

**GENERAL CONDITIONS OF PURCHASE**  
**OF**  
**3M ČESKO, SPOL. S R.O.,**  
Effective as of 1<sup>st</sup> August, 2018

*This is a translated version of the Czech General Conditions of Purchase, which takes preference over the English translated version. Upon your request a copy will be sent to you immediately free of charge.*

## **1. SCOPE**

1.1 These General Conditions of Purchase apply for all transactions by and between 3M Česko, spol. s r.o., (hereinafter referred to as: "3M") as purchaser/customer/client and the Supplier of goods and/or services.

1.2 By accepting the purchase order the Supplier accepts these General Conditions of Purchase. Deviating conditions or confirmations apply only as accepted with the express written permission of 3M.

1.3 These conditions may be amended or supplemented at any time by 3M.

## **2. PROCEDURE OF CONCLUDING CONTRACTS**

2.1 3M's orders are only binding if they are made in writing (incl. fax or in electronic form) and contain a purchase order number. Its format shall be the following: 10 digits and starting with 35xxxxxxxx, 45xxxxxxxx or 70xxxxxxxx based on the type of service provided.

3M order – besides PO number - shall include in addition the below data:

- Supplier's identification data,
- the application of these General Conditions of Purchase,
- description of the required goods and/or services,
- the price of goods and/or services.
- date of the required delivery of goods and/or services.

2.2 The order sent by 3M represent the proposal for concluding contract between 3M and the seller/supplier the identification of whom is stated on the order (herein referred to as „Supplier“).

2.3 The contractual relationship, to which these General Conditions of Purchase apply, is established in the moment of the delivery of the acceptance (confirmed order) by the Supplier to 3M as the case may be by expiration of the term for order acceptance as specified below.

2.4 The Supplier must accept the Order within 3 working days from it's receipt. In absence of the confirmation within the specified term, the order is deemed to be accepted by the Supplier.

## **3. DELIVERY / LEAD TIME**

3.1 The date of delivery shall be as stipulated in the order sent by 3M.

3.2 The place of delivery is 3M's registered office, if not stated otherwise in the order.

3.4 As soon as circumstances become evident that make a timely delivery impossible, the Supplier is obliged to inform 3M immediately in writing, stating details and reasons of the delay and refer to the 3M purchase order number. 3M can without setting a deadline insist on fulfilment or cancel the order. The legal compensation claims and rights are reserved by 3M.

3.5 Unless agreed otherwise in the order, the goods shall be considered delivered on the day of goods delivery to 3M based on the signed delivery note (hereinafter referred to as "Delivery Note") and in case of a service by handing over the service based on the signed Service/Work Take-over Report/Performance Certificate.

#### **4. MATERIALS PROVIDED BY 3M**

4.1 Materials provided by 3M to fulfil the order shall remain the property of 3M and it is to be marked as 3M-owned and stored separately until production. The Supplier must ensure that no improper use is made of the materials and insure it against fire or water damage and theft and use economically.

4.2 When an order is to be executed according to drawing, the drawing is leading, any sample can only act as illustration of the drawing.

#### **5. PACKAGING, SHIPPING, TRANSPORTATION**

5.1 The Supplier is obliged to comply with 3M's packaging requirements, unless otherwise agreed. Furthermore, the principle applies that goods must be protected from damage during transport and storage, and labelled with contents.

5.2 Each shipment must be accompanied by a Delivery Note. The Delivery Note, as well as the invoice must contain the following data:

- The complete 3M purchase order number,
- Name of contact at 3M and that of the Supplier,
- Accurate delivery quantity and description of goods,
- Details of part- and final delivery.

5.3 Unless otherwise agreed, the goods must be delivered prepaid destination (INCOTERMS 2010 DDP). Transport takes place, unless otherwise agreed in advance, at the responsibility and expense of the Supplier. and risk will only pass to 3M at the time of delivery of the products at the agreed delivery address.

5.4. For deliveries made by foreign subsidiaries of Suppliers the Supplier has to obtain shipping instructions from 3M in a timely manner. The Supplier is responsible for the relevant accompanying documents.

5.5 The Seller is obliged to deliver with the goods and/or services also all the necessary covering documentation depending on the character of the goods to be delivered and/or services to be provided: e.g. manual in Czech (as per the language of the 3M purchasing entity), compliance of the products determined according to the legal regulations for evaluating compliance, and information of the way of disposing the goods and their packing after the usage/consumption of the goods.

#### **6. TERMS OF PAYMENT**

6.1 The price of goods and/or services stated in the order is firm and final.

6.2 The prices are fixed without VAT. VAT should be presented separately and with the corresponding VAT rate.

6.3. The invoice must contain swift code and IBAN bank account number.

6.4 The price includes all the costs of the Supplier associated with the delivery of goods and/or services to 3M (such as packaging, transportation, cargo insurance, customs duties and other taxes and fees are included in the fixed price).

6.5 The Supplier undertakes to issue the invoice, with prerequisites of a tax document pursuant the applicable legal regulations and to send them to 3M stating the number of the order. Provided that the goods and/or services were delivered properly in accordance with the conditions fixed in the respective contract (i.e. in time, properly, without defect and arrears), the price for the goods and/or services is due within standard payment terms of **thirty (30) calendar days** from the day of Supplier's invoice issue date.

If the invoice does not have the necessary prerequisites as required by law, then 3M is authorised to send the invoice back to Supplier, who is obliged to issue it correctly.

6.6 Electronic invoices to be sent to this general e-mail address: [3mapcemea@mmm.com](mailto:3mapcemea@mmm.com)

## **7. SUBCONTRACTING**

7.1 The order or any part thereof must not be sub-contracted or assigned to third parties without 3M's upfront written consent.

7.2 Where consent to sub-contract is given, the Supplier shall be liable for any acts and omissions of the sub-contractors as its own.

## **8. FAULTY GOODS, WARRANTY CLAIMS / LIABILITY:**

8.1 The Supplier is obliged to deliver the goods and/or services without defects and arrears, in proper quality based on the specification stated in the order and eligible for the purpose determined by 3M.

The Supplier warrants that the goods are free from material and title defects, and has the prerequisite condition and warranty. The same applies to the observance of standards and legal and regulatory requirements to generally accepted engineering, occupational safety, accident prevention and environmental protection in the country of manufacture and in Czech Republic. To comply with these provisions, the Supplier provides 3M with information in a suitable form for the components of the delivered goods and guarantee their accuracy. 3M is by reservation entitled to carry out Supplier quality audits.

8.2 The Supplier has to examine the goods in full before shipment. Statutory audit and complaint obligations of 3M are expressly excluded.

8.3 Unless otherwise stated in individual cases, the Supplier shall provide for the goods and/or services the guarantee of 24 (twenty-four) months from the date of delivery of goods and/or services to 3M.

Neither the inspection nor acceptance of the subject matter of the order (nor the payment thereof) nor any failure on 3M's part to insist upon the strict performance of any term(s) and/or condition(s) of the order shall be deemed to be a waiver either of any rights and/or remedies 3M may have by virtue of the terms and conditions of this order or of any subsequent default on Supplier's part.

8.4. When in a single delivery defects occur, 3M has the right to cancel the remaining outstanding quantities of the same product and / or to withdraw from the contract without an obligation to compensate. For repaired or replaced parts the warranty will start afresh.

8.5 The Supplier is obliged to indemnify 3M against product liability claims that are attributable to the Supplier delivered goods.

## **9. TRADE SECRETS / CONFIDENTIALITY / PROPRIETARY RIGHTS**

9.1 All data, drawings, designs and other documents and information that have been handed over to the Supplier linked to an order, need to be treated confidentially and are not supposed to be used for other purposes, copied or made available to third parties. This is also applicable for the period of the feasibility study, contract negotiations and even after the end of the contractual relationship. The documents and information provided by 3M must be available upon request or destroyed. For breach of these confidentiality and return obligations, the Supplier has to pay a penalty equivalent to 10% of the value of the agreed total gross delivery (without VAT). This payment does not exempt the Supplier from the duty of confidentiality, but will be offset to the damages to be paid.

9.2 The Supplier warrants that its goods and services do not infringe any intellectual property rights and manufacturing and business secrets of third parties. The Supplier shall indemnify 3M against any third party claims and at the request of 3M take the lead in a process.

## **10. TERMINATION OF CONTRACT**

10.1 (Extraordinary notice) 3M is entitled to - via delivering a written termination notice to the Supplier - terminate the Contract with immediate effect for legal reasons and/or in case of an essential breach of the contract by the Supplier. An essential breach of the contract by the Supplier means especially (but not limited to) the following cases:

- Delay with the delivery of goods and/or services lasting more than 5 (five) working days, or
- When a not rectifiable defect occurs on the work/service during the warranty term. or
- in 3M's sole opinion, a material detrimental change occurs in the financial and business situation of the Supplier.

10.2 (Ordinary notice) If the contract is concluded for continuous supplies/services (i.e. for indefinite period of time) the termination period should be 30 (thirty) calendar days for 3M and such termination - via delivering a written termination notice to the Supplier - shall be possible without reasoning.

## **11. FURTHER PROVISIONS**

11.1 3M's title to contractual penalty does not affect 3M's title to the damage recovery, based on the same breach of the contractual duty, establishing the title to the contractual penalty, in the full scope.

11.2 The Supplier is not authorised to assign/transfer/cede his rights and duties under this contract without 3M approval.

11.3 All notices between 3M and Supplier can be sent via means of electronic communication to the e-mail addresses stated in the order and acceptance.

11.4 3M's order and its acceptance by the Supplier, and these General Conditions of Purchase represent a complete agreement between 3M and Supplier of the contract subject.

11.5 For the case, where a separate contract is concluded between 3M and the Supplier in writing, this contract shall prevail and have priority over the provisions of these General Conditions of Purchase.

11.6 Any amendments to the contract shall be done in writing. The communication by electronic means is considered as a written form.

## **12. APPLICABLE LAW**

8.1 These General Conditions of Purchase are regulated by Czech law excluding the UN Convention on Contracts for the International Sale of Goods. Place of performance.

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