds from the bank account of 3M Company shall be considered the date of payment.
- 4.4. Payments under the Contract shall be effected only in the currency specified in the Contract.
- 4.5. Payment of an invoice shall not be deemed to be the acceptance of delivered of Goods or provided Services.

#### **5. VAT Invoices and Consignment Notes**

- 5.1. A Supplier shall issue a VAT invoice and a consignment note in accordance with the applicable laws. The above documents shall contain additional information specified by 3M Company, as well as the following information:
  - a) correct Purchase Order number assigned by 3M Company;
  - b) name of the Goods or Service in accordance with the Contract;
  - c) correct item number of the Goods or Service assigned by 3M Company.
- 5.2. An invoice for delivered Goods and provided Services shall be issued based on respective documents issued by the Supplier on the date of delivery or a Certificate of Acceptance signed by the Parties and mentioned in section 7.1. GPT, confirming the due provision of Services.

- 5.3. A Supplier shall send originals of the invoice, VAT invoice, consignment note, certificate of completed works and other documents to 3M Company in accordance with the terms of the Contract.

## **6. Delivery and Acceptance of Goods**

- 6.1. Goods ordered by 3M Company shall be delivered to the place of destination specified by 3M Company on a case by case basis in accordance with Incoterms 2010 on a "DDP – 3M Company's facility" basis, with reservations to section 6.5., unless otherwise provided by the Parties in the Contract.
- 6.2. A Supplier shall deliver Goods in packaging that is suitable for Goods and using types of transport that are suitable for transportation of the specific type of Goods.
- 6.3. Within 48 h (forty-eight hours) before the beginning of delivery of Goods from the Suppliers' place of storage thereof, the Supplier (or, as an alternative, a courier authorized by the Supplier) shall give notice of delivery (notice) to 3M Company and shall specify the courier providing transportation services, if delivery is performed by such courier and specify the expected date of delivery. The above notice shall be given to 3M Company using approved communication means or by e-mail to the address specified in the Contract or any other address specified by 3M Company, and such information shall be confirmed on the phone.
- 6.4. In case of occurrence of circumstances which do not allow a Supplier to deliver Goods within the agreed period, the Supplier shall without delay inform 3M Company of such inability to deliver and respective reasons, as well as a new expected date of delivery.
- 6.5. Goods shall be unloaded at the place of destination by the Supplier at its own expense and at its sole risk, unless otherwise provided by the Parties in the Contract.
- 6.6. Goods shall be deemed to have been accepted according to the quantity and completeness after the entire lot has been unloaded at the place of destination and accepted by 3M Company without any reservations in accordance with the terms of the Contract.
- 6.7. 3M Company may refuse to accept delivered of Goods, if such Goods do not conform to the terms of the Contract (including the specification) or provisions of law, or have other defects, or have been delivered without shipping documents. If 3M Company refuses to accept Goods for the above reasons, the Supplier shall deliver Goods without defect within the period agreed upon by the Parties in the Contract. All related expenses shall be paid by the Supplier. This shall not release the Supplier from liability provided by general provisions of law for a delay in the delivery of Goods and terms of the Contract.
- 6.8. If by agreement of the Parties it is provided for in the Contract that 3M Company must pick up Goods from the Supplier's storage warehouse or any other facility specified by the Supplier, provisions of foregoing sections 6.1., 6.2. (in respect of requirements to transport means), 6.3., 6.5., 6.6. shall not apply. In this case, the Supplier shall give notice 3M Company of readiness of Goods for shipment not later than 72 h (seventy-two hours) before the expected time of shipment, unless otherwise provided in the Contract. The above notice shall be given to 3M Company using approved communication means or by e-mail to the address specified in the Contract or any other address specified by 3M Company, and such information shall be also confirmed on the phone. In this case, Goods shall be deemed to have been accepted after the lot has been delivered to by 3M Company at the place of delivery specified in the Contract and accepted by 3M Company without any reservations in accordance with the terms of the Contract.

## **7. Acceptance of Services**

- 7.1. The acceptance of provided Services shall be confirmed by a Certificate of Acceptance made in writing and signed by authorized representatives of 3M Company and the Supplier; otherwise, acceptance shall be deemed invalid.
- 7.2. If Services have been provided in violation of the Contract (including the specification) or provisions

of law or have other defects, 3M Company may refuse to accept such Services and shall have other rights arising out of provisions of the Civil Code or other provisions of laws regulating the specific type of a Contract. Regardless of rights provided by provisions of law, if 3M Company refuses to accept Services, the Supplier shall, upon the receipt of a request of 3M Company, eliminate all of the defects in the provided Service in accordance with the terms of the Contract. All expenses for elimination of defects shall be paid only by the Supplier.

- 7.3. In the event of occurrence of circumstances which do not allow the Supplier to provide Services within the agreed time, the Supplier shall without delay inform 3M Company of such inability to provide Services and the respective reasons, as well as a new expected date of provision of Services.

## **8. Testing and Inspection**

- 8.1. 3M Company may carry out tests and inspections of Goods at various stages of the manufacture process and during storage of Goods at the Supplier's warehouse. The said tests and inspections shall be carried upon 7 business days' prior notice to the Supplier. The Supplier shall provide to 3M Company an opportunity to perform such tests and inspections. If as a result of the above tests and inspections 3M Company identifies that (i) prepared Goods do not conform to the terms of the Contract (including the specification) or provisions of law, or (ii) it is unlikely that unfinished Goods will conform to the Contract (including the specification) or provisions of law after the completion of the manufacture process, 3M Company shall inform the Supplier thereof, and the Supplier shall as soon as possible and at its own expense replace prepared defective Goods with Goods without defects or take measures to ensure that Goods that are in the process of manufacture conform to the terms of the Contract (including the specification) or provisions of law that are in effect as of the time of completion of the process.

## **9. Quality and Manufacture**

- 9.1. A Supplier represents and warrants that all of the Goods manufactured and delivered during performance of the Contract will conform to the terms of the Contract (including the specification) or provisions of law, that they will not have defects (including defects of materials and manufacture defects), and that they will be of satisfactory quality and fit for use for a designated purpose determined by 3M Company.
- 9.2. A Supplier represents and warrants that all of the Services provided during performance of the Contract will conform to the terms of the Contract (including the specification) and provisions of law, and that the Supplier will provide Services with the highest degree of care, taking into account the professional nature of the Supplier's activity.
- 9.3. A Supplier shall comply with provisions of a Contract in accordance with the laws of the Russian Federation, specifically with provisions of:
- a) Law on protection of environment;
  - b) Laws on labor, health and safety, including decrees prohibiting child labor;
  - c) Laws on prevention of unfair competition, as well as competition and protection of consumers' rights;
  - d) Tax laws and accounting regulations;
  - e) Laws on protection of intellectual property;
  - f) Laws on protection of personal information.

## **10. Warranty**

- 10.1. 3M Company shall have the right to a statutory warranty.
- 10.2. 3M Company shall inform the Supplier of any identified defects of Goods within the period agreed by the parties in the Contract.
- 10.3. Notices shall be sent by fax or e-mail to the address specified in the Contract or a separate letter delivered to the Supplier.

- 10.4. If Goods are defective, 3M Company shall have the right to do one of the following acts at its own option:
- a) If Goods are determined by type – request the Supplier to pick up from 3M Company defective Goods and replace them with Goods without defects within the period agreed upon by the Parties in the Contract; if a Supplier has failed to comply with its obligation to replace defective Goods, 3M Company may terminate the Contract without allowing an additional time and terminate any other contracts that have not been performed, which subject matter includes the same Goods which have been claimed defective under a specific Contract; or
  - b) If Goods are determined by identity - request the Supplier to pick up defective Goods within the period agreed upon by the Parties in the Contract. 3M Company may terminate a Contract without allowing an additional time and terminate any other contracts that have not been performed, which subject matter includes the same Goods which have been claimed defective under a specific Contract; or
  - c) Request to reduce the price for the goods (also in case of a Supplier's failure to comply with the period specified in sections 10.4 a) or 10.4 b)) or terminate the Contract (in part or in full); and
  - d) In the event of the Supplier's failure to comply with the period specified in the Contract – purchase Goods from another supplier at the expense of the Supplier at market prices upon prior written notice to the Supplier. All expenses in connection with an alternative delivery shall be paid by the Supplier. The exercise of the right provided by section 10.4 c) shall exclude the possibility to exercise the right to have Goods replaced which is provided by section 10.4 d).
- 10.5. Regardless of the rights set forth in section 10.4. above, 3M Company may require to compensate for the entire damage inflicted to 3M Company in connection with an identified defect of the Goods or a delay by a Supplier in performance of its obligations.
- 10.6. The warranty term shall be 2 (two) years after the date of acceptance by 3M Company of Goods without reservations in accordance with paragraph 6.6 or 6.8 GPT.

## 11. Liability

- 11.1. A Supplier shall be fully liable to 3M Company for damage inflicted as a result of failure to perform or improper performance of the Contract.
- 11.2. A Supplier shall be liable to 3M Company for any complaints, claims or similar actions of third parties against 3M Company related to Goods or Services. In this case, 3M Company may request the Supplier to reimburse all of the expenses incurred in connection with such actions of third parties against 3M Company mentioned in the previous sentence, including expenses for legal services, provided that the Supplier has been informed in advance of such actions.

## 12. Confidentiality

- 12.1. A Supplier shall not disclose to third parties the content of these GPT, provisions of a Contract and any other information received during negotiations and performance of the Contract, including any information related to the subject matter of a Contract, as well as information on 3M Company or 3M Group and the activity of 3M Company or 3M Group. In addition, a Supplier may not disclose the fact of cooperation with 3M Company, including information on provision of Services to 3M Company or Delivery of Goods to 3M Company; specifically, a Supplier may not include information on cooperation in its documents, use it on its websites or otherwise publish the fact of cooperation with 3M Company ("**Confidential Information**").
- 12.2. The above obligation shall not apply to information which:
- a) has been made public for proper performance of provisions of the Contract;
  - b) was known to the Supplier before the beginning of negotiations and entering into the Contract;
  - c) has been published without violation of the laws, these GPT or Contract;
  - d) has been published with the written consent of 3M Company.
- 12.3. The confidentiality obligations provided by this section shall not violate the obligation to provide

information to competent authorities pursuant to a binding legal order. A Supplier also shall ensure that its employees and persons engaged for performance of the Contract keep Confidential Information confidential. The confidentiality obligation shall be perpetual and shall survive the termination of the Contract.

- 12.4. A Supplier may not use a logo, graphical elements, other trademarks or intellectual property rights owned by any enterprise of 3M Group.
- 12.5. A Supplier may publish information on cooperation with 3M Company, including, but not limited to, on its websites, only with the prior written consent of 3M Company in this respect.

### **13. Returning of Documents**

- 13.1. Unless otherwise provided by terms of a Contract, the Supplier shall return all of the documents, their copies and other materials received from 3M Company in connection with performance of the Contract within fifteen (15) calendar days of termination thereof or upon the request of 3M Company, and, within this period, the Supplier shall destroy own copies of notes and other materials developed based on the above documents or materials.

### **14. Violation of Third Party Intellectual Property Rights**

- 14.1. A Supplier represents and warrants that performance hereof in no way violates any intellectual property rights and, therefore, 3M Company will not be held liable by the Supplier for damages arising in connection with violation of intellectual property rights of third parties, and that the Supplier will pay compensations on any complaints of third parties in connection with such violation.

### **15. Subcontractors**

- 15.1. A Supplier may not assign third parties to perform its obligations under the Contract or perform its obligations with the assistance of such third parties without the prior written consent of 3M Company. If 3M Company gives its written consent for engagement of third parties, the Supplier shall be liable for acts and omissions of such parties as if they were its own acts or omissions.

### **16. Assignment of Rights and Obligations**

- 16.1. A Supplier may not assign its rights and obligations under the Contract (in part or in full) without the prior written consent of 3M Company; otherwise, such assignment shall be invalid.

### **17. Correspondence**

- 17.1. Unless otherwise provided in the Contract, any statements, notices and other information exchanged by the Parties shall be sent in writing or delivered personally or shall be sent by registered mail or courier service to the other Party to the address of its register office specified in the Contract (hereinafter - "**Address for Correspondence**"). Each Party shall inform the other Party of any change in its Address for Correspondence in writing; otherwise, correspondence shall be sent to the address specified earlier. If a Party fails to inform the other Party of a change in its Address for Correspondence through the fault of the recipient, the parties agree that delivery to the previous address shall be performed after the expiry of three (3) business days after an attempt to deliver it to an address provided earlier. In addition, if correspondence cannot be delivered through the fault of the recipient, such correspondence shall be deemed to have been delivered on the third business day following the attempt to deliver it, and if such delivery has appeared to be impossible through the fault of the recipient.

### **18. Force Majeure**

- 18.1. If the Parties fail to perform their obligations under a Contract (in full or in part) due to the

occurrence of force majeure events, they shall not be liable for failure to perform or improper performance of such obligations and, specifically, they shall not pay any penalties provided by the Contract for the other Party to the Contract. A force majeure event is understood as an event beyond the control of a Party claiming the occurrence of a force majeure event which occurrence or consequences cannot be forecast or foreseen by such Party. If force majeure events prevent the performance of the Contract for a period of more than three (3) months, any Party may terminate the Contract with immediate effect.

#### **19. Foreign Corrupt Practices Act (FCPA – Annex No.2)**

- 19.1. A Supplier shall always comply with applicable national and international anti-corruption standards.
- 19.2. A Supplier will not offer, give, promise or allow to give any gift or other thing of value (directly or indirectly) for the purpose of (a) influencing acts or a decision of public official or political party (or a candidate thereof) (hereinafter collectively referred to as "Public Officials"); (b) inducing a Public Official to do an act or omission which would be a violation of statutory obligations of such Public Official; or (c) inducing a Public Official to use its influence in a foreign government or organization for the purpose of assisting the Supplier in performance of its obligations hereunder and fulfilling a Purchase Order.
- 19.3. A Supplier and its affiliates shall always maintain complete and accurate documentation. All records and information which the Seller delivers to 3M Company in respect of performance hereof and a Purchase Order shall be complete and trustworthy.

#### **20. Exclusion Clause**

- 20.1. If any provisions of these GPT or a Contract are recognized invalid, then such invalid provisions shall be replaced with a corresponding statutory provision. Complete or partial invalidity of provisions of these GPT or a Contract shall not affect the validity of other provisions of GPT or Contract.

#### **21. Place of Resolution of Disputes**

- 21.1. A court having a respective geographical jurisdiction for resolution of disputes arising out of a Contract shall be a court having general jurisdiction over the registered office of 3M Company.

#### **22. Compliance with Health and Safety Regulations**

- 22.1. During the stay of a Supplier on the premises of 3M Company, the Supplier supplying Goods or providing Services to 3M Company, and employees of the Supplier, as well as persons engaged by the Supplier for performance of the Contract shall comply with the health and safety regulations, internal regulations of 3M Company and fire safety policy that are in effect on the premises of 3M Company.

#### **23. Other Provisions**

- 23.1. These GPT, a Contract and any transactions between 3M Company and a Supplier shall be regulated by the Russian laws, and their provisions shall be construed accordingly.
- 23.2. Headings of sections of a Contract and GPT shall serve only for convenience of reference and shall not be taken into account during construction of provisions of a Contract or GPT.
- 23.3. If a Contract is made in two languages, then, in the event of disagreements between versions thereof, the Russian version shall prevail.

**January 2017**

## Annex 1

### Purchase Order (PO):

# 3M

## Purchase Order

No. \_\_\_\_\_

The above number is to be specified in all respective correspondence, shipping documents and invoices

3M Russia CJSC  
bldg. 3, 17 Krylatskaya St.,  
Moscow 121614  
Tel. +7 (495) 784-74-74,  
Fax +7 (495) 784-74-75

**To:**

**Consignee:**  
3M RUSSIA  
KRYLATSKAYA 17 BLDG 3 No. 255  
121614 MOSCOW  
RUSSIA

**Date:**

**Terms of payment:** days after the date of the VAT invoice

**Terms of delivery:**

**Method of delivery:**

**Payer:**

3M Russia CJSC  
bldg. 3, 17 Krylatskaya St.,  
Moscow 121614  
Tel. +7 (495) 784-74-74,  
Fax +7 (495) 784-74-75

**Buyer:**

**Send invoice to:**

3M Russia CJSC  
bldg. 3, 17 Krylatskaya St.,  
Moscow 121614  
Tel. +7 (495) 784-74-74,  
Fax +7 (495) 784-74-75

Item No.	Description	Quantity comma separates a fraction from the whole number	Unit Price	Date of Delivery (mm.dd. yyyy)	Total Price
1					
<b>Total without VAT Currency</b>					
<b>Important</b>					



**Annex 2**

**3M Supplier Code**